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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS

ERNEST J. ISTOOK, JR., Oklahoma, *Chairman*

FRANK R. WOLF, Virginia
ANNE M. NORTHUP, Kentucky
JOHN E. SUNUNU, New Hampshire
JOHN E. PETERSON, Pennsylvania
TODD TIAHRT, Kansas
JOHN E. SWEENEY, New York
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STENY H. HOYER, Maryland
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
STEVEN R. ROTHMAN, New Jersey
PETER J. VISCLOSKY, Indiana

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MICHELLE MRDEZA, JEFF ASHFORD, KURT DODD, and TAMMY HUGHES,
Staff Assistants

PART 2

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT AND INDEPENDENT AGENCIES

Printed for the use of the Committee on Appropriations

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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR FISCAL YEAR 2002

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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR 2002

THURSDAY, MAY 3, 2001.

EXECUTIVE OFFICE OF THE PRESIDENT

WITNESSES

PHILLIP D. LARSEN, SPECIAL ASSISTANT TO THE PRESIDENT AND DIRECTOR OF THE OFFICE OF ADMINISTRATION, EXECUTIVE OFFICE OF THE PRESIDENT

JAMES F. DANIEL, ASSOCIATE DIRECTOR FOR FINANCIAL MANAGEMENT, OFFICE OF ADMINISTRATION, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. ISTOOK. I call the subcommittee to order. Good afternoon. I am pleased to welcome on behalf of the White House and the Executive Office of the President the Special Assistant to the President and Director of the White House's Office of Administration, Phil Larsen. Mr. Larsen, you are not a stranger to the White House and you are not a stranger to the Congress. You have a long, distinguished career. We appreciate that, your service to the legislative and executive branches; and I was told it's 34 years; is that correct?

Mr. LARSEN. Probably closer to 27.

Mr. ISTOOK. Okay. Well, I wasn't going to be surprised if it was 34 years. I was just going to be surprised that you would actually admit it. So we certainly all appreciate and commend your dedication to civil service and commitment to ensure that the President has all the tools he needs. And with you this afternoon, if you want to——

Mr. LARSEN. With me this afternoon at the table is Jim Daniel. He's the Associate Director for Financial Management in Office of Administration.

Mr. ISTOOK. We are glad to have you here, Mr. Daniel. I know it's a lot of hard work and it's been especially hard work going through the transition that you both have been through and to some extent are still going through right now. So we appreciate the efforts that you have made.

I certainly share your desire to make sure that we have a close and solid working relationship and, as I know you reference in your opening statement, one that always keeps in mind our respective roles. There's a special level of deference that I know this subcommittee has always felt necessary toward the White House and the Executive Office of the President. I know that Mr. Hoyer certainly shared that during his time in chairing this subcommittee. That doesn't change our roles as fiscal stewards and watchdogs,

but we do recognize the difference in the branches under our Constitution. And I want to assure you that I, and I believe every member of this subcommittee, is committed to making sure that the President has the tools, the staff, and the resources that he needs to carry out his responsibilities.

Over the past several years we have certainly seen tremendous growth in some of the costs associated with the Executive Office of the President and the Executive Residence, something that we all find necessary to maintain in peak condition because it is a very unique institution, a very unique place in the entire country.

As appropriators, we have the responsibility to make sure the Federal dollars are used for their intended and authorized purposes, no others, and in ways that reflect sound management and sound business judgment. So, because of this, there's been different changes to the White House account over recent years. I don't anticipate any rescission being proposed by the Bush administration of those. We do have a draft budget amendment for the Executive Office of the President that focuses on consolidating 16 separate appropriations accounts into one, which we look forward to discussing with you. Certainly we can recognize some merits of what the President would like to do with streamlining and centralizing some basic support functions, but we have concerns about implications on our ability to have proper oversight with the necessary degree of information flowing back and forth. So I assure you that, just as we had maintained scrutiny during the prior Administration to look after taxpayers' dollars, we wish to have that same level of scrutiny with the current Administration. I don't think that you would have any disagreement with that principle either.

The President is calling on all the Federal agencies to tighten their belts, to be smart with the resources that they employ. Obviously given the freeze plus budget that the President has requested, he's taking that burden upon himself as well. And we all recognize that one important attribute of leadership is leadership by example. While I'm certain there are some economies of scale that the White House could achieve, as I mentioned to you before, I have some concern where the White House nevertheless may shortchange itself. We all want to make sure that the President has all the necessary resources. For instance, I am aware the White House has had unanticipated expenses in connection with ongoing efforts to reconstruct e-mail, and even though that activity has been transferred to the National Archives, the EOP still has an active role in that. It involves unexpected activity, with additional costs exceeding a million dollars, which the Bush Administration, through no fault of its own, has had to absorb. That's an absorption that we certainly don't hold against the Administration and want to rectify, if the White House so wishes.

I am curious that there was not a supplemental request for appropriations for transition-related expenses, realizing that some of the expenses of the outgoing Administration, with the changes associated with that, and severance pay required, that they were certainly spending some amounts in excess of what we expected would be spent. That obviously could create a desire by the President for a supplemental appropriations to make sure that he has the requisite personnel.

So it's been a little unusual to us that there was not such a request. We're not begging you to take any money that you don't want. We are simply trying to signal to you that this body does want to make sure that the President has the appropriations, the funding, the resources, and the personnel that he deems are necessary to carry out his enormous responsibilities.

[The information follows:]

The Honorable Ernest J. Istook, Jr.

Subcommittee on Treasury, Postal Service, and General Government

Opening Statement

Executive Office of the President

May 3, 2001

I am pleased to welcome the Special Assistant to the President and the Director of the Office of Administration, Phil Larsen, this afternoon. Mr. Larsen, you are not a stranger to the White House nor are you a stranger to Congress. You have a very long and distinguished career, serving both the Legislative and Executive branches of government over the past 34 years. I commend you for your dedication to civil service and your commitment to ensuring that the President has all the tools he needs to effectively and efficiently carry out his many responsibilities. I also believe that you and your staff deserve special recognition for the outstanding work you performed during an abbreviated transition. I know that all of you have put in many long hours –above and beyond the call of duty. Your hard work has clearly paid off –by all appearances, the transition was both smooth and efficient. I congratulate and thank you and your staff for your tremendous efforts.

I share your desire to develop a close working relationship and, as you reference in your opening statement, one that is mindful of our respective roles. Again, like you, I am committed to ensuring that the President has the tools, the staff and the resources he needs to carry out his responsibilities.

Over the past several years, we have witnessed a tremendous growth in some of the costs of operating the Executive Office of the President and, in particular, the Executive Residence. As appropriators, our responsibility is to ensure that federal dollars are only used for their intended and authorized purposes and in ways

that reflect sound management and business judgment. With this in mind, Congress has made a number of changes to White House accounts over the past few years. I do not anticipate that any of these changes will be rescinded during the Bush Administration.

I note that the President has recently submitted a budget amendment for the Executive Office of the President, seeking to consolidate 16 separate appropriations accounts into one. Mr. Larsen, I look forward to discussing this proposal with you today; I believe there are merits to what the President would like to do – particularly as it relates to streamlining and centralizing basic support functions of the White House. Nonetheless, I have some reservations about the implications the proposal might have on the Committee's oversight responsibilities. I can assure you that, just as this Committee maintained scrutiny over federal dollars provided to the executive offices that supported former President Clinton, we are committed to maintaining that oversight during President Bush's administration.

The President is calling on all federal agencies to tighten their belts and be smart with the resources they have. Obviously, given the freeze plus budget that the President has requested, he is proposing to do the same himself. While I am certain that there are some economies of scale that can be achieved in the White House, I am also concerned that the President may be short-changing himself. For instance, I am aware that the White House has had unanticipated expenses associated with the on-going e-mail reconstruction effort. Although this activity has been transferred to the National Archives, the Executive Office of the President maintains a very active role in this project; some of that activity was not expected and has resulted in additional costs of $1.3 million to date. Unfortunately, through no fault of your own, the Bush Administration has had to absorb these costs, cutting back on current White House operations in order to pay for past problems.

I am also curious that the President did not submit a supplemental request for appropriations for transition related expenses. This is extremely unusual –in fact former President Clinton requested a supplemental of nearly $12 million during his

transition in 1993. While I am not encouraging you to submit a supplemental request, I also want to be sure that the President has all of the resources he needs in order to carry out his many pressing responsibilities.

Mr. Larsen, I look forward to your testimony here this afternoon.

Before we begin, I would like to recognize Mr. Hoyer for any opening remarks he might have.

Mr. ISTOOK. So, Mr. Larsen, we are pleased to have you. I look forward to your testimony. But before we hear that, I'd like to recognize our Ranking Member, Mr. Hoyer.

Mr. HOYER. Thank you very much, Mr. Chairman. I must say where you sit apparently, I want to say somewhat cynically, affects how much resources you think the White House ought to have. I've gone through now 5 years of hearings where the White House did not receive as receptive a hearing as I thought they deserved. I'm pleased at your comments but it's a very, very different tone in dealing with a Republican administration than a Democratic administration.

I want to tell you, very frankly, I'm going to be very serious about this budget. I've served on this committee for 18 years. For 13 years this committee, headed by Democrats, gave to Republican Presidents everything they wanted, with minuscule exceptions dealing with the Environmental Council. In the past 5 years, this budget has been subjected to scrutiny far beyond what I thought was appropriate as it related to the comity that should exist between the executive and the legislative agencies and unlike anything that had occurred, notwithstanding the fact that there was substantial difference between the Reagan administration and this House, headed by Democrats and controlled by Democrats overwhelmingly, and indeed by the Bush administration.

Frankly, I had not intended to be as pointed in my opening remarks, but nobody was falling all over themselves last time to make sure the White House had sufficient resources to do their job or, when they got in crunches as it related to computers, to facilitate their handling that.

Now, this is not directed at either one of you, but it is to say that we are going to be very serious about making sure that the criteria applied to the former White House is applied to this White House. I will do it in the framework of a very strong commitment to that first 13 years that I was on this committee, where I think that the White House, the executive agency, the Office of the President, deserves deference, and I don't intend to change from that mode of operation. I agree with the Chairman's comments that the White House does in fact need the resources necessary to carry out the duties to which the American public elected it.

I intend to follow that conviction. I don't want you to think that because what I thought was done to the White House last time was not appropriate that I intend to follow that same conduct. I do not, because I do believe, as the Chairman indicates, that you are due deference, but I want to say in all fairness that it will not affect me in terms of the consideration that I give the White House that Jim Daniels lives in my district, but it will be an important point in dealing with him. I want you to know that.

But I don't know how familiar you are or how much of a review of the record you have made over the last 5, 6, 7, 8 years, but we have had real contention with respect to this minuscule budget, in my opinion for political reasons, not for budget reasons, and some of that time the Chairman was not on this committee and the Chairman of this committee was somebody for whom I have great respect and, more importantly, great admiration and affection and who is, I think, my good friend, Mr. Kolbe. But we have very seri-

ous differences on how this White House budget was treated under the Clinton administration.

So I want to place in context for you what my focus might be. Again, I do not intend to apply what I perceive to be the same criteria that were applied in the past, but I will be cognizant of them and do intend to point out on an appropriate basis discrepancies that I see between the treatment of the former White House and this White House by the Majority.

Thank you very much Mr. Chairman.

Mr. ISTOOK. Thank you, Mr. Hoyer. I think that if you went back through the record during my prior service on this subcommittee, you will certainly find that I made the same type of comments with the attitude of deference and respect for the institution and the individual serving as President. We may all sometimes have disagreements on specific items, whether we think it's merited or whether it's being done in a straightforward matter and so forth, but I don't think that undercuts what you have and that I have, and I believe every member of our subcommittee has, which is a healthy and proper respect for the Presidency and for those that serve the Presidency.

Mr. Larsen, we are prepared for your testimony. It's our practice before we receive it to swear all witnesses, and I don't know if Mr. Daniel would be intended to share in the testimony or not, so whether he should receive the oath also. If you would stand.

[Witnesses sworn.]

Mr. ISTOOK. Thank you both. And please feel free, Mr. Larsen, since we have your written statement which will be in the record in its entirety, feel free to depart from it or even to be extemporaneous, however you wish.

Mr. LARSEN. Thank you, Mr. Chairman, members of the committee. I will summarize my statement for you and we can, with your permission, put the balance of it in the record.

I'd like to respond to the comments both from the Chairman and Mr. Hoyer. As I said in my opening statement, we are absolutely committed to working with this committee and its counterpart in the Senate to open a dialogue and have close collaboration on everything we are doing.

I have been fortunate, as the Chairman pointed out, to have had the opportunity to sit both at this table and on the other side, and I know the importance of having open communications, and accurate information. Most problems can be resolved if we work together on that. I have had the pleasure of meeting with you. I'm delighted to see Michelle there. I have known Michelle for a long time. We hope to keep this dialogue open at all times.

TRANSITION ACTIVITIES

The testimony that I'm going to present today consists of 9 of the 13 components of the Executive Office of the President. But before I go into some of the details, I might just mention a few highlights of the last 15 weeks or so. As the Chairman mentioned, we are finishing up the transition period. We did what I believe—and I have been through a few of them—a very smooth transition, at least as far as the Executive Office of the President and the White House is concerned. In accordance with the direction of the President and

the Chief of Staff, all new employees completed their personnel action and payroll actions in the required time; that is, within the first 14 days following the date of their appointment. In addition, they all completed the standard Form 86, which is the security questionnaire, and had it turned in within 30 days of the date of their employment.

During the first 50 days we appointed 334 new employees in the Executive Office of the President, and of those 323 of them were drug tested within the first 30 days of their appointment.

Within the first 60 days, we produced an employee manual which is about this thick, which provides guidance for all the new staff on how to do things around the White House. It is an administrative manual. And we were able to put out an Executive Office of the President-wide telephone book within the first 60 days.

As I said, I have been through several Presidential transitions. This one went very, very smoothly and I attribute that basically to two factors. Number one, we were fortunate in that many of the people that were coming into the White House had been there before. Two of the people coming in, Vice President Cheney and Chief of Staff Andy Card, had served as Chiefs of Staff in the White House before. So we had a good foundation and we had a good group of people who knew what to expect when they arrived.

Secondly, I think credit goes to the administrative and the career staff that is in the White House that carries over from administration to administration. Jim is an example of them, and several of them behind me. These are folks who work every day to support the EOP, Office of the President, regardless of who the President is. When we came in and we had 15 weeks to get ready for this hearing and even shorter times to do other things, these are the folks we turned to, and they're the ones who produced the results. We certainly couldn't have had a good, smooth transition without them.

Now, in addition to getting through the transition—and as you indicated, we're not all the way through all of it yet—we have initiated a couple of things that we'd like to share with the committee. As you all know, the Chief Financial Officers Act was amended last year to include the Executive Office of the President, and it was to go into effect on Inauguration Day, on January 20th. We're excited about that. We see that as an opportunity to streamline some processes and get a better handle on this sprawling enterprise of 13 different agencies.

Under the CFO Act, all financial management activities in the Executive Office of the President will come under the jurisdiction of the Chief Financial Officer, CFO. We are recruiting at the present time. I am interviewing people at the present time to come down to a group of final 5, from which the selection will be made. We hope that will be done by the end of the month.

In addition, the act requires a person designated by the President to serve as the agency head for the EOP. That designation has been prepared and a person has been designated, but it has not been approved yet by the President. As soon as it has been approved I will let you know who it is.

In addition, and you touched on it briefly, in addition, in order to make the CFO Act work, we believe it would be appropriate to

consolidate the EOP separate appropriations into a single appropriation. And I know OMB has had discussions with many of you on this amendment which is also on the President's desk to be signed and should be to you, later today.

What this allows the CFO to do is to give him full jurisdiction, within limits, over the entire financial management activities of the Executive Office of the President. Currently that is splintered among 13 different agencies. Each agency head has complete control over his own group of money. That makes it very difficult for us to do anything on an EOP-wide basis, because all it takes is one agency head to say he or she doesn't want to play, and then it's all back to separate accounting again.

Another initiative that we started, and are very, very happy with the results, is the effort we are putting into supporting Presidential travel in a new and unique way. This is the sixth administration I've served under in the Executive Office of the President. There's been a continuing problem with Presidential travel in trying to get all the bills in, trying to get all the vouchers in, and getting them all paid in a reasonable time, so that you are not beyond the time limit to pay the bill and so you don't have unhappy vendors. It's always been a major concern.

What we have done is taken an individual, or individuals, from the Office of Administration financial management staff and send them out on the trips as the business manager. They go out with a government credit card. They pay the bills as they order things, so the vendors are happy; and when they come back, they process all remaining bills. Our goal is to have all of the trips closed out, from a financial point of view, within 30 days after the end of the trip. Right now we are running at an 80 percent closeout rate for vendors and 97 percent rate for the traveling staff. We have been running this program now for 4 weeks, 5 weeks.

Mr. DANIEL. About—it will be about 4 or 5.

Mr. LARSEN. Mr. Chairman, I'm aware that the committee is interested in the EOP's information technology program. As I said in my statement, we were disappointed in what we found when we came in, but I want to make it clear that it is through no fault of the staff that was here. I guess we were just expecting a little higher level of technology than what we found. There could be a number of reasons for it. I don't think it's necessary to go into them, but because the level of technology that we were looking for is not there, we have taken a very hard look about putting anything new up at the current time. We're going through the current plan, the current capital investment plan, project by project. Some of those, particularly in the development of various applications, we put on a temporary hold until we get a better handle on what exactly that product is going to be and what it is it going to do for us. Some of the other capital investment program items are not on hold. They have to do with infrastructure. They're going to be necessary to do, regardless of what kind of applications we end up with: such things as cabling in the various buildings. Those things are not on hold and we will proceed with them.

In addition, we've asked the Secretary of Defense to put together his top people to come in and give us an independent review of the communication and information technology support that is avail-

able to the President and the Office of the President. That group of people should be providing an interim report within a matter of just a couple of days and the final report is due within 45 days after that.

Again, let me say to the committee we don't believe that it has anything to do with the career staff that are running the computer center. Rather, we believe the main root cause is a lack of strategic planning. There is no strategic plan for running the computer operation in the Executive Office of the President. To that end, we are also recruiting at the present time for a senior level chief information officer, who will be given three or four positions to work along with, to come in and take over the computer operation and to become the chief planner of that entire operation. We can't build an architecture until we have a plan. We have an architecture but it's not based on a plan. So we eventually probably are going to just have to stop for a while until we get—go back to basics, go back to square one, build a plan, and then march forward.

I can continue on and summarize basically the high points or the dollar amounts in each of the budgets. As you know, most of the budgets presented here are a freeze at current fiscal year '01 levels, with a moderate increase in personnel that covers the January 2002 pay increase. There are a couple of accounts that have small increases. The Vice President has requested an additional two FTEs. There's a couple of other accounts that have a minor increase. The Vice President's residence has a reduction of $40 thousand in dealing with the transfer of the responsibility for utilities.

I believe those are the main increases and decreases. There's a couple more but basically it's a flat budget.

Again, in closing let me say, as someone who has served in both the House, the Senate, and the White House, I believe I understand what your requirements are and am committed to working with you to make sure everybody is on the same page. I think we can resolve a lot of issues by doing that before we end up in a committee hearing.

I started my career as part of the career staff in the Executive Office Building back when it was still called the Bureau of the Budget and sort of worked my way up through the ranks, and it's a special honor for me now to be the person in charge of the Office of Administration as I close out my career. I will be available; you can call me at any time. Thank you.

[The information follows:]

OPENING STATEMENT FOR
PHILLIP D. LARSEN
SPECIAL ASSISTANT TO THE PRESIDENT AND
DIRECTOR, OFFICE OF ADMINISTRATION
ON BEHALF OF THE
EXECUTIVE OFFICE OF THE PRESIDENT AGENCIES

Good afternoon Chairman Istook, Mr. Hoyer, and members of the Subcommittee. Thank you for giving me the opportunity to appear before you to discuss the Fiscal Year 2002 Budget Submission for the Executive Office of the President. At the outset, I want to assure the Subcommittee that we are committed to developing a close working relationship with you and the Subcommittee staff in order to provide the necessary support for the President of the United States in a way that is mindful of our respective roles.

Early in the new Administration, we have had meaningful discussions with the House and Senate Subcommittee Chairmen and Subcommittee staff regarding budgetary issues and other matters. These meetings, as well as subsequent conversations, have given us a better understanding of your concerns and they have allowed us to share information that assists you in understanding our budget and priorities. We very much want to continue having open communications with the Subcommittee and I look forward to working with each of you to achieve this objective.

Before I begin my testimony, I want to introduce the individuals who are accompanying me today. Joining me at the table is James Daniel who serves as Associate Director for the Financial Management Division within the Office of

Administration. I am also accompanied by Joyce Larkin, the Associate Director for Operations and Legislative Liaison, and Elizabeth Gelfer, the Budget Officer for the Office of Administration.

The testimony I will present consists of nine of the thirteen components of the Executive Office of the President Budget. They are: Compensation of the President; White House Office; Special Assistance to the President; Official Residence of the Vice President; Office of Administration (including the Capital Investment Plan); Office of Policy Development; National Security Council; Council of Economic Advisers; and Unanticipated Needs.

Mr. Chairman, the President is only in the fifteenth week of his Administration. Despite the fact that presidential transitions present many challenging experiences, I believe that with regard to the President's Office, we have had an exceptionally smooth transition. I am pleased to report that we have successfully completed a number of transition-related activities during the past three months. I want to share with the Subcommittee some information concerning these activities.

Transition-Related Activities

In accordance with the direction of the President and the Chief of Staff, all new employees were required to complete personnel and payroll processing within 14 days of the date of their appointment. During our first 50 days, we added 334 new employees to the Executive Office of the President's staff. Within this same time period, drug testing

was completed for 323 employees. Beginning on Inauguration Day, we worked hard to settle into a regular work routine – at least as regular as one can expect given the environment we work in. Within the first 60 days, we also produced a manual for White House employees and an Executive Office of the President-wide telephone directory. In addition, all new personnel were provided with office space assignments and office equipment on the very first day of their employment.

There are several factors that contributed to the success of this undertaking. Quite obviously, the pre-Inaugural planning by persons experienced in presidential transitions and Executive Office of the President operations (including two former Chiefs of Staff) provided a solid foundation. However, it could not have been completed without the extraordinary assistance of the career staff who are employed by or work in the Executive Office of the President. They are exceptionally talented people and we greatly appreciate their efforts.

Implementation of the Chief Financial Officers Act

Mr. Chairman, in addition to managing the presidential transition, during the past few months we have been in the process of implementing several initiatives that we believe will improve operational efficiency and effect savings at the Executive Office of the President. Under Public Law 106-58, enacted in September 1999, Congress required that the President designate an Agency Head for the Executive Office of the President and appoint a Chief Financial Officer to administer the Chief Financial Officers Act of

1990. Under the law, the Chief Financial Officer will report directly to the Agency Head and will oversee all financial activities for the Executive Office of the President.

The Administration is actively moving forward to achieve full implementation of the Chief Financial Officers Act. Several weeks ago, we notified the Congress that we are conducting a search for a highly qualified candidate for the Chief Financial Officer position. We anticipate that a candidate will be selected shortly. The duties of the Chief Financial Officer include maintaining oversight over the Executive Office of the President financial operations, developing an integrated financial management system, authorizing annual audits, and submitting annual financial reports to the Office of Management and Budget and the Congress. We support the Chief Financial Officer requirement because it provides us the opportunity to develop a more streamlined and accurate budget and financial management process.

Consolidated Appropriation

To ensure that the Agency Head and Chief Financial Officer have the ability to fulfill the requirements of the Chief Financial Officers Act, we are proposing a consolidated appropriation for the Executive Office of the President. The Office of Management and Budget is preparing a budget amendment for the President to submit to the Congress to establish a single Executive Office of the President appropriation. A consolidated appropriation will enable the President to effectively manage and align our resources consistent with the Chief Financial Officers Act. The initiative also supports a

single, integrated financial management system consistent with the requirements of the Act.

We recognize that the current financial structure does not allow us to maximize our buying power by purchasing in bulk. Further, it does not allow us to control the number of service contracts that are needed to support various types of equipment. In addition, the existing financial structure creates an unnecessary amount of procurement actions and paperwork.

As this Subcommittee is aware, the Office of Administration was created by Executive Order in 1977 to provide centralized administrative support to the Executive Office of the President agencies and the White House Office. The concept of operations within the Executive Office of the President being centralized date back even further. In fact, in 1947 the Hoover Commission recommended that an administrative arm exist within the White House complex to centralize support services. It is our belief that the consolidated appropriation will allow us to more fully achieve this objective.

Improved Travel Support

Another new initiative focuses on improving travel support for the President and his staff. We have established a process whereby a business manager is assigned to each trip. These individuals, usually staff from the Financial Management Division of the Office of Administration, are responsible for making all financial commitments on behalf of the government, and processing payments to local vendors and the traveling staff. As

a result of this initiative, we have significantly reduced the time needed to process paperwork and vendor payments. Our goal is to close out the financial aspects of a presidential trip no less than 30 days following the end of the trip. Currently, we have achieved an 80 percent rate for vendor payments and 97 percent for traveling staff payments. Our efforts in this area are consistent with the requirements of the Prompt Payment Act and the Travel and Transportation Reform Act of 1998.

Information Technology

Mr. Chairman, I am aware that the Committee has an ongoing interest in the information technology program in the Executive Office of the President. We were pleased to find that the Subcommittee has evidenced its support by providing a considerable amount of funding for the Capital Investment Plan. Unfortunately, we are disappointed in the capabilities and content of the information technology program that we found at the Executive Office of the President. In that regard, we have asked the Secretary of Defense to provide an independent review of the communications and information technology support being provided to the President's Office. The initial draft of that report is due within the next 45 days. We are hopeful this effort will serve as the foundation for the development of an information technology architecture that meets our requirements in the years to come.

Let me assure the Subcommittee that we do not believe the problem stems from a lack of competence on the part of the current information technology staff. Rather, we believe the root cause is a lack of ongoing strategic planning. It has been said that absent

watchful management in the Executive Office of the President, urgent matters can easily overwhelm important matters. Comprehensive and continuous strategic planning will prevent that from happening.

In order to improve the current situation, we are recruiting for a Chief Technology Officer. Once hired, this person will be responsible for developing the strategic plan for information technology in the Executive Office of the President. In the meantime, we have placed a temporary hold on some, but not all, of the information technology acquisitions that were previously scheduled under the Capital Investment Plan. We intend to use all of the funding provided, however, in so doing we want to make sure that we make the right investments.

Fiscal Year 2002 Budget Request

Mr. Chairman, at this time I want to focus on the Executive Office of the President Fiscal Year 2002 Budget that I am presenting to the Subcommittee today. While the Executive Office of the President consolidated appropriation totals $276.1 million, the nine accounts that are represented in my testimony total $121.6 million in Fiscal Year 2002. Although their budget was submitted separately, I am also representing the Executive Residence, whose Fiscal Year 2002 budget request totals $20.5 million.

The Fiscal Year 2002 Budget is primarily a "freeze plus pay" budget, with minimal increases in most areas. The largest proportions of the budget are allocated for

personnel costs, rent, and information technology contractual services. I will briefly summarize each of the nine appropriation requests:

Compensation of the President. As contained in the Fiscal Year 2000 Treasury Postal Appropriations Bill, the President's salary was increased from $200,000 to $400,000 annually, effective January 20, 2001. The Fiscal Year 2002 budget request of $450,000 reflects a $60,000 increase over the Fiscal Year 2001 appropriation to cover the first full year at the new salary level.

White House Office. The Fiscal Year 2002 budget request of $54.2 million and 400 Full-Time Equivalents represents a 1.8 percent increase over the Fiscal Year 2001 appropriation. The increase is attributed to the 3.6 percent pay raise effective January 1, 2002.

Special Assistance to the President. The Fiscal Year 2002 budget request of $3.9 million and 24 Full-Time Equivalents represents a 6.3 percent increase in funding and 2 additional Full-Time Equivalents over the Fiscal Year 2001 appropriation. The increase is a combination of the 3.6 percent pay raise anticipated in Fiscal Year 2002 and additional funding needed to support two additional positions on the Vice President's staff. The increased authority for two positions and the associated funding will allow the Vice President to provide the level of support necessary to best assist the President on a wide spectrum of issues.

Official Residence of the Vice President. The Fiscal Year 2002 budget request of $314,000 and one Full-Time Equivalent is an 11 percent decrease from the Fiscal Year 2001 appropriation. The decrease is the result of a transfer of responsibility for utilities payments previously held by this account to the Department of the Navy. Personnel savings were realized because the current Residence manager's salary is less than that of her predecessor. A small increase for supplies and materials and equipment offset the net reduction slightly.

Office of Administration. The Fiscal Year 2002 budget request of $46.0 million and 202 Full-Time Equivalents is an increase of 5.5 percent over the Fiscal Year 2001 appropriation and no additional Full-Time Equivalents. A portion of the increase is attributed to the 3.6 percent pay raise, and the remaining portion is for the Capital Investment Plan. The Capital Investment Plan funding increase is primarily associated with the rollout of new common desktop software and an electronic documents management system.

Office of Policy Development. The Fiscal Year 2002 budget request of $4.1 million and 31 Full-Time Equivalents is a 2.4 percent increase over the Fiscal Year 2001 appropriation. The increase is attributed to the 3.6 percent pay raise anticipated for January 1, 2002.

National Security Council. The Fiscal Year 2002 budget request of $7.4 million and 60 Full-Time Equivalents is a 4.2 percent increase over the Fiscal Year 2001 appropriation.

The increase reflects the 3.6 percent pay raise and the new Administration's focus on hiring payroll individuals rather than relying on non-reimbursable detailees or internship programs. A small increase is also required to cover a rent rate increase in Fiscal Year 2002.

Council of Economic Advisors. The Fiscal Year 2002 budget request of $4.2 million and 35 Full-Time Equivalents represents a 2.2 percent increase over the Fiscal Year 2001 appropriation. The additional amount is attributed to the 3.6 pay raise effective January 1, 2002.

Unanticipated Needs. The Fiscal Year 2002 budget request of $1 million is a 72.5 percent decrease below the Fiscal Year 2001 appropriation. This decrease eliminates the funding of $2.5 million that was provided in Fiscal Year 2001 as a one-time grant to support a status choice for the Commonwealth of Puerto Rico.

Mr. Chairman, many years ago I began my government service as part of the career staff at the White House and I have now served in six Administrations. As one who has come up through the ranks in the Executive Office of the President, I take special pride in the opportunity to serve this Administration and assist in the management of the White House complex. The mission of the Executive Office of the President agencies is to ensure the best possible support and assistance to the President, and to provide such support in a highly efficient manner. I believe that this Budget Request and the initiatives that I have highlighted will allow us to achieve this objective.

This concludes my remarks and I would be pleased to respond to questions at this time.

Mr. ISTOOK. Thank you very much, Mr. Larsen. I thought you were about to tell us that you started out in the Old Executive Office Building back when it was still the young Executive Office Building, but I guess not.

For the record will you tell us, since you are appearing on behalf of, as you say, of 9 of the 13 components of the Executive Office of the President, would you tell us for the record—perhaps it's easier—which 4 you are not appearing on behalf of?

Mr. LARSEN. Those I am not appearing on behalf of are the Office of Management and Budget, the Office of National Drug Control Policy, the United States Trade Representative, and the Council of Environmental Quality.

INFORMATION TECHNOLOGY

Mr. ISTOOK. Okay, I appreciate that. There are several things that we might start with. Let me ask regarding the information technology. You said there's an ongoing evaluation, which to me indicates there may be some uncertainty with whether you believe the current budget request is going to prove adequate or whether there may be some adjustment that's desired by the White House. Is the nature of the situation that systems are either, not modern or not compatible or is it that, although they may be compatible, there's such a variation in the types of systems employed that there's not the ability to do uniform adjustments and uniform updates and use the uniform software across them?

Mr. LARSEN. I think there's some of both of that. I think the biggest concern we have is the lack of the strategic plan which puts everybody in a reactionary mode, and what happens is a requirement will come up in somewhat of a crisis mode and there will be a bit of a planning on how to handle the crisis, and they come up with a solution and we hang it up on the computer and then we don't do any more planning. And so what we end up with is this collection of different kinds of programs that eventually have to get jerryrigged to work with each other. It would just be so much more economical for all of us to have a plan, that from that plan you have an architecture and from that architecture you have an implementation plan, and that way when requirements come up you know how to fill them. Right now, we don't do that.

Mr. ISTOOK. So, although some of the equipment may be fairly modern, nevertheless there's a lot of individuality in the individual systems that doesn't give you the consistency that you need across the entire operation.

Mr. LARSEN. That's correct.

Mr. ISTOOK. Okay. And should we anticipate that there will be a request to increase the amount related to information technology as you are going through this review process?

Mr. LARSEN. I don't believe so. My charge, not only with regard to information technology but everything else, including transition, was to we are to live within the money we've got.

Mr. ISTOOK. And what's the difference between the strategic plan that you say you are seeking to put in place regarding the information technology and that which the former Administration told us they had in place?

Mr. LARSEN. From what I've been able to see, what they had in place was the information technology architecture. The strategic plan to me is a more general document where you go out on an enterprise-wide basis and you identify what's going on here, who's doing what, what are they doing, and without any reference at all as to whether or not it could be automated or improved. You have got to first identify what the requirements are and then you go into your information technology architecture and say okay, what applications would serve to perform this function, and then following that you go into an implementation plan, so you make sure you implement A before B and not vice versa.

TELEPHONE SYSTEM

Mr. ISTOOK. Let me ask as far as unanticipated expenses—we realize there was certainly some confusion regarding the phone system coming in and I believe you had contractors that had to come in—what was the unanticipated expense of resolving that confusion?

Mr. LARSEN. I don't believe—do you have that with you? I can get it for you for the record. There always is additional cost in a transition, particularly in the area of telephones. It is just because a lot of telephones have to be moved around.

[The information follows:]

TRANSITION TELECOMMUNICATIONS EXPENSES

The Executive Office of the President expended $134,846.90 for telecommunications equipment and repairs during the presidential transition. During this period, the effort focused on providing the new Administration with reliable telecommunications support as quickly and efficiently as possible. We did not track, nor do our records show, the cause of the repairs that were made.

Mr. ISTOOK. Right. I understand. There was a concern, about being able to match the particular instrument that had to be programmed to meet the particular plug. Am I mistaken—tell me if I'm wrong, but I was understanding that it was not just the anticipated expense of having to move some phones around, but you had some expense that you did not anticipate in having to bring in contractors who could then match up the plugs or reprogram the plugs and the instruments so they would work with one another.

Mr. LARSEN. There was some of that. There was a contractor had been put on contract prior to us getting there, just in anticipation, knowing there's going to be a lot of phones have to be moved around as a normal part of the transition, and in that process obviously some did get disconnected, so the contractors in some cases did spend time searching to find the right plug.

Mr. ISTOOK. I was just looking for the number, if you have it, of what portion of that was the unanticipated portion.

Mr. LARSEN. Right.

Mr. ISTOOK. Okay. As compared with that which is part of the normal transition, if you could let me come back to some other things, but I think it is time to yield to Mr. Hoyer.

WHITE HOUSE STAFFING

Mr. HOYER. Thank you very much. Thank you, Mr. Larsen, for your testimony. What's the total staffing level for fiscal year 2002 in the White House?

Mr. LARSEN. In the White House?

Mr. HOYER. Yes.

Mr. LARSEN. The FTE request is for 400. Right now we are at 362, 362 FTE is where we're running.

Mr. HOYER. How does that relate to last year's budget, do you know?

Mr. LARSEN. It is—the 400 FTE is the same.

Mr. HOYER. Is the same; so it is flatlined.

Mr. LARSEN. Right.

Mr. HOYER. There are 362. Do you expect to have any substantial staffing changes during the course of the year? I know it's still early.

Mr. LARSEN. No, I don't believe so.

Mr. HOYER. Now, there are two additional for the Vice President's office.

Mr. LARSEN. Yes.

Mr. HOYER. What does that bring the Vice President's FTEs to? Do you know off the top of your head?

Mr. LARSEN. Twenty-four.

Mr. HOYER. Twenty-four. Do you know what the two new FTEs will be doing.

Mr. LARSEN. The reason the two new FTEs were requested is because 24 is more of a historical number for the Vice President's office, more consistent with what it's always been. Second of all, there will be an effort to use less detailees than have been used in the past. So instead we have two full-time FTEs. Vice President Cheney as you probably can tell is very, very active and very, very involved—and it's just a feeling that they need two additional FTEs to fill out the component of all of the responsibilities that the Vice President has. Specific functions I really can't tell you at this time.

CHIEF FINANCIAL OFFICER

Mr. HOYER. I understand. Now you talked about the Chief Financial Officer. Now, you may have said this. Has a CFO been selected?

Mr. LARSEN. No.

Mr. HOYER. Okay. Which organizational unit will the CFO be in?

Mr. LARSEN. At the present time—and what I can give you is what our thinking is—I don't want to preempt the President because he's not signed off on this.

Mr. HOYER. Right.

Mr. LARSEN. Our thinking is that he/she will be in the Office of Administration.

Mr. HOYER. And I don't want to imply by that question I think he ought to be one place or the other.

Mr. LARSEN. I understand.

Mr. HOYER. And as a result, will that position report to whom, to you?

Mr. LARSEN. Yes, that's correct. Well, let me put it this way. It's—when the law was passed, they took the CFO Act from 1990, and that act says that the CFO shall report to the head of the agency. And then they got to looking at it and said, well, who is the head of the EOP, because the EOP itself is not an agency, it's an umbrella term for a collection of agencies.

Mr. HOYER. Right.

Mr. LARSEN. So the statute was written to say that. The President shall designate an individual from his senior staff to serve as the head of the agency called the EOP for the purposes of administering the Financial Management Act or the CFO Act. There's a designation that has been prepared to make the director of OA as the head of the agency. That also is on the President's desk. And, you know, he may change his mind and have somebody else do it.

Mr. HOYER. Okay I understand you. So maybe you or maybe somebody else the President designates.

Mr. LARSEN. That's correct.

Mr. HOYER. Okay. How many staff will the CFO have? Has that been decided?

Mr. LARSEN. Well, the Congress gave us five positions last year, in midyear, through the CFO Act. We haven't decided entirely. I can share with you what my thinking will be.

Mr. HOYER. Okay.

Mr. LARSEN. That if the CFO becomes a part of the OA staff, Jim's operation, the Financial Management Division—which currently how many do you have?

Mr. DANIEL. Twenty-four.

Mr. LARSEN. Twenty-four will be merged up with those other five positions to create a whole office.

Mr. HOYER. All right. Now, what will Jim's relationship to the CFO be?

Mr. LARSEN. He's going to be like his deputy.

Mr. HOYER. Okay. I understand you. And that would be 29 people; 5 plus, 29.

Mr. LARSEN. In that range, that's correct.

UNANTICIPATED NEEDS

Mr. HOYER. Okay. Now, on the unanticipated needs account, am I correct you reduced that?

Mr. LARSEN. Yes. It was reduced by 2 million.

Mr. HOYER. Two and a half million.

Mr. LARSEN. Two and a half million. And the reason for that is there was a special allocation approved by the Congress for the Puerto Rico vote, and the money has not been transferred to the Puerto Rican Election Commission yet. We have been in contact with them, but they have certain requirements they have to do under the statute to organize and so forth, and once that has been done, then we will release that money to them. And I believe it was the congressional intent that this was a one-time thing, so that's the reason for the reduction.

VICE PRESIDENT'S RESIDENCE UTILITIES

Mr. HOYER. Okay. Let me ask you another question first. You indicate that the Vice President's office is being reduced by approximately $40,000.

Mr. LARSEN. Yes, sir.

Mr. HOYER. But I understand that reduction is essentially a transfer of utility responsibilities to the Navy.

Mr. LARSEN. That's right, and that's the Vice President's residence.

Mr. HOYER. Now, while I understand that that residency is operated by the Navy, in shifting over that expense there's been a great focus from time to time on how much utilities were spent at certain agencies. There's been a lot of discussion about how much it costs to keep the lights on for extra guests at the White House, as you know.

Now a convenient way to get out of that, frankly, is to transfer utility costs to the Navy. So you can see my consternation at that request, not because you are making it; normally I would ignore that if we hadn't spent hours, I underline hours, hours of hearings on how much Bill Clinton spent by having people stay in the Lincoln bedroom and how much the lights were on and itemizing food costs. So you know this subcommittee is going very carefully into this.

How am I going to know if Mr. Cheney has a lot of parties and the utility bills go up substantially? Do I have to ask the Navy?

Mr. LARSEN. I would guess that's the answer. This decision was made prior to us arriving on January 20th. This was in the original budget. It was negotiated in the prior administration. Jim, you were there.

Mr. HOYER. You mean Senator Lieberman was anticipating this problem.

Mr. LARSEN. No, I don't attribute anything to it.

Mr. HOYER. We are all chuckling, because I think it sounds ridiculous myself. I'm making perhaps a small significant point—but we spent hours on it as we transfer this expense from one budget to another—and it looks like the Vice President's budget is going down when in fact we're simply taking a line from one to one which I think is insignificant, frankly. But you indicate that it was proposed in the original budget as submitted.

Mr. LARSEN. That's my understanding.

Mr. HOYER. So the prior administration had done that.

Mr. LARSEN. That's correct.

Mr. HOYER. They were tired of, I guess, getting the utility questions themselves.

INFORMATION TECHNOLOGY ARCHITECTURE

Mr. HOYER. Now, going back to the issue of the—you are going to in terms of the computer system—we've had a lot of discussion about the computer system. We have had a lot of trouble with computer systems, not just the White House but a lot of other agencies, in term of both—and this committee was—I think frankly helped the White House, as I've said, in the past in terms of demanding

architecture. Now you are saying that the architecture is in place. It's the strategic plan that's not in place.

Mr. LARSEN. The architecture is partially in place. I don't believe at this point in time that I'm willing to sign off on that document as what I would consider to be the final document.

Mr. HOYER. Okay. When do you expect there to be a final document?

Mr. LARSEN. I would expect we could have that done within the next 5 to 6 weeks.

Mr. HOYER. And would you expect to submit that to the committee?

Mr. LARSEN. Absolutely.

Mr. HOYER. Prior to us approving any expenditures.

Mr. LARSEN. Absolutely.

Mr. HOYER. My time is probably up on the first round, Mr. Chairman. Thank you for your consideration.

Mr. ISTOOK. Thank you. Since we have a different situation than this morning, I was will be more lenient.

Mr. HOYER. Thank you, sir.

Mr. ISTOOK. Mr. Sherwood. Grab the mike if you would, please, sir. Thank you.

Mr. SHERWOOD. You said, Mr. Larsen, that you are a little disappointed with the technology, or the hardware and the system. And how long do you think it will get to take to get that upgraded to where you are happy with it?

Mr. LARSEN. Oh, I think there's some things we can do in the short term but there's some major issues that are going to require several years, as evidenced by the capital investment plan which this committee has been so instrumental in providing for us which goes all the way out to fiscal year '06. There are some big jobs that need to be done. For example, the cabling of the buildings; those are huge jobs. There's other things of that nature that I think short-term fixes we can probably have up by the end of the fiscal year or calendar year.

Mr. SHERWOOD. So this, it looks as if this hasn't—hasn't been done in some time.

Mr. LARSEN. No. I think—I think there's been a number of reasons. You know, number one, as I stressed, there is no strategic plan. Another problem that I didn't mention—and you know this goes back even beyond the prior administration, this goes just to the way the EOP has run its computer shop for many years. In the last 10 years there's been 13 directors of that office, and that's pretty hard for any kind of stability, particularly in a high-tech area, because about the time the director comes in and develops a plan, they move on and the new one comes in and says this is no good, and they start a new plan. And consequently, you end up with a staff who only reacts to things as they come down the pike and nothing ever gets put into place in a logical, sequential, systematic way. And I think that's where we're at today.

Mr. SHERWOOD. You are here to assure us that you will be there long enough to get the job done.

Mr. LARSEN. Yes. I'll be here for quite a while yet, I hope.

Mr. ISTOOK. Maybe until it's the ancient Executive Office Building.

Mr. SHERWOOD. But if I might, you sort of told us that you had a smooth transition with very experienced people and were presenting us with basically a flat budget.

Mr. LARSEN. Yes that's correct.

Mr. SHERWOOD. Well, I think that's what I came to hear, and thank you.

Mr. LARSEN. You are welcome.

Mr. ISTOOK. Thank you, Mr. Sherwood.

Mr. Rothman.

Mr. ROTHMAN. Thank you, Mr. Chairman. Mr. Larsen, it is a pleasure to see you, and Mr. Daniel, thank you as well for being here. I'm a new member of the Appropriations Committee and I have a couple of questions. I hope you can walk me through the answers.

ELECTRONIC DOCUMENTS MANAGEMENT SYSTEM

One part of the Executive Office of the President's operations that received a lot of attention in the recent past was the system for retaining electronic documents generated in the Executive Office of the President.

Mr. LARSEN. Correct.

Mr. ROTHMAN. And in reviewing the budget request you've submitted, the capital investment plan of the information systems and technology division, it appears that you are paying some attention to that problem.

Mr. LARSEN. That's correct.

Mr. ROTHMAN. And as a matter of fact, the submission says that the primary need is for top-to-bottom redesign of the EOP's critical electronic records management system.

Mr. LARSEN. That's correct.

Mr. ROTHMAN. And you have asked for $2 million to perform that task.

Mr. LARSEN. Yes, sir.

Mr. ROTHMAN. Since, as your request says, you need a top-to-bottom redesign, could you tell me a couple of things about the system itself? How long will it take to get up to speed or to implement a new system? Do you have a plan for that? And in between now and when you get to implement that plan, what's going to happen to the electronic documents? Are they going to be archived? Who has them?

Mr. LARSEN. Okay. Our current system, called the ARMS System, will remain in place until the new system is found or developed, is brought up, is tested, and run parallel for a while until we are absolutely sure we can stop the old system and bring up the new one. We are currently working with the National Archives and Records Administration very closely in a cooperative effort to identify the type of system that we need to either buy or build, and that's where we're at right now on that.

The old ARMS system—and I don't want to go back and redo a whole lot of history—but the old ARMS system had problems in it that it didn't capture things right and all of that. As those things have been discovered they have been fixed. And NARA, the National Archives and Records Administration have been in, they have met with us during the transition twice. They have met with

us three or four times since we have been in office. They're working with our IS&T people, and all of these anomalies that caused problems in the past have been fixed. We're comfortable that we have an adequate system right now, but it's not a good system.

Mr. ROTHMAN. Are all of the communications currently being saved somewhere?

Mr. LARSEN. Oh, yes.

Mr. ROTHMAN. And——

Mr. LARSEN. They're backed up every day.

Mr. ROTHMAN. And who's responsible for saving those?

Mr. LARSEN. As has always been, the IS&T staff has those.

Mr. ROTHMAN. And you are not yet, if I understand you correctly—correct me if I'm mistaken—you haven't yet fixed on a new system. What's the best system yet to improve things, and are you working with the National Archives on that.

Mr. LARSEN. That's correct.

Mr. ROTHMAN. Okay. Mr. Chairman, do I have time for another question?

Mr. ISTOOK. Yes, Mr. Rothman. As I indicated before, we have more leeway this afternoon than we were able to have this morning, so please go ahead.

FAITH-BASED INITIATIVE

Mr. ROTHMAN. Thank you. Mr. Larsen as my friend Mr. Sherwood is delighted to hear, you are submitting a flat budget. You've cited the level of quality of your staff and your own experience in order to accomplish the mission that you need to, but doing so on a flat budget request basis. There is of course more than one new initiative, but the one that I am most familiar with is the faith-based initiative.

Mr. LARSEN. Yes.

Mr. ROTHMAN. And I was wondering if that in fact comes out of your budget; is that correct?

Mr. LARSEN. Comes out of the White House Office budget, yes.

Mr. ROTHMAN. And could you tell us a little bit about the cost of that initiative or the costs to the budget? And if in fact there's an otherwise flat budget and there is a new program, this faith-based initiative which is costing X dollars, where is the savings coming from in your operations in order to pay for that new program?

Mr. LARSEN. Sure. Be glad to. Currently there's 7 FTEs or individuals employed in the faith-based initiative. The funding is actually part of the White House Office, and because we have a transition—the prior administration had numerous initiatives that they had funded through the White House Office, like the Millennium Council and others. Several of them went away with the change.

They were funded previously, but it is a different council. That same amount of money just flows across. It's all part of the annual appropriation. And the second part of it is we are holding staff down. We are not up to our full 400 FTE, we're running at 362.

Mr. ROTHMAN. Thank you.

Mr. LARSEN. You are welcome.

Mr. ISTOOK. Thank you, Mr. Rothman.

WHITE HOUSE STAFFING

Mr. Larsen, do you intend within this fiscal year to get up to the 400 level, or at some future time?

Mr. LARSEN. One never knows in the White House environment. It depends a lot on the world situation. Things could happen tomorrow that would require the President to immediately bring in, as many top level people on a particular issue as possible. But I think as a general rule, the tone that I'm hearing from the Chief of Staff is we're lean and mean and we are not going to be filling up the 400 just because we're authorized 400.

Mr. ISTOOK. Do you have a particular target that you believe will be the level when you achieve the normal operating level, as we might call it? You know, not staffing up for some sort of emergency circumstance?

Mr. LARSEN. No, I don't. I am not sure what that would be. It's too hard to predict in the White House. Too much could happen on the outside.

Mr. ISTOOK. So as far as you know right now, if we were to take a snapshot look at the FTE a month from now, it would still be 362.

Mr. LARSEN. As far as I know right now, would be right in that area.

DETAILEE POLICY

Mr. ISTOOK. What is the policy—I know we've certainly had concerns before regarding detailees, and I think Mr. Hoyer mentioned those briefly—what is the policy of this administration regarding detailees from other agencies who are providing staffing at the White House or the EOP?

Mr. LARSEN. First let me say I'm very cognizant of the regulations governing the use of detailees and other government employees in the White House. I was the Director of the Human Resources Division under former President Bush's administration. That is when the GAO audit of the White House was done, and that GAO report lays out the categories and criteria of different kinds of people that work at the White House and how they are defined.

In terms of detailees we're following that policy exactly. I've met with GAO already to assure them that we're going to be following those policies. Essentially what it says is a person comes in on a detail to the White House, they are nonreimbursable for the 180 days, and on the 181st day it becomes reimbursable. This is the policy this has been in effect since back to, I believe, President Reagan; and we follow that policy.

Mr. ISTOOK. And are they issued the same type—for example, when you are trying to account for differentiating between a White House employee, say, and a detailee, are they issued the same type of passes if they're coming to actually perform their work on a regular basis at the White House?

Mr. LARSEN. That's correct. The pass is issued on the basis of where they need to work. They may get a White House pass, they may only get an EOB pass, just depending upon the nature of their work.

Mr. ISTOOK. Can you tell us the number of detailees that currently are performing their services within the White House or the EOP?

Mr. LARSEN. Sure. In the White House Office currently there are 14, and there are 9 in the Vice President's office. There is one in Office of Administration. OMB has 12. And I might add with regard to OMB, the large number of detailees for a short period of time during budget season has historically been going on for forever. Council of Economic Advisers has one. We can provide you with a complete list.

Mr. ISTOOK. Certainly. But if this is a complete list, you are saying that the total number of those is probably—I don't know what others there might be that you didn't get to—but probably less than 40 at this time.

Mr. LARSEN. No, it's going to be—it's going to be up around 100 when you include National Security Council, which historically has a large number of people detailed from the State Department and Defense.

Mr. ISTOOK. Okay. And again as far as the White House intent, and I realize the flexibility concern that you mentioned before, but as far as on a regular basis, the intent of the White House would be to have approximately the same number or some different number of detailees.

Mr. LARSEN. I believe the target we're shooting at is not to exceed 30 FTEs for the detail work.

Mr. ISTOOK. So right now it's significantly higher than that during this transition phase.

Mr. LARSEN. Excuse me. I was speaking only of the White House office.

Mr. ISTOOK. Excuse me. I was talking about whole EOP.

Mr. LARSEN. I don't believe there's a target set for that.

Mr. ISTOOK. Okay. And I don't recall, I didn't look up, how does that compare for example, with the past usages?

Mr. LARSEN. We can look it up for the record. I just want to caution on doing that. We tried to do a couple comparisons, and it depends on at what point in time during that 8-year span.

[The information follows:]

Executive Office of the President—Detailees by EOP Agency as of: April 20, 2001

EOP agency	*Number of detailees*
The White House Office	14
Office of the Vice President	9
Office of Management and Budget	12
Council of Economic Advisers	1
National Security Council	76
Office of the U.S. Trade Representative	9
Office of Science and Technology Policy	3
Office of National Drug Control Policy	2
Total	126

Mr. ISTOOK. Certainly.

Mr. LARSEN. If you look at the tail end of the administration when a lot of the detailees have gone back, that gives you one type of a look. If you look at it the very start in 1993, they probably had a large number of detailees to help them get up and running. So to take, for example, say May the 3rd for this administration and

try to compare it in a meaningful way, I just don't know what day you would pick.

Mr. ISTOOK. And I am not trying to play any sort of game of, you know, who's using the most or such. I just want to understand the different approaches to management that are being taken so that we can understand as that relates to the resources that are necessary and so forth that are there. So perspective is all that I'm trying to have there.

Mr. LARSEN. I understand.

IMPACT OF NOMINATION PROCESS

Mr. ISTOOK. I know that there's significant concern regarding getting all the Administration's nominees nominated, approved by the Senate when necessary, and in place. Is the fact that that process is still underway, and evidently still has a long ways to go, is that impacting your budget in any way, your expenditures, and causing any difference between your expenditures as they are right now and as they may be as more people are confirmed?

Mr. LARSEN. No, I don't believe so. The Executive Office of the President is pretty well staffed. What you are seeing now are the folks that are being confirmed from the various departments and agencies.

Mr. ISTOOK. Is there any workload, for example, that's greater on anyone that is involved in assisting the nominees, whether it be the White House Counsel, Office of Ethics or anyone?

Mr. LARSEN. There is—probably the heaviest burden right now is on the Office of Presidential Personnel which does the vetting of the various candidates. I think, based on my experience, every administration's Office of Presidential Personnel comes in with a very large number and as you get close to the end of the first year, that number of people tails off because most of your positions are filled by that time.

Mr. ISTOOK. Okay. Thank you, Mr. Larsen. Let me yield to Mr. Hoyer.

EXECUTIVE RESIDENCE

Mr. HOYER. Thank you very much, Mr. Chairman. Last year, Mr. Larsen, we appropriated 968,000 for repairs at the White House and directed the Executive Residence to submit a complete design to the committee. What's the status of the repairs provided for in last year's budget, do you know?

Mr. LARSEN. I do if I can get my paper. I'm sorry.

Mr. HOYER. That's okay.

Mr. LARSEN. There's an ozone purification project that was put in; moving and packing of items and that kind of thing. Due to the transition, the family quarters was upgraded. There's about $100,000 there. The linen replacement project was about $150,000. The ozone purification was $100,000. Is there any money left over out of that $968,000 Jim, from any other projects? We have a complete spread. We'll be happy to give it to you along with what the money is requested for this fiscal year.

[The information follows:]

EXECUTIVE RESIDENCE: STATUS OF REPAIR AND RESTORATION PROJECTS FOR FISCAL YEAR 2001

Ozone Purification Project: In FY2001 $99,780 was appropriated to design and install a purification system to improve safety and increase the efficiency of the Residence cooling towers. After extensive additional consultation with professional engineers and industry experts, the decision was made to install a more sophisticated automatic chemical treatment system as opposed to zone purification as originally specified. The new installed system should be effective in protecting the purity and safety of the cooling tower water while being less damaging to the existing mechanical components.

Transition Impact: In FY2001 $99,780 was appropriated for the impact of the transition in moving and packing items for the outgoing First Family and setting up the living quarters for the incoming First Family. This project is currently in progress.

Family Quarters Redecoration: In FY2001 $99,780 was appropriated to redecorate the family living quarters. This project is currently in progress.

Linen Replacement Project: In FY2001 $149,670 was appropriated for replacement of Presidential Seal Napkins, First Family and Guest Room Linens and Banquet cloths. This project is currently in progress.

Computer Modernization Project: In FY2001 $59,868 was appropriated for ongoing modernization of the Computer Network. This project is currently in progress.

Design of Communication System Repairs: In FY2001 $456,992 was appropriated for design and planning of repair/rehab of deteriorated concrete conduit (raceway) which serve the East Wing and the Residence. This project is currently in progress.

Mr. HOYER. Okay. Fine. That was going to be my next question, what are we doing this year. But if you have that, why don't you go ahead and submit that.

Mr. LARSEN. Sure, be happy to.

SECURITY ENHANCEMENTS AT VICE PRESIDENT'S RESIDENCE

Mr. HOYER. Last year we provided 3.9 million to the Secret Service for security enhancement at the Vice President's residence. Do you know the status of that budget?

Mr. HANSEN. I believe I would have to yield to someone who was here at that time.

Mr. DANIEL. Actually, that amount would be in the Secret Service's budget, I believe. I don't think that amount was appropriated to EOP but I am not——

Mr. HOYER. You are correct on that. It was 3.9 to the Secret Service for those. And you don't know the status of that?

Mr. LARSEN. We don't but we could certainly coordinate with the Secret Service when we get back and get you an answer.

Mr. HOYER. That's fine.

NATIONAL SECURITY COUNCIL

Would you tell me again, the National Security Council what are their FTE's this year? I am sorry, I am looking at your statement, let me answer my own question. 60 FTE's seems to be in your statement, page 9 of your statement.

Mr. LARSEN. That's right. Full-time permanent personnel, payroll personnel.

Mr. HOYER. This doesn't say—how does that—do you know how that relates to last year? Is that flatlined?

Mr. LARSEN. I believe it is a little less at the current time.

I stand corrected. It is the same.

Mr. HOYER. It is the same. So that's both FTE's and dollars.

Mr. LARSEN. Dollars are higher obviously because of the pay raise.

Mr. HOYER. That takes in the 3.6 percent that you referred to, the 4.2 percent increase. So there is additional enhancement as well, right?

Mr. LARSEN. That's right. There was an adjustment in the GSA rental of $70,000.

Mr. HOYER. Where do we rent property for NSC?

Mr. LARSEN. Well, it is the GSA program.

Mr. HOYER. This is in lieu of, this was a SLUC?

Mr. LARSEN. Yes, this is SLUC. I wasn't sure if anybody around still called it that.

Mr. HOYER. We have a much nicer phrase than that, but I still remember that. I call it in lieu of payment. But whatever. Now, does any other agency pay that, I mean, does the office administration?

Mr. LARSEN. Absolutely.

Mr. HOYER. Throughout the White House we pay a certain sum for rental value?

Mr. LARSEN. That's correct. It is actually one of the largest components of any EOP budget.

Mr. HOYER. Now, there were press reports that the NSC was cutting their staff by a third. I take it that's not the case.

Mr. LARSEN. I don't believe they have reached that goal yet. What they were doing, I think there may have been some misunderstanding also in that story. What they are doing is reducing the number of personnel from other government agencies that have historically been assigned, so technically you can say that's part of their staff. But at the same time, they're trying to put more people actually on the payroll than had been used in the past. So that's why there is some increases there.

Mr. HOYER. I would be interested in those figures when you get a chance if you could. NSC O1 to O2 comparisons on that. Not only FTE comparison and dollar comparison, but also detailees.

Mr. LARSEN. I can do that.

WHITE HOUSE STAFFING

Mr. HOYER. And going to detailees I understand what the law says you need to do. In terms of your answers to the chairman's question with reference to whether or not you could be confident of staying at or about 362 FTE in the White House itself, and you indicated that that might fluctuate, depending upon situations that might occur, crisis, or this, that or the other, wouldn't most of those be covered presumably by detailees for given periods over time, particularly—hopefully the crisis would less than 180 days?

Mr. LARSEN. I think there are certainly situations where that would happen, most certainly. But also, things could come up where the President may want to establish a presidential initiative that may last for 2 years, like the Faith-Based initiative. He now has the flexibility, he could set up a small office of four or five people and fund it.

FAITH-BASED INITIATIVE

Mr. HOYER. You brought up the faith-based and Mr. Rothman asked you questions about that, and you indicated that obviously there were other initiatives of the prior administration that this

administration has chosen perhaps not to pursue, and has taken the resources available in people and dollars and moved them over to this faith-based, what do we call it, Office of Faith-Based——.

Mr. LARSEN. Initiatives.

Mr. HOYER. Initiatives. Is there an item for that in the budget or is that included in your budget?

Mr. LARSEN. No, it is in the White House budget, and it is just included as part of the personnel, the salaries in the White House budget. And I'd like to say, with regard to some of the Presidential initiatives from the prior administration, wasn't that this administration chose not to continue them. Several were established in the prior administration for a specified period of time and they expired by operation of the executive order, or whatever instrument created them.

Mr. HOYER. Okay. But we had budgeted for them as if they were ongoing so the dollars are available.

Mr. LARSEN. That's correct. There's what I was trying to say.

Mr. HOYER. How many folks are in the Faith-Based Office?

Mr. LARSEN. Seven.

Mr. HOYER. Seven. And they're—are they in the 362 number?

Mr. LARSEN. Yes.

Mr. HOYER. That's where it is. All right. I have some other questions, Mr. Chairman, but I'll submit them for the record. Thank you very much, Mr. Larsen. I want to, in closing, I don't want you to misconstrue my comments. I expect our relationship to be a very positive one as my relationship was with the Reagan White House and first Bush White House.

Mr. LARSEN. I remember those days.

Mr. HOYER. Yes, sir. I really do strongly believe we need to work together in comity. And very frankly, I am not interested in the White House telling us what our budget ought to be, and I presume you return the favor. And seeing as how I don't want it done to me, I am not particularly inclined to do it to you. Thank you, sir.

Mr. LARSEN. Thank you sir.

Mr. ISTOOK. Thank you, Mr. Hoyer.

Mr. Rothman.

Mr. ROTHMAN. I have no further questions, Mr. Chairman. I look forward to working with you and the White House to achieve the goals that we are all here for the best interest of the people of this country.

Mr. LARSEN. Thank you very much.

Mr. ISTOOK. Thank you. Mr. Larsen, I could pose other questions, but I don't think they are anything that couldn't be handled for the record. I don't see any need to extend the hearing beyond that. I appreciate the brevity of the other members of this. And I appreciate the straightforwardness of your responses and the business-like approach that you are taking to this. I certainly hope that we can establish the good kind of relationship that we all want to have between the branches involved here.

Mr. LARSEN. Look forward to it.

Mr. ISTOOK. So thank you very much to you, Mr. Daniel. And we stand adjourned.

QUESTIONS SUBMITTED BY THE COMMITTEE
FOR THE
EXECUTIVE OFFICE OF THE PRESIDENT

Issue: Information Technology Modernization

QUESTION 1: FY 2001 is the 4th year of funding for a major information technology modernization effort within the Executive Office of the President. To date, the Committee has appropriated approximately $66.4 million for these efforts, including $13.2 million for on-going e-mail reconstruction work. Last year, the Clinton Administration submitted a 5-year strategic plan related to these efforts, calling for $11,775,000 in FY 2002, the same as the amount requested by the current Administration.

- The fact that you have submitted a budget identical to the one anticipated in last year's strategic plan indicates that you endorse the 5-year plan submitted to the Committee last year. Is that an accurate assessment?

Answer: We are in the process of promulgating business goals for all of the EOP. Consistent with this approach, we will be evaluating current information technology projects on a case-by-case basis pending the completion of the business processes review and the creation of an executable strategic plan that is in harmony with the new Administration's business goals. Until this process is complete, we cannot state with certainty whether the EOP endorses the 5-year plan submitted to the Committee last year.

- Your appropriation request for the Capital Investment Plan is very specific in terms of projects to be funded. At the same time, you state that you are disappointed in the EOP information technology program and have, in fact, placed a hold on some IT acquisitions until a Chief Technology Officer is hired. What specific IT acquisitions have been placed on hold and why were those particular projects selected?

Answer: The new Administration is carefully reviewing the EOP's Capital Investment Plan. In particular, we are completing an in depth analysis of the systems and applications development efforts. This is being done to guarantee that the new systems and/or applications are in line with our business goals, and consistent with the strategic plan to be developed. We are moving forward with the selection of a Chief Information Officer. However, in the interim period, critical infrastructure enhancements such as the cable plant upgrade, are continuing.

- How does this temporary hold effect your appropriation request for FY 2002? Are there any projects on hold for which you have requested funds in FY 2002? What are they?

Answer: At this point in time we do not anticipate that the results of our assessment will have a significant impact on the amount requested in the EOP's budget request for

FY 2002. If, however, the results of our analysis deviate from the original budget request, we will inform the Committee accordingly.

- Have you done a top down review of the IT strategic plan? The Information Technology Architecture? Does this architecture meet the current Administration's business requirements for running the Executive Office of the President? If not, what specific weaknesses have you found within the EOP as it relates to its current information technology infrastructure?

Answer: Unfortunately, the EOP does not have an information technology strategic plan at this time. To remedy this, the EOP is in the process of hiring a Chief Information Officer. The EOP has also reviewed and analyzed the current Information Technology Architecture (ITA) and recognizes that it needs to be a realistic document containing projects, tools and technology that are specifically designed to meet the EOP's business requirements. A new ITA will be prepared following the completion of the business process review and the creation of an executable strategic plan.

Based on the initial results of the assessment, weaknesses within the EOP information technology infrastructure include: outdated network cabling; outdated technology in use for the Automated Records Management System (ARMS); insufficient electrical capacity in the EOP Data Center; less than state-of-the-art telephone switches; and outdated, non-integrated applications.

- You state that you have asked the Secretary of Defense to provide an independent review of the communications and information technology support being provided to the President's Office. Is this review specific to the White House Communications Agency or does it include the IT Architecture and Strategic Plan developed by the former Administration for the EOP enterprise?

Answer: The Secretary of Defense is in the process of conducting a thorough, independent review of all aspects of information technology within the EOP, including the means by which information is electronically communicated.

- The Committee has not received its expected 2000 Information Technology Architecture Update (due last August). What is the status of this update?

Answer: In the previous Administration, EOP staff drafted an update of the annual Information Technology Architecture (ITA). However, management did not provide the necessary clearance for its release. A new ITA update will be finalized upon completion of the business process review and the development of a strategic plan.

QUESTION 2: Do you anticipate hiring the CFO in FY 2001? If so, given that you have absorbed certain unanticipated costs (such as those associated with the on-going e-mail reconstruction effort), are sufficient funds available to hire a CFO in FY 2001 or will you be submitting a supplemental request for this purpose?

Answer: We are currently interviewing candidates to fill the Chief Financial Officer position and anticipate hiring the CFO in FY 2001. We will be able to fund the CFO within our existing resources and will not be submitting a supplemental request for this purpose.

QUESTION 3: For the record, for FY 1998 to date, provide cost data by project and fiscal year for the EOP's Capital Investment Plan. For each fiscal year, also include total appropriations received and unobligated balances. Reflect reprogramming and rescissions, as applicable.

Answer: The attached charts provide the cost data by project and Fiscal Year for the EOP's Capital Investment Plan (CIP). As evidenced in the attached listing of gross obligations, the previous Administration made a number of changes between the time of the development of the CIP budget and its execution.

Also included is an overview of the adjustments and accomplishments during the execution of the Capital Investment Plan from Fiscal Year 1998 through Fiscal Year 2000. There have been no adjustments made to the CIP funding in Fiscal Year 2001.

EOP FY 1998
Capital Investment Plan
(Dollars in Thousands)
Gross Obligations as of 5/14/01

Budget Description	Budget Request	Rescission	Revised Budget	Gross Obligations
Information Systems Architecture	$250		$1,295	$1,294
Computer Network Upgrade	650		10	10
Financial Management System	600		280	279
Equipment Replacement	500		250	245
Validation of Inventory	0		25	21
Renovation	0		140	136
GRAND TOTAL, FY 1998 CIP	**$2,000**	**$0**	**$2,000**	**$1,985**
Unobligated balance as of 5/14/01			**$15**	

EOP FY 1999

Capital Investment Plan

(Dollars in Thousands)

Gross Obligations as of 5/14/01

Budget Description	Budget Request	Rescission	Revised Budget	Gross Obligations
Tape Reconstruction	**$0**	**$0**	**4,836**	**4,595.**
Enterprise Server	$1,231		1,055	1,052
Network Service/Internet Connectivity	165		110	108
Network Security Perimeter	250		250	249
Digital Signature	26		0	0
Network Infrastructure	1,351		1,135	1,131
Data Center Infrastructure	425		425	425
Server Infrastructure	308		305	304
Telephone Switches	0		200	200
Mainframe Software	81		75	72
Subtotal, Data Center	**$3,837**	**$0**	**3,555**	**3,541**
Desktop Equipment	$642		730	729
Common Software	1,500		1,550	1,550
Travel Equipment	862		770	768
Desktop/Software Configuration Mgmt Tools	399		140	139
Subtotal, Desktop Hardware/Software	**$3,403**	**$0**	**3,190**	**3,186**
Financial Systems	$1,216		1,220	1,216
Procurement System	257		265	263
Common EOP Support Systems	2,639		1,730	1,730
OA Systems	1,064		270	268
White House Systems	1,229		600	592
EOP Agency Systems	2,190		1,650	1,640
Independent Validation/Verification	2,728		2,110	2,104
Program Support	2,311		2,220	2,219
WH Integrated Sys for Doc Mgmt (WHISDM)	6,527		6,310	6,306
Subtotal, System Renovations	**$20,161**	**$0**	**16,375**	**16,338**
Help Desk Development	$1,620		1,460	1,459
Internet Infrastructure	200		220	219
Electronic Document Management/Pilots	185		5	2
Training Support for New Systems	128		105	105
Subtotal, Strategic Investments	**$2,133**	**$0**	**1,790**	**1,785**
Contractor Space/Overhead	**$257**	**$0**	**245**	**244**
GRAND TOTAL, FY 2000 CIP	**$29,791**	**$0**	**29,791**	**29,689**
Unobligated balance as of 5/14/01			**$103**	

EOP FY 2000

Capital Investment Plan

(Dollars in Thousands)

Gross Obligations as of 5/14/01

Budget Description	Budget Request	Rescission	Revised Budget	Gross Obligations
Wire Closet Equipment	$848		$725	$316
Central Switches	918		1,890	1,739
Contract staff for wire closet/switch installs	512		0	0
Cable Replacement	1,347		704	20
Server Replacements	400		800	402
Network management control center	714		755	754
Subtotal, Network Infrastructure	**$4,739**	**$0**	**$4,874**	**$3,231**
Increased Bandwidth	$350		$375	$374
Security Perimeter	130		260	259
Internet hardware	235		160	134
Subtotal, Internet Infrastructure	**$715**	**$0**	**$795**	**$767**
Report Distribution Software	$209		$338	$338
Budget formulation software	323		146	146
Travel manager	169		220	220
Executive Information System	415		412	111
Subtotal, Financial System Upgrade	**$1,116**	**$0**	**$1,116**	**$815**
Roll-out and Test Equipment	**$500**	**$0**	**$400**	**$324**
Mainframe Printers	**$500**		**490**	**486**
Strategic Planning & Independent Validation & Verification	$454		$455	$298
Electronic Document Management/Pilots	125		125	103
Reliable information exchange	100		10	9
M204 software maintenance/Mainframe software	100		215	213
Overhead/contractor space	80		110	107
Videoteleconferencing pilot project	75	-34	41	0
Secure remote access study	50		150	68
Fee-for-service analysis	45		0	0
Digital Signature	32		0	0
Subtotal, Information Technology Architecture Initiatives	**$1,061**	**-$34**	**$1,106**	**$798**
Replacement strategy for FY 2001 uninterrupted power supply	$100		$0	$0
Telephone switch upgrade study	75		25	24
Subtotal, Planning for FY 2001 Projects	**$175**	**$0**	**$25**	**$24**
GRAND TOTAL, FY 2000 CIP	**$8,806**	**-$34**	**$8,806**	**$6,445**
Unobligated balance as of 5/10/01			**$2,328**	

EOP FY 2001 Capital Investment Plan

(Dollars in Thousands)

Gross Obligations as of 5/14/01

Budget Description	Budget Request	Rescission	Revised Budget	Obligations/ Expenditure
Cable Replacement	$2,150	-$22	$2,128	
Physical communication devices	147		$147	
Central Switches	141		141	
Network Infrastructure Plan	100		100	
Roll-out and test lab	480		480	
Server Replacements	400		400	
Security Perimeter	130		130	
Videoteleconferencing/Multimedia	100		100	
Telecommuting Access	288		288	
Internet Service Improvements	85		85	
Subtotal, Network Infrastructure	**$4,021**	**-$22**	**$3,999**	**$0**
Data Center Renovation	**$1,800**	**$0**	**$1,800**	**$9**
Telephone Switch Upgrade	$1,200		$1,200	
EOP Common Software	425		425	238
Travel/offsite support	250		250	66
Automated Desktop Asset Management	200		200	
Subtotal, Financial System Upgrade	**$2,075**	**$0**	**$2,075**	**$304**
White House Integrated System for Doc Mgmt	$585		$585	
EOP Agency Applications	600		600	13
Internet Infrastructure Improvements	175		175	
Electronic Document Management/Pilots	125		125	
Subtotal, Information Technology Architecture Initiatives	**$1,485**	**$0**	**$1,485**	**$13**
Independ Verif/Valid and Strategic Planning	$444		$444	$0
Overhead/contractor space	80		80	77
Subtotal, Planning for FY 2001 Projects	**$524**	**$0**	**$524**	**$77**
GRAND TOTAL, FY 2001 CIP	**$9,905**	**-$22**	**$9,883**	**$403**
Unobligated balance as of 5/10/01			**$9,480**	

FY98 Capital Investment Plan

- **Information Systems Architecture** represented the bulk of the expenditures from the FY98 CIP. These funds were used primarily in Y2K technical assessments of all EOP agencies, and for subsequent Y2K planning studies and expenditures to position the EOP for the Y2K effort undertaken with FY99 CIP funds.

- **Computer Network Upgrade** was not undertaken during FY98 due to the criticality of Y2K planning needs.

- **Financial Management System** was upgraded to a newer version which was Y2K-compliant.

- **Equipment Replacement** included initial purchases of Y2K-compliant desktop hardware.

- **Validation of Inventory** included the cost of a desktop inventorying software package.

- **Renovation** included a study of the replacement needs for the EOP's procurement software, and the installation of software needed for Y2K-compliant software rollouts.

FY99 Capital Investment Plan

- **Data Center** improvements were centered on the acquisition of an enterprise server and the acquisition of centralized data storage and tape backup systems. This category also included network infrastructure costs which included high-capacity servers for the network firewall and for network infrastructure upgrades tied to the installation of Y2K-compliant system applications. There was a significant upgrade to the EOP's security perimeter, and installation of updated Y2K-compliant servers. The EOP telephone switch was upgraded to make it Y2K-compliant.

- **Desktop equipment** included the acquisition of Y2K-complaint computers and peripherals for the Office of Administration. Common software was acquired and installed for all EOP agencies. A new configuration of travel support equipment was designed and acquired for Presidential travel support (which replaced approximately 10-year-old laptops).

- **System renovations** included a massive effort to make all EOP mission-critical applications Y2K-compliant. Key renovations and upgrades included the financial system, the procurement system, pay/personnel system, records management, library catalog system, Executive Clerk applications, Vice Presidential, OMB, and the White House Integrated Systems for Document Management. These funds were used to provide technical writing support, Y2K program management support, Y2K-related

database administration, and significant efforts in contingency planning and Independent Validation and Verification.

- **Strategic Investments** included the acquisition of a Help Desk software tool. This category also included investments in the EOP's internet infrastructure, as well as training support to acclimate EOP staff to the new Y2K-compliant software applications.

- **Contractor Space/Overhead** included the cost of providing equipment and office space to Y2K contractors.

- **Tape Reconstruction** includes costs associated with the effort undertaken (beginning in the spring of 2000) to restore the integrity of data stored by the EOP's automated records management system.

FY00 Capital Investment Plan

- **Network Infrastructure** is the largest single category within the FY00 CIP. Expenditures have included significant purchases of network switches and modernization of many older-generation network components. The cable replacement project is focused on developing a comprehensive survey and design prior to the actual recabling; FY00 CIP cabling funds will be spent primarily on the cost of this design. Several critical server modernizations and consolidations have been undertaken to increase system capacity and redundancy, thereby improving the reliability of the EOP network infrastructure and reducing the incident of system outages. The Network Operations Center was developed using these CIP funds, and this has become a critical function in maintaining the network and isolating malfunctions.

- **Internet Infrastructure** has seen increased emphasis on the ongoing development and improvement to the EOP's security perimeter. Equipment was significantly upgraded for the EOP's intranet and internet sites. A new contract for the EOP's internet service provider was issued during 2000, which improved the redundancy inherent in the network (it should be noted that the funding for internet service provider costs has previously been transferred from the Capital Investment Plan to the EOP's operating budget).

- **Financial System Upgrades** includes a new travel management system which has automated EOP travel processing as well as development of electronic financial reporting capabilities for EOP fund managers and financial staff. Requirements analysis was performed for the budget formulation software, but it was determined that the primary development needs for the EOP community were to improve financial reporting abilities and to develop an Executive Information System (the planning for which is currently underway).

- **Rollout and Test Equipment Lab** is currently being implemented, with the acquisition of equipment to simulate the EOP network and server environment.

- **Mainframe Printers** were replaced in the EOP data center during the fall of 2000. The new equipment includes network capabilities which did not exist in the older-generation technology.

- **Information Technology Architecture Initiatives** have included studies of the EOP's systems and configuration management. A pilot project for the recently-instituted EOP calendaring system was undertaken and subsequently implemented. Secure remote access has received increased emphasis in the development of a Virtual Private Network for the EOP.

- **Planning for FY2001 Projects** included a study for the EOP's new telephone switch.

Issue: E-Mail Reconstruction Efforts

QUESTION 1: Based on a Memorandum of Understanding signed with the National Archives on January 11, 2001, on-going e-mail reconstruction efforts associated with presidential and federal records of the Clinton-Gore Administration have been relocated to Calverton, Maryland. It is my understanding that this relocation was not anticipated during preparation of the FY 2001 budget -- and it was, therefore, not funded.

On January 11, 2001, the then Assistant to the President for Management and Administration, Mark Lindsay, wrote to the Committee informing us of this move and that the costs associated with it were $2 million; we were also told that these costs would be absorbed from the $13.2 million appropriated for this project. I now understand that the cost of this relocation was $1,382,000, with $595,000 of that being charged to the Information Technology appropriation. The White House Office and the Office of Administration have absorbed an additional $787,000 in unanticipated costs associated with the move to Calverton.

- Is $1,382,000 the total cost associated with the move to Calverton?

Answer: To date, $1,382,000 is the total cost that was expended for the move to Calverton. However, the current lease which expires at the end of July 2001, must be renewed for an additional six months to one year at an approximate cost of $50,000 - $100,000.

- What is the distinction between the costs charged to the Information Technology appropriation and those absorbed by the White House Office and the Office of Administration? How are these costs being absorbed?

Answer: The EOP interpreted the Information Technology appropriation very conservatively and utilized these funds for the specific costs associated with tape reconstruction tasks instead of move-related transition costs. Accordingly, the White House funded costs associated with the actual move and lease at Calverton and the Office of Administration funded miscellaneous equipment costs, as well as the costs associated with the multi-host anomaly which occurred subsequent to the Mail2 and Letter D anomalies and after the tape reconstruction project funds were appropriated.

- I notice that $200,000 of the costs for the Office of Administration is a "multi-host anomaly". Is this a new anomaly? Please describe it. Why isn't this being charged to the Information Technology appropriation?

Answer: The multi-host anomaly was previously reported to the Committee in the EOP's monthly report on the Tape Restoration Project dated August 31, 2000. In August 2000, we were informed of a new anomaly in the Lotus Notes to ARMS interface that affects the accuracy of e-mail messages received by ARMS from April 15, 2000 through September 30, 2000. As the e-mail messages passed through the interface, the system

mismatched header information (to/from) from certain e-mails with the body information (text) from other e-mails in approximately 1% of the total message population. As a result of this mismatching, ARMS now contains the original messages. In addition, ARMS contains messages from authors who never sent them as a result of the mismatching. Because there are mismatched e-mails, the anomaly affects the accuracy and completeness of ARMS during the time period identified.

Due to the normal queue, messages from June 1, 2000 through September 30, 2000 had not yet passed through the interface and were saved on the ARMS3 server. Our information technology staff is in the process of re-transmitting these messages through the repaired interface. E-mail messages from April 15, 2000 through May 31, 2000, however, need to be restored from backup tapes. The EOP's contractor has begun this restoration from backup tapes. We did not charge the costs associated with the multi-host anomaly to the Information Technology appropriation because the anomaly did not occur until well after the tape reconstruction project funds were appropriated. Upon further review, we believe that the appropriation language, "for restoration and reconstruction of certain electronic mail messages and for inclusion of such messages in ARMS," is broad enough to include the multi-host anomaly.

- In what ways has this absorption affected either workloads or staffing within the White House Office? The Office of Administration? How are these costs being absorbed?

Answer: To date, the White House Office has not absorbed any costs associated with the multi-host anomaly. The Office of Administration has absorbed $257,000 from its Fiscal Year 2001 Operating Budget. Various information technology initiatives were delayed to fund this effort.

QUESTION 2: Under the terms of the MOU, the Office of Administration has retained contractors who continue to perform restoration work. How many contractors are currently performing this work? Are any full time employees from the Office of Administration involved in this work? How many?

Answer: The Office of Administration has retained three vendors to perform tape restoration related work. Two OA employees are also providing support, one on a full-time basis and another on a part-time basis.

QUESTION 3: The last report received by the Committee (March 30, 2001) indicates that the final phase of the tape reconstruction effort will begin in April. What is the status of this final phase?

Answer: The final phase of the Tape Reconstruction Project (TRP) involves re-processing the e-mails that were determined to require inclusion in the Automated Records Management System. However, this phase has been placed on hold until the failed tapes can be forensically processed. In the meantime, the contractor has begun work on the multi-host project.

QUESTION 4: In terms of responsibilities of the Office of Administration, what work remains to be done on this project?

Answer: The Office of Administration needs to retain a contractor to forensically process the failed tapes before the final stage of the tape reconstruction project can proceed. In the meantime, the contractor is currently working on the multi-host project. The EOP anticipates that the remaining work will be completed on the tape reconstruction project no later than March 2002.

QUESTION 5: What are your current unobligated balances for the Information Technology appropriation, including the reprogramming of $4.8 million? Do you anticipate having unobligated balances available at the conclusion of the work? How much?

Answer: Of the total $13.2 million that was appropriated for the tape reconstruction project, the current unobligated balance is $4.4 million. We anticipate that we will consume most, if not all, of the funding in this appropriation.

Issue: Automated Records Management System

QUESTION 1: Last year, the Clinton Administration testified that the ARMS system, while outdated and unreliable, was not going to be upgraded until NARA provided guidance and developed technical standards that could be followed in developing electronic record-keeping systems. What effort are you making to work with the National Archives to develop an automated records management system that can be quickly and reliably be turned over to the Archives at the conclusion of the current Administration?

Answer: The EOP is working closely with the National Archives and Records Administration (NARA) in developing standards and requirements for building a replacement prototype for ARMS. At this time, the EOP and NARA are researching the marketplace and identifying vendors for viable tools that can meet the requirements for appropriate electronic records management.

QUESTION 2: There are a number of on-going IT projects within the EOP that involve both document management and records management. Can you please describe the difference between these two types of systems?

Answer: There is a distinct difference between a document management and records management system. A document management system allows the user to keep track of documents, different versions of the documents, and other materials that are not necessarily classified as records. A records management system is designed to track and preserve records.

QUESTION 3: The FY 2002 request for the Office of Administration includes $2,000,000 for "electronic document management/pilot projects." Funds are justified on the basis that there is a need for a thorough top-to-bottom redesign of the EOP's crucial electronic records management system. Please describe these projects. Are they applicable to the entire EOP enterprise?

Answer: The aforementioned system will be the new Enterprise Electronic Records Management System (a replacement for ARMS). It will be applicable to the entire EOP enterprise. This is a vital part of the ongoing business assessment and a project scope is still being defined.

QUESTION 4: Last year, the Office of Administration testified that $10.5 million had been expended for the White House Integrated System for Document Management (WHISDM), a system described as a large scale electronic document management project that has the capability to provide records and document management capabilities across the EOP enterprise. The Committee provided an additional $585,000 for ongoing development costs for that system in FY 2001. The previous Administration also testified that they anticipated that WHISDM would be used by the new Administration as its primary electronic document management system.

- What is the status of the WHISDM project?

Answer: There is no current plan to develop WHISDM as originally envisioned by the former Administration. The new Administration is currently conducting a thorough evaluation to determine how to best implement the original three applications currently included in WHISDM: IQ Quorum, Introspect, and Telemagic (previously Resumix).

- How much is being requested for the development of this project and from which appropriation? How much is being requested for maintenance and operation of this system and from which appropriation?

Answer: The EOP requested $600,000 for maintenance under the White House appropriation in Fiscal Year 2001. Since the White House Fiscal Year 2002 request includes a freeze for non-pay items, it therefore includes an identical amount ($600,000) for WHISDM maintenance. These funds provide for maintenance of servers and basic infrastructure that supports the three applications mentioned above. The applications comprise what is known as "WHISDM" and are used by various offices within the White House.

- Do you anticipate that this system will ultimately be developed for use as both a document and a records management system?

Answer: We do not plan to continue the development of WHISDM as a document management system. The reasoning behind this decision is that WHISDM never met the needs of an integrated document management system available to users EOP-wide. The three applications that comprise WHISDM were specific to individual offices within the

the White House and did not provide the type of workflow and integration with each other that is a requisite part of any document management system.

QUESTION 5: What is the current status of the Armstrong Resolution Account? What are your estimated obligations in FY 2001 and FY 2002 and for what purposes? By fiscal year, provide obligations to date.

Answer: The current status of the Armstrong Resolution Account is shown below:

Appropriation	Gross Obligations	Available Balance
$13,115,000	$13,019,179	$95,821

A total of $1,613,932 has been obligated in FY 2001. Of this amount, $1,596,767 was obligated for new equipment to support increased growth in records management processing. In addition, $17,165 was obligated to cover the costs of storing tapes for the Armstrong Project. It is not currently anticipated that any additional funds will be obligated during the remainder of FY 2001. Also, it is not expected that any funds will be obligated in this account during FY 2002.

Listed below are the obligations to date for each fiscal year since the funds were appropriated:

Fiscal Year	Appropriation	Gross Obligations	Available Balance
1994	$13,125,000	$976,215	$12,148,785
1995		$1,403,368	$10,745,416
1996	($10,000)	$3,188,125	$7,547,291
1997		$2,777,333	$4,769,958
1998		$1,780,616	$2,989,342
1999		$1,039,162	$1,950,180
2000		$240,428	$1,709,753
2001		$1,613,932	$95,821
Total	$13,115,000	$13,019,179	$95,821

Issue: Chief Financial Officer

QUESTION 1: Section 638 of P.L. 106-58 establishes a Chief Financial Officer within the EOP. It further requires the President to report to us on the status of implementing the provisions of Section 638 by April 20th, which the Committee has received. What is the status of designating an "agency head" for the purpose of administering the CFO act? What is the status of candidate selection?

Answer: The designation of the "agency head" for the purpose of administering the Chief Financial Officer Act has been prepared and submitted to the President for approval.

QUESTION 2: Last year, the Committee provided $660,000 and 5 FTE for establishing a CFO within the EOP. This included $370,000 to support the required auditability assessment and $290,000 for salary and benefits for the CFO and 4 staff support positions. Has there been a change in the planned obligation of these funds? Has the cost for the CFO and 5 FTE been annualized in the President's FY 2002 budget request? If not, why not? What are the estimated FY 2002 costs for the CFO and 5 FTE? How will these costs be absorbed?

Answer: There has been no change in the planned obligation of these funds. We intend to obligate funds this fiscal year to conduct the auditability assessment and to staff the Chief Financial Officer function. The cost for the CFO and 5 FTE was not annualized in the President's FY 2002 budget request. Since the Administration's policy was to submit a budget equal to the FY 2001 level plus the 3.6% pay raise, only 58% of the CFO salary costs are funded in FY 2002. It is estimated that the FY 2002 cost for the CFO and 5 FTE is $514,000. The FY 2002 President's budget request includes $298,000 for this function, leaving an balance of $216,000 to be absorbed.

QUESTION 3: Previous cost estimates indicated approximately $700,000 would be required in order to both prepare financial statements and conduct an audit of financial statements. Have these estimates changed? Is it anticipated that these functions will be completed in FY 2002? If so, why were no funds requested for this effort?

Answer: The estimate to prepare financial statements and conduct an audit of financial statements has not changed. The EOP is required to complete these functions in FY 2002. Funding in the amount of $370,000 will be used to fund the preparation of auditable financial statements for a selected group of EOP agencies in FY2002. As a result, $330,000 for the formal audit of financial statements will be absorbed.

QUESTION 4: Section 638 requires the submission of a separate statement of the amount of appropriations requested for the CFO. This is not part of your justification materials. Why not?

Answer: It was not intentional to exclude this separate statement and the information follows:

Executive Office of the President
Office of the Chief Financial Officer

Mission Statement and Background

In accordance with P.L 106-58, General provision 638, the Executive Office of the President (EOP) was directed to implement the provisions of the Chief Financial Officer's (CFO) Act of 1990. The implementation was effective as of noon January 20, 2001.

The CFO will provide financial management oversight of the EOP, relating to programs and operations, including all aspects of the planning, programming and budgeting process. This office will also review, assess and validate agency requirements, and make recommendations to the agency head regarding resource approvals and authorizations. The CFO will oversee the development of an auditability assessment, as well as the production of auditable financial statements, and the EOP audit itself.

Executive Office of the President
Office of the Chief Financial Officer

Overview

For fiscal year (FY) 2002, the office of the Chief Financial Officer requests an appropriation of $668,000 and authorization of 5 full-time equivalent (FTE) positions. This represents a net increase of $8,000, or 1.2%, in appropriation and no FTEs over the FY 2001 level.

FY 2001

A FY 2001 budget amount of $660,000 was requested and appropriated to fund the implementation of a CFO in the EOP. This authorization consisted of $290,000 for salaries and benefits for five staff persons, including the CFO, for the remaining portion of the fiscal year. The remainder, $370,000, was requested to fund an auditability assessment, to analyze the EOP accounting system and procedures in preparation of auditable financial statements.

Currently, candidates for the position of CFO are being interviewed. Once a candidate has been selected, the individual will staff the office up to the authorized full-time equivalency limit. Also, the EOP is evaluating vendors regarding the performance of the auditability assessment. Once a vendor has been selected, the funds for the auditability assessment will be obligated.

FY 2002 Request

In keeping with the administration's commitment to a freeze plus pay budget, the FY 2002 budget request for the CFO's office represents a $8,000 salary increase to the FY 2001 personnel salaries and benefits amount, equal to the government-wide general schedule pay increase of 3.6%. The request level for Other services remains unchanged at $370,000.

The $370,000 will be used to fund preparation of auditable financial statements for a selected group of EOP agencies in FY 2002. These financial statements will be used as the basis for a formal audit of the EOP's financial records.

Executive Office of the President
Office of the Chief Financial Officer

Overview (continued)
(dollars in thousands)

A summary of the Chief Financial Officer's FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$0	$660	$668
Full-time equivalents	0	5	5

The increases requested for FY 2002 are as follows:

FY 2001 Enacted level	$660
Personnel compensation and benefits	$8
FY 2002 Budget request	$668

Executive Office of the President
Office of the Chief Financial Officer

Object Classification
(dollars in thousands)

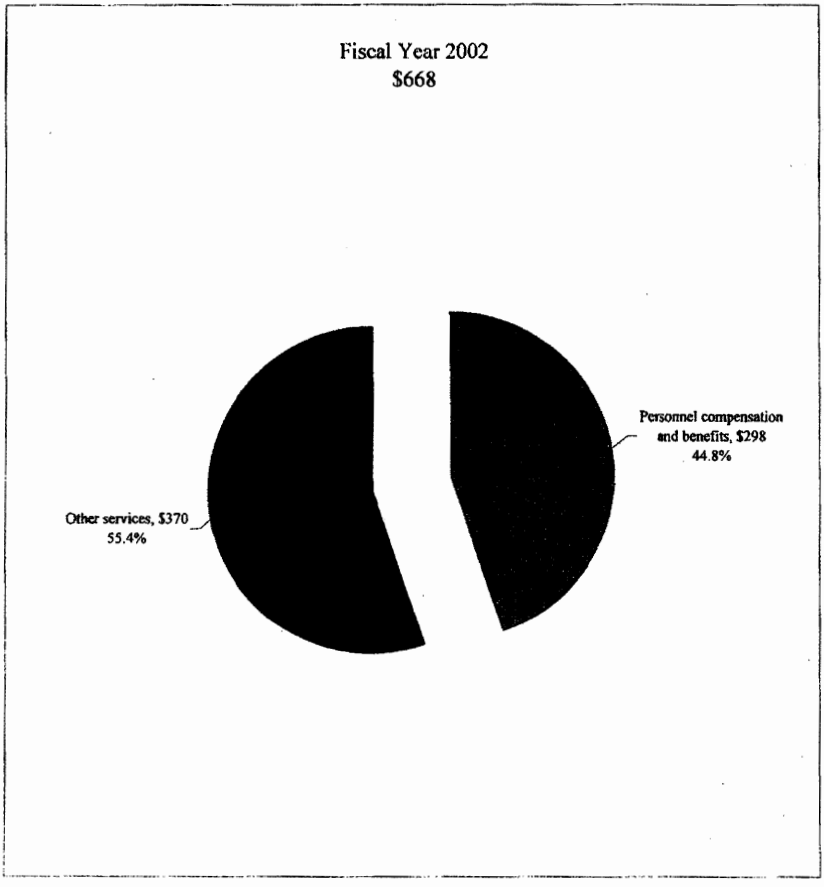
		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$0	$234	$240
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.8	Special personal services payments	0	0	0
11.9	Total personnel compensation	$0	$234	$240
12.1	Civilian personnel benefits	0	56	58
13.0	Benefits for former personnel	0	0	0
21.0	Travel and transportation of persons	0	0	0
22.0	Transportation of things	0	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities and misc. services	0	0	0
24.0	Printing and reproduction	0	0	0
25.2	Other services	0	370	370
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	0
99.0	Subtotal, Direct obligations	$0	$660	$668
99.0	Reimbursable obligations	0	0	0
99.9	Total obligations	$0	$660	$668

Personnel Summary

		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	0	5	5

Executive Office of the President
Office of the Chief Financial Officer

Funding Request by Object Classification
(dollars in thousands)



Executive Office of the President
Office of the Chief Financial Officer

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$234	$240		$6
		The personnel compensation category provides funding for full-time permanent salaries.	
		The $8 increase will provide for the projected 3.6% general pay and locality adjustments effective January 1, 2002 for GS employees.	
		Civilian personnel benefits (12.1)	
$56	$58		$2
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation.	
		This request is based on the average current benefits as a percentage of salary costs.	
		Other services (25.2)	
$370	$370		$0
		Included in this category is a wide range of commercial and government services such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts.	
		No increase is requested in this object class.	
$660	$668	Total for all object classes	$8

Issue: Presidential and First Lady Travel

QUESTION 1: For travel of the President and travel of the First Lady, provide the following for FY 2000-FY 2001 to date:

- Trip Date
- Destination
- Designation (political/official)
- Official Cost

Answer: The attached charts summarize the information requested for travel of the President and travel of the First Lady.

In FY 2000, the Executive Office of the President (EOP) accounting system did not provide a standard method to track the cost of each trip made by the President and the First Lady. All elements of the travel costs charged to the White House appropriation were not itemized for the trip. For example, the cost for rental cars were charged to a central account, not itemized to each trip. In FY01, significant changes were instituted to better disclose the cost of each trip and to more accurately and timely record the expenditure in the EOP accounting system. These changes include:

a. Placing the responsibility for tracking, reconciling and recording all travel costs (excluding 100% political trips) with the EOP career staff;
b. Designating a career financial employee to manage all financial activities for each Presidential trip;
c. Itemizing the White House appropriation by trip; and
d. Charging costs previously passed on to other agencies and sources to the White House appropriation to the maximum extent practical.

For the above reason, we are unable to accurately report the itemized trip costs for FY2000 with an acceptable degree of confidence. Currently, we are estimating the FY 2000 travel costs will be approximately $1.2 million.

Based on the newly instituted procedures outlined above, we are able to report with a high degree of accuracy the itemized trip costs for the President and the First Lady. This is effective as of January 20, 2001. The costs of the President and the First Lady travel are as follows:

PRESIDENTIAL TRIPS				
As of 5/21/01				
TRIP DATE	DESTINATION	TRIP STATUS	OFFICIAL COST	
2/3/2001	Williamsburg, VA	100% official	$7,691	
2/5/2001	Chalk Park, PA	100% official	$2,089	
2/5/2001	Farmington, PA	100% official	$2,541	
2/12/2001	Savanah, GA	100% official	$14,230	
2/13/2001	Norfolk, VA	100% official	$14,209	
2/14/2001	Charleston, WV	100% official	$15,994	
2/18/2001	Waco, TX	100% official	$11,991	
2/19/2001	Oklahoma City, OK	100% official	$7,477	
2/20/2001	Columbus, OH	100% official	$11,516	
2/20/2001	St. Louis, MO	100% official	$15,262	
2/21/2001	Knoxville, TN	100% official	$10,694	
2/28/2001	Pittsburg, PA	100% official	$8,287	
2/28/2001	Council Bluff, IA	100% official	$7,812	
3/1/2001	Little Rock, AK	100% official	$6,971	
3/1/2001	Atlanta, GA	100% official	$24,871	
3/4/2001	Newport News, VA	100% official	$9,700	
3/6/2001	Chicago, IL	100% official	$8,317	
3/8/2001	Sioux Falls, SD	100% official	$15,475	
3/8/2001	Fargo, ND	100% official	$7,052	
3/9/2001	Lafayette, LA	100% official	$16,858	
3/9-11/01	Waco, TX	100% official	$15,353	
3/12/2001	Panama City, FL	100% official	$4,207	
3/14/2001	Plainfield, NJ	100% official	$16,000	*
3/21/2001	Orlando, FL	100% official	$6,410	
3/23/2001	Portland, MN	100% official	$9,758	
3/26/2001	Kansas City, MO	100% official	$6,975	
3/26/2001	Billings, MT	100% official	$20,595	
3/27/2001	Kalamazoo, MI	100% official	$8,633	
4/3/2001	Wilmington, DE	100% official	$12,260	
4/6/2001	Milwaukee, WI	100% official	$11,870	
4/11/2001	Charlotte, NC	100% official	$20,896	
4/11/2001	Greenville, NC	100% official	$20,766	
4/15/2001	Waco, TX	100% official	$16,000	*
4/18/2001	Waterbury, CT	100% official	$7,826	
4/25/2001	New Orleans, LA	100% official	$24,772	
4/25/2001	Jacksonville, FL	100% official	$2,882	
4/25/2001	Little Rock, AK	100% political	$16,000	*
4/26/2001	Houston, TX	100% official	$16,000	*
4/27/2001	Austin, TX	100% official	$16,000	*
4/28/2001	Waco, TX	100% official	$16,000	*
5/14/2001	Philadelphia, PA	100% official	$16,000	*

5/17/2001	Des Moines, IA	100% official	$16,000	*
5/17/2001	St. Paul, MN	100% official	$16,000	*
5/18/2001	Lancaster, PA	100% official	$16,000	*
5/20/2001	South Bend, IA	100% official	$16,000	*
5/20/2001	New Haven, CT	100% official	$16,000	*
5/24/2001	Cleveland, OH	100% official	$16,000	*
5/28/2001	Mesa, AZ	100% official	$30,000	*
5/29/2001	Los Angeles, CA	100% official	$16,000	*
5/29/2001	San Diego, CA	100% official	$16,000	*
5/30/2001	Fresno, CA	100% official	$16,000	*
	Total		$678,240	
	First Lady's Trips			
TRIP		TRIP	OFFICIAL	
DATE	DESTINATION	STATUS	COST	
3/22/2001	Los Angeles, CA	100% Official	$2,540	*
3/23/2001	San Diego, CA	100% Official	$2,540	*
4/23/2001	New York, NY	100% Official	$2,540	*
5/1/2001	New York, NY	100% Official	$2,540	*
5/8/2001	Columbia, SC	100% Official	$2,540	*
5/14/2001	Chicago, IL	100% Official	$2,540	*
	Total		$15,240	
* Indicates the cost is a 100% estimate				

Clerk's Note: After reviewing responses to the Committee's Questions for the Record regarding the EOP's Capital Investment Plan and the Chief Financial Officer, the Committee requested additional information. That information follows:

FY01 CIP Projects Currently on Hold as of 6/7/01

Budget Description

Network infrastructure:
- Roll-out and test equipment laboratory
- Server replacements
- Security perimeter improvements
- Video-teleconferencing pilot
- Telecommuting access
- Internet service improvements

Data Center Renovations

Customer Services:
- EOP common software environment (remaining balance on hold)
- Travel laptops replacement (remaining balance on hold)

Systems Integration and Development:
- White House Integrated System for Document Management
- EOP agency applications (remaining balance on hold)
- Internet infrastructure improvements
- Electronic document management pilot project

Program management and strategic investments:
- Strategic Planning and IV&V
- Overhead

FY02 CIP Projects Currently on Hold as of 6/7/01

Budget Description

Network infrastructure:
- Roll-out and test equipment laboratory
- Server infrastructure
- Security perimeter improvements
- Internet infrastructure and virtual private networks
- Multimedia/video-teleconferencing
- Network Operations Center

Data Center Mainframe Hardware and Software

Systems Development:
- White House Systems
- Electronic document management
- EOP agency applications
- Financial System

Telephone Switch Upgrade

Customer Services:
- Travel and offsite equipment support

Systems Integration and Development:
- White House Integrated System for Document Management

Program management
- Strategic Planning and IV&V
- Overhead

IT Modernization

Question: What specific IT acquisitions have been placed on hold and why were those particular projects selected?

Answer: As stated earlier, I am disappointed in the IT capabilities at the Executive Office of the President. In that regard, we have placed a temporary hold on some, but not all, of the information technology acquisitions that were previously scheduled under the Capital Investment Plan. We intend to use all of the funding provided, however, in so doing we want to make sure that we have developed an IT strategic plan by which we can properly plan out and determine the correct IT investments to meet the current and future requirements of the EOP. Those projects placed on temporary hold include:

- **Rollout and Test Equipment laboratory** – A continuation of upgrading and configure the test lab with equipment to "simulate" the EOP operational Network as a means to test out all newly developed system and applications.
- **Server Infrastructure Replacements** – Upgrade and replace outdated hardware
- **Security Perimeter Improvements** – Procure more robust equipment/system to assist is thwarting Denial of Service (DOS) attacks against the White House/EOP WEB site and Network; Upgrade firewalls for Camp David and Crawford locations; and Improvement to our Intrusion Detection System on the Network.
- **Multimedia/Video-teleconferencing pilot** – Procure mobile video teleconferencing equipment to pilot for utility within EOP and at travel sites.
- **Network Operations Center** – Continue with improvements to monitoring equipment and software used in customer support by NOC/Helpdesk personnel
- **Telecommuting access** – Improvements to secure remote access for EOP users through improvements to secure networking via Virtual Private Network and the life cycle management.
- **Internet Service/Infrastructure Improvements** – Improvements to Internet Service Provider and the service agreements. Improvements to Internet hardware to enhance ability to provide redundancy in equipment capabilities within the WEB Servers and switches.
- **Data Center Renovations** – Total revamping of current data center to include replacement of floors and installation of a back up power source. (*Note – current equipment is outdated and may not be supported by vendor in FY02).
- **Financial Systems** – Improvements to the current Financial Management system
- **White House Systems** – Improvements/Modernization of applications and systems which are used primarily by White House staff such as future updates to Social Office Event Planning; WH Visitor Tour/Ticketing system, WH Travel Office system and continuation of IQ installation and upgrades. (*Maintenance funding provided by WH).
- **Electronic Document Management** – Study of utility of an Electronic Document Management System in EOP. In addition, funding would include the planned development and implementation of a replacement to the current Electronic Records Management system. The plan is to have the system be capable of integration with a subsequent document management system.

- **EOP Agency Applications** – These applications would include the Security Tracking system, Enterprise Information system (Centralized DB); Presidential Trip Tracking for Financial Management; Phase II of the RDS Parcel Tracking (RDS Mart); WEB enabling such Legacy Systems as Random Drug Testing; WAVES, EOP Phone Directory and Executive Clerk.

Automated Records Management System

Question: Please describe these projects (you state that a project scope is being defined but I need more detail on the new Enterprise Electronic Records Management System).

Answer: In October 1998 the Information Technology Management Team approved the "Strategy for Electronic Document Management at the EOP". This strategy recommended that a hierarchy of document libraries be developed to meet the range of OA and EOP document management requirements.

1. The main advantage to an EDMS system is that it provides the ability to locate information more quickly and easily when needed again.

2. A second benefit to an EDMS is that it easily provides for the sharing of information between individuals and organizations.

IS&T will begin by reviewing the "Strategy for Electronic Document Management at the EOP". IS&T will concentrate on upgrading ARMS to achieve a faster, more robust system with enhanced search capabilities, the ability to delete temporary records, an automated dispositioning capability, and the requirement for users to designate e-mail messages as permanent records, administrative records, or non-records.

The single most important action that must be taken is the replacement of the Lotus Notes to ARMS interface. The replacement of this interface will allow for the creation of standardized requirements to permit archiving of records other than e-mail messages and the use of current technology to improve efficiency. It will also make it easier for all to understand the exact requirements that are necessary to ensure that records are properly stored in ARMS.

This is one of the projects that the OA Director has placed on hold.

Chief Financial Officer

Question: What is the status of the CFO candidate selection?

Answer: Selecting a Chief Financial Officer (CFO) is a very high priority within the Executive Office of the President. We are currently conducting interviews to fill this position and will inform the Congress once a selection has been made.

Question: Last year, the Committee provided $660,000 and 5 FTE for establishing a CFO within the EOP. This included $370,000 to support the required auditablity assessment and $290,000 for salary and benefits for the CFO and 4 staff support positions. Has there been a change in the planned obligation of these funds? Has the cost for the CFO and 5 FTE been annualized in the President's FY 2002 budget request? If not, why not? What are the estimated FY 2002 costs for the CFO and 5 FTE? How will these costs be absorbed?

Answer: There has been no change in the planned obligation of these funds. We intend to obligate funds this fiscal year to conduct the auditability assessment and to staff the Chief Financial Officer function. The cost for the CFO and 5 FTE was not annualized in the President's FY 2002 budget request. Since the Administration's policy was to submit a budget equal to the FY 2001 level plus the 3.6% pay raise, only 58% of the CFO salary costs are funded in FY 2002. It is estimated that the FY 2002 cost for the CFO and 5 FTE is $514,000. The FY 2002 President's budget request includes $298,000 for this function, leaving a balance of $216,000 to be absorbed.

It is difficult at this point in time to say specifically how these funds will be absorbed in FY 2002. The Administration's policy to submit a freeze plus pay budget for FY 2002 results in a severely constrained budget to fund the Office of Administration's operating expenses which are are largely non-discretionary. An assessment will be made during the execution of the FY 2002 budget to determine which lower priority efforts can be delayed so that we can fund the CFO staff for the remainder of the fiscal year. There is the possibility that a higher than anticipated rate of personnel attrition will occur in FY 2002. This would potentially free up resources to fund the shortfall associated with the CFO staff and would avoid delaying any other efforts.

Question: Previous cost estimates indicated approximately $700,000 would be required in order to both prepare financial statements and conduct an audit of financial statements. Have these estimates changed? Is it anticipated that these functions will be completed in FY 2002? If so, why were no funds requested for this effort?

Answer: The estimate to prepare financial statements and conduct an audit of financial statements has not changed. The EOP is required to complete these functions in FY 2002. Funding in the amount of $370,000 will be used to fund the preparation of auditable financial statements for a selected group of EOP agencies in FY2002. As a result, $330,000 for the formal audit of financial statements will be absorbed.

As mentioned in the response to the previous question, it is premature to say exactly how these funds will be absorbed in FY 2002. The Administration's policy to submit a freeze plus pay budget for FY 2002 results in a severely constrained budget to fund the Office of Administration's operating expenses which are are largely non-discretionary. An assessment will be made during the execution of the FY 2002 budget to determine which lower priority efforts can be delayed so that we can fund the CFO staff for the remainder of the fiscal year. There is the possibility that a higher than anticipated rate of personnel attrition will occur during FY 2002. This would free up resources to fund the shortfall associated with the CFO staff and would avoid delaying any other efforts.

QUESTIONS FOR THE RECORD SUBMITTED BY THE COMMITTEE
EXECUTIVE RESIDENCE

Issue: Executive Residence, Domestic Staff Overtime

QUESTION 1: As you know, over the past few years, the Committee has been concerned by the growth in domestic staff overtime - where costs have doubled in the past eight years. Last year the Committee provided $300,030 for 4 additional domestic staff.

- Has this staff been hired? For the record, by position, provide salary, benefits and premium pay.

Answer: Three of the four positions have been filled to date. The remaining position (Night Doorman) is currently under contract, until a full-time replacement can obtain security clearance and be hired. The table below provides the salary, benefits and premium pay costs associated with the three positions:

Position	Salary	Benefits	Overtime to Date
Butler	$44,538	$14,252	$ 2,145
Laundry Attendant	$41,851	$13,392	$ 907
Housekeeper	$25,082	$8,026	$11,913

QUESTION 2: In background information provided to the Committee last week, the Executive Residence has provided estimates of domestic staff overtime reflecting an increase of nearly 45 percent for Fiscal Year 2002 -- growing from an estimated $602,488 in Fiscal Year 2001 to $871,766. At the same time, total funds for personnel are increasing by only 5.1 percent. What accounts for this tremendous growth in overtime? What factors were used to develop these estimates?

Answer: Overtime projections are based on increases in the number of official and ceremonial functions of the presidency that are non-reimbursable and the impact of projects and public visitation. Estimates are developed by reviewing historical trends and the anticipated demands.

QUESTION 3: Provide:

- the total average salary for domestic staff in FY 2000-FY 2002 (estimates).

Answer: The information is provided below:

FY 2000	$52,783
FY 2001	$52,926
FY 2002	$54,801

- actual total overtime costs for domestic staff for FY 2000-FY 2002 (estimates).

Answer: The information is provided below.

FY 2000	$690,766
FY 2001	$602,488
FY 2002	$871,766

- by position, for FY 2000-FY 2002 (estimates) provide, years of service, salary, overtime rate, average yearly overtime, and average yearly income for domestic staff:

Answer: The information is provided below.

FY 2000	$ 52,783
FY 2001	$ 52, 926
FY 2002	$ 54,801

Average yearly overtime:

FY 2000	$ 20,316
FY 2001	$ 17,214
FY 2002	$ 24,907

Years of service, salary and overtime rate are displayed on attached charts for FY 2000-2002 (estimates):

EXECUTIVE RESIDENCE- DOMESTIC STAFF - FY 2000

YEARS OF SERVICE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	FY-00 BASE SALARY	FY-00 BASE BENEFITS	FY-00 BASE TOTAL	FY-00 PREMIMUM RATE
21 YEARS	0.240	1,434.40	321.94	37,294.40	8,933.59	46,227.99	26.90
12 YEARS	0.280	1,584.80	443.95	41,204.80	11,542.70	52,747.50	29.72
19 YEARS	0.162	1,735.20	255.38	45,115.20	7,321.12	52,436.32	32.54
19 YEARS	0.170	1,488.80	230.29	38,708.80	6,572.04	45,280.84	27.92
1 YEAR	0.263	1,270.40	314.36	33,030.40	8,672.12	41,702.52	23.82
5 YEARS	0.294	1,352.80	397.27	35,172.80	10,329.02	45,501.82	25.37
1 YEAR	0.298	1,270.40	378.25	33,030.40	9,834.50	42,864.90	23.82
14 YEARS	0.302	2,576.00	777.44	66,976.00	20,213.44	87,189.44	48.30
3 YEARS	0.352	1,516.80	533.40	39,436.80	13,868.40	53,305.20	28.44
21 YEARS	0.259	3,320.80	861.14	86,340.80	22,389.64	108,730.44	62.27
21 YEARS	0.224	1,630.40	340.18	42,390.40	9,484.78	51,875.18	30.57
5 YEARS	0.288	1,240.00	337.96	32,240.00	9,273.78	41,513.78	23.25
13 YEARS	0.299	1,695.20	507.64	44,075.20	13,198.64	57,273.84	31.49
3 YEARS	0.299	1,110.40	332.18	28,870.40	8,636.68	37,507.08	20.82
15 YEARS	0.281	1,752.80	491.83	45,572.80	12,787.58	58,360.38	32.87
28 YEARS	0.185	2,576.00	437.98	66,976.00	12,398.82	79,374.82	48.30
4 YEARS	0.360	1,413.60	509.06	36,753.60	13,235.56	49,989.16	26.51
12 YEARS	0.197	2,199.20	399.65	57,179.20	11,254.31	68,433.51	41.24
15 YEARS	0.280	1,571.20	440.71	40,851.20	11,458.46	52,309.66	29.46
4 YEARS	0.306	2,496.40	764.61	64,958.40	19,879.86	84,838.26	46.85
1 YEAR	0.277	1,720.00	475.77	44,720.00	12,370.02	57,090.02	32.25
20 YEARS	0.117	2,044.80	208.01	53,164.80	6,211.05	59,375.85	38.34
42 YEARS	0.192	2,330.40	412.96	60,590.40	11,651.88	72,242.28	43.70
14 YEARS	0.176	2,952.00	476.19	76,752.00	13,539.90	90,291.90	55.35
13 YEARS	0.236	1,770.40	417.17	46,030.40	10,846.42	56,876.82	33.20
11 YEARS	0.160	4,087.20	591.50	106,267.20	16,983.63	123,250.83	76.64
7 YEARS	0.235	2,862.40	672.84	74,422.40	17,493.84	91,916.24	53.97
19 YEARS	0.320	2,044.80	623.50	53,164.80	17,013.79	70,178.59	38.34
16 YEARS	0.154	2,136.00	296.08	55,536.00	8,536.67	64,072.67	40.05
8 YEARS	0.342	1,916.80	625.98	49,836.80	17,028.02	66,864.82	35.88
9 YEARS	0.317	2,166.40	686.41	56,326.40	17,846.66	74,173.06	40.62
6 YEARS	0.219	3,743.20	817.93	97,323.20	21,266.18	118,589.38	70.19
13 YEARS	0.307	2,472.80	758.57	64,292.80	19,722.82	84,015.62	46.37
1 YEAR	0.350	1,539.20	538.72	40,019.20	14,006.72	54,025.92	28.86
TOTAL				1,794,624.00	445,802.62	2,240,426.62	

EXECUTIVE RESIDENCE- DOMESTIC STAFF - FY 2001							
YEARS OF SERVICE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	FY-01 BASE SALARY	FY-01 BASE BENEFITS	FY-01 BASE TOTAL	FY-01 PREMIMUM RATE
22 YEARS	0.248	1,488.80	346.32	38,708.80	9,588.82	48,297.62	27.92
13 YEARS	0.283	1,644.80	464.83	42,764.80	12,085.58	54,850.38	30.84
20 YEARS	0.165	1,801.60	269.34	46,841.60	7,710.15	54,551.75	33.78
20 YEARS	0.173	1,545.60	243.37	40,185.60	6,934.42	47,120.02	28.98
2 YEARS	0.311	1,319.20	390.58	34,299.20	10,673.00	44,972.20	24.73
6 YEARS	0.292	1,404.00	410.54	36,504.00	10,674.04	47,178.04	26.33
2 YEAR	0.236	1,319.20	310.90	34,299.20	8,083.40	42,382.60	24.73
15 YEARS	0.305	2,674.40	814.68	69,534.40	21,181.68	90,716.08	50.15
4 YEARS	0.357	1,574.40	562.15	40,934.40	14,615.90	55,550.30	29.52
1 YEAR	0.320	1,609.66	515.09	41,851.16	13,392.34	55,243.50	30.08
22 YEARS	0.260	3,447.20	896.30	89,627.20	23,303.80	112,931.00	64.64
22 YEARS	0.232	1,692.80	367.49	44,012.80	10,219.33	54,232.13	31.74
6 YEARS	0.291	1,287.20	355.39	33,467.20	9,745.49	43,212.69	24.14
14 YEARS	0.304	1,759.20	534.96	45,739.20	13,908.96	59,648.16	32.99
4 YEARS	0.303	1,152.80	349.23	29,972.80	9,079.98	39,052.78	21.62
16 YEARS	0.282	1,819.20	512.24	47,299.20	13,318.24	60,617.44	34.11
29 YEARS	0.190	2,674.40	466.60	69,534.40	13,181.57	82,715.97	50.15
5 YEARS	0.366	1,468.00	537.40	38,168.00	13,972.40	52,140.40	27.53
0.4 YEAR	0.320	964.80	308.69	25,084.80	8,025.94	33,110.74	19.11
13 YEARS	0.202	2,282.40	427.14	59,342.40	12,001.71	71,344.11	30.91
16 YEARS	0.283	1,630.40	461.74	42,390.40	12,005.24	54,395.64	30.57
5 YEARS	0.307	2,592.80	795.01	67,412.80	20,670.26	88,083.06	48.62
2 YEAR	0.279	1,785.60	498.65	46,425.60	12,964.90	59,390.50	33.48
21 YEARS	0.102	2,122.40	215.90	55,182.40	5,613.40	60,795.80	39.80
43 YEARS	0.197	2,419.20	440.72	62,899.20	12,408.50	75,307.70	45.36
15 YEARS	0.180	3,064.00	506.50	79,664.00	14,371.93	94,035.93	57.45
14 YEARS	0.236	1,837.60	432.95	47,777.60	11,256.70	59,034.30	34.46
12 YEARS	0.163	4,242.40	626.09	110,302.40	17,943.91	128,246.31	79.55
8 YEARS	0.300	2,971.20	890.16	77,251.20	23,144.16	100,395.36	55.71
19 YEARS - RETIRED 2000							
17 YEARS	0.156	2,217.60	311.78	57,657.60	8,976.91	66,634.51	41.58
9 YEARS	0.347	1,989.60	661.05	51,729.60	17,968.42	69,698.02	37.31
10 YEARS	0.321	2,248.80	721.28	58,468.80	18,753.28	77,222.08	42.17
7 YEARS	0.283	3,885.60	1098.41	101,025.60	28,558.66	129,584.26	72.86
13 YEARS - RETIRED 2000							
2 YEAR	0.355	1,597.60	567.40	41,537.60	14,752.40	56,290.00	29.96
1 YEAR	0.320	1,713.03	548.18	44,538.78	14,252.68	58,791.46	32.01
TOTAL				1,852,434.74	475,338.10	2,327,772.84	

EXECUTIVE RESIDENCE- DOMESTIC STAFF - FY 2002

YEARS OF SERVICE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	FY-02 BASE SALARY	FY-02 BASE BENEFITS	FY-02 BASE TOTAL	FY-02 PREMIUM RATE
23 YEARS	0.240	1,543.20	346.32	40,123.20	9,610.18	49,733.38	28.94
14 YEARS	0.285	1,703.20	485.83	44,283.20	12,631.58	56,914.78	31.94
21 YEARS	0.167	1,868.00	283.30	48,568.00	8,099.18	56,667.18	35.03
21 YEARS	0.175	1,602.40	266.45	41,662.40	7,296.80	48,959.20	30.05
3 YEARS	0.364	1,338.00	486.80	34,788.00	12,662.10	47,450.10	25.09
7 YEARS	0.291	1,455.20	423.61	37,835.20	11,019.06	48,854.26	27.29
3 YEARS	0.263	1,368.00	359.70	35,568.00	9,352.20	44,920.20	25.65
18 YEARS	0.307	2,772.80	851.93	72,092.80	22,150.05	94,242.85	51.99
5 YEARS	0.362	1,632.00	590.90	42,432.00	15,363.40	57,795.40	30.60
2 YEARS	0.316	1,663.00	525.00	43,238.00	13,650.00	56,888.00	31.18
23 YEARS	0.261	3,573.60	931.48	92,913.60	24,217.96	117,131.56	67.01
23 YEARS	0.240	1,755.20	394.80	45,635.20	10,953.89	56,589.09	32.91
7 YEARS	0.294	1,334.40	372.82	34,694.40	10,217.21	44,911.61	25.02
15 YEARS	0.308	1,823.20	562.28	47,403.20	14,619.28	62,022.48	34.19
5 YEARS	0.292	1,195.20	349.23	31,075.20	9,079.98	40,155.18	22.41
17 YEARS	0.293	1,819.20	532.65	47,299.20	13,848.90	61,148.10	34.11
30 YEARS	0.194	2,772.80	495.22	72,092.80	13,964.32	86,057.12	51.99
6 YEARS	0.372	1,522.50	565.74	39,585.00	14,709.24	54,294.24	28.55
2 YEARS	0.344	1,073.20	368.76	27,903.20	9,587.76	37,490.96	20.12
14 YEARS	0.207	2,365.60	454.63	61,505.60	12,749.11	74,254.71	44.36
17 YEARS	0.286	1,689.60	482.77	43,929.60	12,552.02	56,481.62	31.68
6 YEARS	0.307	2,687.20	825.41	69,867.20	21,460.66	91,327.86	50.39
3 YEARS	0.282	1,851.20	521.53	48,131.20	13,559.78	61,690.98	34.71
22 YEARS	0.102	2,200.00	223.79	57,200.00	5,818.54	63,018.54	41.25
44 YEARS	0.202	2,508.00	468.48	65,208.00	13,165.12	78,373.12	47.03
16 YEARS	0.184	3,176.00	536.82	82,576.00	15,204.22	97,780.22	59.55
15 YEARS	0.236	1,904.80	448.73	49,524.80	11,666.98	61,191.78	35.72
13 YEARS	0.165	4,397.60	660.68	114,337.60	18,904.18	133,241.78	82.48
9 YEARS	0.304	3,080.00	935.00	80,080.00	24,310.00	104,390.00	57.75
19 YEARS - RETIRED 2000							-
18 YEARS	0.158	2,299.20	327.48	59,779.20	9,417.15	69,196.35	43.11
10 YEARS	0.353	2,062.40	696.12	53,622.40	18,908.82	72,531.22	38.67
11 YEARS	0.324	2,331.20	756.15	60,611.20	19,659.90	80,271.10	43.71
8 YEARS	0.274	4,028.00	1105.25	104,728.00	28,736.50	133,464.50	75.53
13 YEARS - RETIRED 2000							-
3 YEAR	0.360	1,656.00	595.98	43,056.00	15,495.48	58,551.48	31.05
2 YEAR	0.337	1,720.00	579.99	44,720.00	15,079.74	59,799.74	32.25
TOTAL				1,918,069.40	499,721.28	2,417,790.68	

Issue: Executive Residence, Operating Expenses

QUESTION 1: In FY 2001, the Committee provided an increase of $278,500 for Executive Residence supplies and materials such as employee uniforms, kitchen supplies, etc. This was in addition to an estimated $450,000 in the base appropriation for these expenses. This year the President is requesting an additional $214,000 for these expenses, more than a 100 percent increase over two years.

- What is currently in the base appropriation for supplies and materials such as employee uniforms, kitchen supplies, electrical and paint supplies, etc.?

Answer: The FY 2001 base appropriation for supplies and materials is $748,000.

- Why are these costs escalating at this rate? What can be done to control these costs?

Answer: The major increases for the supplies and materials over the past several years are directly associated with the HVAC and water filtration systems that require routine maintenance and parts replacement to perform at optimum levels. While some cost increases are unavoidable, we are seeking ways to control costs and maximize savings throughout the Executive Residence.

- For the record, itemize estimated obligations for supplies and materials for Fiscal Year 2002?

Answer: The following table provides an itemization of these obligations:

Itemization of Supplies and Materials for FY 2002

Item	Estimated Obligations
Administrative Supplies[1]	$137,000
Housekeeping and Kitchen Supplies[2]	414,000
Shop Supplies[3]	485,000

QUESTION 2: For FY 2001, the Committee provided an increase of $10,000 for historic furnishings, four times the amount obligated in the previous fiscal year. The President's budget includes an increase of an additional $5,000 for this activity in FY 2002. This item has not been non-recurred from the base so I assume that the total request for historic furnishings is $15,000.

[1] Administrative supplies include office supplies, small equipment, and official functions

[2] Housekeeping and kitchen supplies include linen, glassware, serving supplies, uniforms and flowers

[3] Shop supplies include electrical, engineering, plumbing, carpentry, and paint supplies

- Is this accurate?

Answer: Yes, the total request for FY2002 is $15,000.

- What accounts for this tremendous escalation in costs?

Answer: Items that come up for purchase that have historical significance to the White House are seldom within our budgetary means but when significant but smaller dollar amount items are available, the Executive Residence needs to be able to move quickly before the item becomes available at auction.

- For the record, provide a list of items purchased in FY 2001 as well as those planned for purchase in FY 2002 (including cost by item).

Answer: To date, the Executive Residence has utilized $114 for the purchase of two historic paintings. While it is not possible to project what purchases will be made in the future, this funding level is required for items of historical significance that might become available during Fiscal Year 2002.

QUESTION 3: The President's budget includes a request of $75,000 for the replacement of office equipment and upgrades of existing information technology equipment within the Operating Expense appropriation and an additional $244,000 for computer upgrades and software development within the White House Repair and Restoration account.

- Why are funds being requested in separate accounts for similar activities? What is the primary difference between these two requests and why can't they be merged?

Answer: Items requested in the Operating Account are for replacements and required upgrades to smaller items that will be replaced within the fiscal year. Items requested in the White House Repair and Restoration account are for larger scale items and specialized software development that will take place over several years utilizing many different contractors. Merging the requests would limit flexibility and limit long range planning.

- The Committee provided $60,000 through the White House Repair and Restoration appropriation for computer modernization in FY 2001. How does the FY 2002 request differ from those projects funded in FY 2001? Please itemize the obligations incurred for FY 2001 computer modernization within the White House Repair and Restoration account and the estimated obligations by project for FY 2002 for both Executive Residence Operating Expenses and White House Repair and Restoration.

Answer: The amounts obligated in FY2001 and FY2002 are shown in the tables below:

FY 2001 Projects	Estimated Obligations
Replace PDC Server	$20,000
Replace Admin. Computers	$8,000
Replacement Laptop computers	$4,000
Replace terminal units	$8,000
Monitor Replacement	$8,000
Printer Replacements	$8,000
Software upgrades	$4,000

FY2002 Projects	Estimated Obligations
Replace terminal servers	$40,000
Web Server for Document Management	$50,000
Document Photo Storage Unit	$40,000
Network Switches	$14,000
Custom Software development	$100,000

Issue: Executive Residence, Reimbursable Activities

QUESTION 1: The current appropriations language requires that the national committee of the political party of the President maintain on deposit $25,000 for expenses relating to reimbursable political events sponsored by such committee during the fiscal year. Have you received this deposit from the RNC?

Answer: Yes, we have received this deposit. The Executive Residence received a check in the amount of $25,000 from the Republican National Committee on January 22, 2001.

QUESTION 2: In the annual report on Reimbursable Operating Expenses for the Executive Residence, submitted in January of this year and therefore reflecting activities of the previous Administration, I note that there were 4 events that were not paid within the 90 day time period, including a New Year's Eve Celebration costing $991,525.

- In total, how much in interest and penalties were assessed for these 4 events?

Answer: The total amount of interest and penalties assessed for the 4 events was $53,148.32.

- I also note that there was a Veterans Day Reception held in November but not reimbursed until April. There is no indication that penalties and fines were assessed for this event. Was current law followed for this event?

Answer: Yes, current law was followed. The Veteran's Administration is a government agency and therefore, no late fees or penalties were assessed.

- In regards to the nearly $1 million New Years Eve celebration, what entity or entities were responsible for making these reimbursements?

Answer: The New Year's Eve event was billed to the America's Millennium Council. Payments were received from the America's Millennium Council, the National Park Foundation and the Clinton Presidential Inaugural Committee.

- I note that the Economic Conference that was held in April 2000 was not reimbursed until August. There is no indication that penalties and fines were assessed for this event. Was current law followed for this event?

Answer: Yes, current law was followed. The bill was separated into four equal bills, the first three payments were paid on time. The late payment was paid to a government agency and therefore no late fees or penalties were assessed.

Issue: Executive Residence, White House Repair and Restoration

QUESTION 1: The President's budget includes a significant increase for White House Repairs and Restoration -- +$7,659,000. The total amount requested is $8,625,000, offset by one time cost savings of $966,000. In addition to the Communication System Repairs project started in FY 2001, you are requesting funds for a variety of restoration, renovation and repair activities. This is an unusually high request.

- Are these projects associated with normal deterioration of the Executive Residence?

Answer: All of the referenced projects are a result of deterioration or extended usage beyond acceptable condition limits.

- There are 8 separate projects listed in the justification materials -- all of them seem fairly comprehensive and even difficult, by your own estimates. Is it prudent to tackle so many projects in one year? Will any of these projects require a design or are they construction only?

Answer: Although this is an aggressive schedule, based on previous experience and the necessity to correct the existing deficiencies before they become even worse, we believe that this is an appropriate response. It should be noted that the actual execution of any project for the Executive Residence is critically dependent on the official and private schedule and activities of the President and First Family. All of the projects will involve design requirements, although the design phase will be of short duration. Construction is scheduled to begin in Fiscal Year 2002 for all projects.

- By project, provide the following:

  -- itemization of project costs;
  -- estimated time schedule from start to completion, including start and completion dates;
  -- impact of delaying the project for one year

Answer: Listed below are the projects planned for FY2002 and the associated cost, schedule and impact of delaying one year.

Project:

1. Cabana Roof Reconstruction and Pool Deck Renovation . Expected duration - 9 - 12 months beginning in November 2001. Delayed start impact - Cabana: continued deterioration of existing roofing with likely recurring interior damage, energy inefficiency. Pool Deck: increasing subsidence of concrete slab, increased risk to interim leak repairs. Survey and Design $50,000, Construction $380,000

2. North Portico Curtain Wall Replacement. Expected Duration - 6 months, to begin in *February 2002. Delayed start impact - Continued unacceptable* air and water infiltration. Security concern, operational hazard, ADA compliance issues and the deterioration of existing metal doors. Survey and Deign $10,000, Construction $110,000.

3. Installation of Insulated Windows. Expected duration 9 - 12 months to begin in October 2001. Delayed start impact - continued damage to existing historic sash and adverse aesthetic qualities due to condensation, difficulty in maintaining proper temperatures in adverse weather. Survey and Design $15,000, Construction $145,000.

4. Restoration of Stone and Pavers. Expected duration - 3 - 6 months to begin in April 2002. Delayed start - increasing water and air infiltration into the Third Floor exterior walls of the Residence - the only wall surfaces remaining to be completed (not included in the sandstone Exterior Restoration Project of 1980 -1996). Continued water infiltration and subsequent freeze- thaw damage of existing pavers. Unacceptable aesthetics, potential safety issue. Construction only $277,000.

5. Replacement of Kitchen Floor. Expected duration - 3 weeks to begin June 2002. Delayed start impact - continued difficulty in proper cleaning of existing flooring, problem of leaks into office space below may return. Construction only $75,000.

6. Restoration of East and West Wing Exterior Restoration. Expected duration - multi year - dependent on scope determination after substrate condition assessment to begin in October 2001. (after paint removal) Delayed start impact - continued deterioration of stone and paint coatings due to water infiltration and/or inadequate paint adherence. Unacceptable aesthetics. Survey and Design $250,000, Repairs $2,250,000.

7. Restoration of the West Colonnade. Expected duration - 4 - 6 months to begin in February 2002. Delayed start impact - increasing deterioration due to weathered and damaged surfaces, water infiltration. Unacceptable aesthetics. Construction only $275,000.

8. Communications Systems Repairs - Phase 2. Expected duration - 1 year Design has begun. Delayed start impact - increasing risk of severely deteriorated conduit collapse which would sever the communications systems to the multi-agencies in the East Wing and to the Executive Residence. Construction only $4,500,000.

QUESTION 2: In regards to the Communications System Repair project, is the project design now complete? When do you anticipate the construction will start? What is the estimated completion date?

Answer: The design is underway but not complete at this time. The construction start is scheduled for November 2001. The construction is planned to take 12 months.

Clerk's Note: After reviewing responses to the Committee's Questions for the Record regarding White House repairs and restoration, the Committee requested additional information. That information follows:

EXECUTIVE RESIDENCE- DOMESTIC STAFF -

YEARS OF SERVICE	TITLE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	BASE SALARY	BASE BENEFITS	BASE TOTAL	PREMIMUM RATE	AVERAGE OVERTIME	AVERAGE TOTAL SALARY
21 YEARS	Maid	0.240	1,434.40	321.94	37,294.40	8,933.59	46,227.99	26.90	14,731.50	60,959.49
12 YEARS	Maid	0.280	1,584.80	443.95	41,204.80	11,542.70	52,747.50	29.72	16,141.50	68,889.00
19 YEARS	Laundry Specialist	0.162	1,735.20	255.38	45,115.20	7,321.12	52,436.32	32.54	17,551.50	69,987.82
19 YEARS	Maid	0.170	1,488.80	230.29	38,708.80	6,572.04	45,280.84	27.92	15,241.50	60,522.34
1 YEAR	Maid	0.263	1,270.40	314.36	33,030.40	8,672.12	41,702.52	23.82	13,194.50	54,897.02
5 YEARS	Maid	0.294	1,352.80	397.27	35,172.80	10,329.02	45,501.82	25.37	13,966.50	59,468.32
1 YEAR	Houseman	0.298	1,270.40	378.25	33,030.40	9,834.50	42,864.90	23.82	13,194.00	56,058.90
14 YEARS	Asst Housekeeper	0.302	2,576.00	777.44	66,976.00	20,213.44	87,189.44	48.30	25,434.00	112,623.44
3 YEARS	Houseman	0.352	1,516.80	533.40	39,436.80	13,868.40	53,305.20	28.44	15,504.00	68,809.20
21 YEARS	Exec Housekeeper	0.259	3,320.80	861.14	86,340.80	22,389.64	108,730.44	62.27	32,146.50	140,876.94
21 YEARS	Houseman	0.224	1,630.40	340.18	42,390.40	9,484.78	51,875.18	30.57	16,569.50	68,444.68
5 YEARS	Housekeeper	0.288	1,240.00	337.96	32,240.00	9,273.78	41,513.78	23.25	12,909.00	54,422.78
13 YEARS	Houseman	0.299	1,695.20	507.64	44,075.20	13,198.64	57,273.84	31.79	17,176.50	74,450.34
3 YEARS	Houseman	0.299	1,110.40	332.18	28,870.40	8,636.68	37,507.08	20.82	11,694.00	49,201.08
15 YEARS	Maid	0.281	1,752.80	491.83	45,572.80	12,787.58	58,360.38	32.87	17,716.50	76,076.88
28 YEARS	Custodial Spec	0.185	2,576.00	437.98	66,976.00	12,398.82	79,374.82	48.30	25,434.00	104,808.82
4 YEARS	Houseman	0.360	1,413.60	509.06	36,753.60	13,235.56	49,989.16	26.51	14,536.50	64,525.66
12 YEARS	Butler	0.197	2,199.20	399.65	57,179.20	11,254.31	68,433.51	41.24	21,901.50	90,335.01
15 YEARS	Kitchen Steward	0.280	1,571.20	440.71	40,851.20	11,458.46	52,309.66	29.46	16,014.00	68,323.66
4 YEARS	Asst. Chef	0.306	2,498.40	764.61	64,958.40	19,879.86	84,838.26	46.85	24,706.50	109,544.76
1 YEAR	Butler	0.277	1,720.00	475.77	44,720.00	12,370.02	57,090.02	32.25	17,409.00	74,499.02
20 YEARS	Storekeeper	0.117	2,044.80	208.01	53,164.80	6,211.05	59,375.85	38.34	20,454.00	79,829.85
42 YEARS	Head Storekeeper	0.192	2,330.40	412.96	60,590.40	11,651.88	72,242.28	43.70	23,131.50	95,373.78
14 YEARS	Maitre d'	0.176	2,952.00	476.19	76,752.00	13,539.90	90,291.90	55.35	28,959.00	119,250.90
13 YEARS	Storekeeper	0.236	1,770.40	417.17	46,030.40	10,846.42	56,876.82	33.20	17,881.50	74,758.32
11 YEARS	Pastry Chef	0.160	4,087.20	591.50	106,267.20	16,983.63	123,250.83	76.64	39,601.50	162,852.33
7 YEARS	Asst Chef	0.235	2,862.40	672.84	74,422.40	17,493.84	91,916.24	53.67	28,119.00	120,035.24
19 YEARS	Kitchen Steward	0.320	2,044.80	623.50	53,164.80	17,013.79	70,178.59	38.34	20,454.00	90,632.59
16 YEARS	Butler	0.154	2,136.00	296.08	55,536.00	8,536.67	64,072.67	40.05	21,309.00	85,381.67
8 YEARS	Butler	0.342	1,916.80	625.98	49,836.80	17,028.02	66,864.82	35.94	19,254.00	86,118.82
9 YEARS	Butler	0.317	2,166.40	686.41	56,326.40	17,846.66	74,173.06	40.62	21,594.00	95,767.06
6 YEARS	Exec Chef	0.219	3,743.20	817.93	97,323.20	21,266.18	118,589.38	70.19	36,376.50	154,965.88
13 YEARS	Asst Maitre d'	0.307	2,472.80	758.57	64,292.80	19,722.82	84,015.62	46.37	24,735.50	108,751.12
1 YEAR	Kitchen Steward	0.350	1,539.20	538.72	40,019.20	14,006.72	54,025.92	28.86	15,724.00	69,749.92
	FY2000				1,794,624.00	445,802.62	2,240,426.62		690,766.00	

EXECUTIVE RESIDENCE- DOMESTIC STAFF -

YEARS OF SERVICE	TITLE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	BASE SALARY	BASE BENEFITS	BASE TOTAL	PREMIMUM RATE	AVERAGE OVERTIME	AVERAGE TOTAL SALARY
22 YEARS	Maid	0.248	1,488.80	346.32	38,708.80	9,588.82	48,297.62	27.92	12,087.50	60,385.12
13 YEARS	Maid	0.283	1,644.80	464.83	42,764.80	12,085.58	54,850.38	30.84	13,550.00	68,400.38
20 YEARS	Laundry Specialist	0.165	1,801.60	269.34	46,841.60	7,710.15	54,551.75	33.78	15,020.00	69,571.75
20 YEARS	Maid	0.173	1,545.60	243.37	40,185.60	6,934.42	47,120.02	28.98	12,620.50	59,740.52
2 YEARS	Maid	0.311	1,319.20	390.58	34,299.20	10,673.00	44,972.20	24.74	10,497.50	55,469.70
6 YEARS	Maid	0.292	1,404.00	410.54	36,504.00	10,674.04	47,178.04	26.33	11,292.50	58,470.54
2 YEAR	Houseman	0.236	1,319.20	310.90	34,299.20	8,083.40	42,382.60	24.74	10,497.50	52,880.10
15 YEARS	Asst Houskeeper	0.305	2,674.40	814.68	69,534.40	21,181.68	90,716.08	50.15	23,202.50	113,918.58
4 YEARS	Houseman	0.357	1,574.40	562.15	40,934.40	14,615.90	55,550.30	29.52	12,890.00	68,440.30
1 YEAR	Laundry Specialist	0.320	1,609.66	515.09	41,851.16	13,392.34	55,243.50	30.18	13,220.50	68,464.00
22 YEARS	Exec Housekeeper	0.260	3,447.20	896.30	89,627.20	23,303.80	112,931.00	64.64	30,447.50	143,378.50
22 YEARS	Houseman	0.232	1,692.80	367.49	44,012.80	10,219.33	54,232.13	31.74	14,000.00	68,232.13
6 YEARS	Housekeeper	0.291	1,287.20	355.39	33,467.20	9,745.49	43,212.69	24.14	10,197.50	53,410.19
14 YEARS	Houseman	0.304	1,759.20	534.96	45,739.20	13,908.96	59,648.16	32.99	14,622.50	74,270.66
4 YEARS	Houseman	0.303	1,152.80	349.23	29,972.80	9,079.98	39,052.78	21.62	8,937.50	47,990.28
16 YEARS	Maid	0.282	1,819.20	512.24	47,299.20	13,318.24	60,617.44	34.11	17,055.00	77,672.44
29 YEARS	Custodial Spec	0.190	2,674.40	466.60	69,534.40	13,181.57	82,715.97	50.15	23,202.50	105,918.47
5 YEARS	Houseman	0.366	1,468.00	537.40	38,168.00	13,972.40	52,140.40	27.53	11,892.50	64,032.90
0.4 YEAR	Laundry Attendant	0.320	964.80	308.69	25,084.80	8,025.94	33,110.74	18.09	9,045.00	42,155.74
13 YEARS	Butler	0.202	2,282.40	427.14	59,342.40	12,001.71	71,344.11	42.80	19,527.50	90,871.61
16 YEARS	Kitchen Steward	0.283	1,630.40	461.74	42,390.40	12,005.24	54,395.64	30.57	13,415.00	67,810.64
5 YEARS	Asst. Chef	0.307	2,592.80	795.01	67,412.80	20,670.26	88,083.06	48.62	22,437.50	110,520.56
2 YEAR	Butler	0.279	1,785.60	498.65	46,425.60	12,964.90	59,390.50	33.48	14,870.00	74,260.50
21 YEARS	Storekeeper	0.102	2,122.40	215.90	55,182.40	5,613.40	60,795.80	39.80	18,027.50	78,823.30
43 YEARS	Head Storekeeper	0.197	2,419.20	440.72	62,899.20	12,408.50	75,307.70	45.36	20,810.00	96,117.70
15 YEARS	Maitre d'	0.180	3,064.00	506.50	79,664.00	14,371.93	94,035.93	57.45	26,855.00	120,890.93
14 YEARS	Storekeeper	0.236	1,837.60	432.95	47,777.60	11,256.70	59,034.30	34.46	15,357.50	74,391.80
12 YEARS	Pastry Chef	0.163	4,242.40	626.09	110,302.40	17,943.91	128,246.31	79.55	36,363.50	164,609.81
8 YEARS	Asst. Chef	0.300	2,971.20	890.16	77,251.20	23,144.16	100,395.36	55.71	24,446.00	124,841.36
19 YEARS -	Kitchen Steward (RETIRED 2000)							-	-	-
17 YEARS	Butler	0.156	2,217.60	311.78	57,657.60	8,976.91	66,634.51	41.58	18,920.00	85,554.51
9 YEARS	Butler	0.347	1,989.60	661.05	51,729.60	17,968.42	69,698.02	37.31	16,782.50	86,480.52
10 YEARS	Butler	0.321	2,248.80	721.28	58,468.80	18,753.28	77,222.08	42.17	19,212.50	96,434.58
7 YEARS	Exec Chef	0.283	3,885.60	1098.41	101,025.60	28,558.66	129,584.26	72.86	33,018.50	162,602.76
13 YEARS -	Asst. Maitre d' (RETIRED 2000)							-	-	-
2 YEAR	Kitchen Steward	0.355	1,597.60	567.40	41,537.60	14,752.40	56,290.00	29.96	13,107.50	69,397.50
1 YEAR	Doorman	0.320	1,713.03	548.18	44,538.78	14,252.68	58,791.46	32.12	15,059.00	73,850.46
	FY2001				1,852,434.74	475,338.10	2,327,772.84		602,488.00	

EXECUTIVE RESIDENCE- DOMESTIC STAFF -

YEARS OF SERVICE	TITLE	% RATE OF BENEFITS	BI-WEEKLY GROSS SALARY	BI-WEEKLY BENEFITS	BASE SALARY	BASE BENEFITS	BASE TOTAL	PREMIMUM RATE	AVERAGE OVERTIME	AVERAGE TOTAL SALARY
23 YEARS	Maid	0.240	1,543.20	346.32	40,123.20	9,610.18	49,733.38	28.94	19,614.50	69,347.88
14 YEARS	Maid	0.285	1,703.20	485.83	44,283.20	12,631.58	56,914.78	31.94	21,114.50	78,029.28
21 YEARS	Laundry Specialist	0.167	1,868.00	283.30	48,568.00	8,099.18	56,667.18	35.03	22,659.50	79,326.68
21 YEARS	Maid	0.175	1,602.40	256.45	41,662.40	7,296.80	48,959.20	30.05	20,169.50	69,128.70
3 YEARS	Maid	0.364	1,338.00	466.80	34,788.00	12,662.10	47,450.10	25.09	17,690.75	65,140.85
7 YEARS	Maid	0.291	1,455.20	423.81	37,835.20	11,019.06	48,854.26	27.29	18,789.50	67,643.76
3 YEARS	Houseman	0.263	1,368.00	359.70	35,568.00	9,352.20	44,920.20	25.65	17,972.00	62,892.20
16 YEARS	Asst Housekeeper	0.307	2,772.80	851.93	72,092.80	22,150.05	94,242.85	51.99	31,142.00	125,384.85
5 YEARS	Houseman	0.362	1,632.00	590.90	42,432.00	15,363.40	57,795.40	30.60	20,447.00	78,242.40
2 YEARS	Laundry Specialist	0.316	1,663.00	525.00	43,238.00	13,650.00	56,888.00	31.18	20,737.63	77,625.63
23 YEARS	Exec Housekeeper	0.261	3,573.60	931.46	92,913.60	24,217.96	117,131.56	67.01	38,649.50	155,781.06
23 YEARS	Houseman	0.240	1,755.20	394.80	45,635.20	10,953.89	56,589.09	32.91	21,602.00	78,191.09
7 YEARS	Housekeeper	0.294	1,334.40	372.82	34,694.40	10,217.21	44,911.61	25.02	17,657.00	62,568.61
15 YEARS	Houseman	0.308	1,823.20	562.28	47,403.20	14,619.28	62,022.48	34.19	22,239.50	84,261.98
5 YEARS	Houseman	0.292	1,195.20	349.23	31,075.20	9,079.98	40,155.18	22.41	16,352.00	56,507.18
17 YEARS	Maid	0.293	1,819.20	532.65	47,299.20	13,848.90	61,148.10	34.11	22,202.50	83,350.60
30 YEARS	Custodial Spec	0.194	2,772.80	495.22	72,092.80	13,964.32	86,057.12	51.99	31,142.00	117,199.12
6 YEARS	Houseman	0.372	1,522.50	565.74	39,585.00	14,709.24	54,294.24	28.55	19,420.44	73,714.68
2 YEARS	Laundry Attendant	0.344	1,073.20	368.76	27,903.20	9,587.76	37,490.96	20.12	15,208.55	52,699.51
14 YEARS	Butler	0.207	2,365.60	454.63	61,505.60	12,749.11	74,254.71	44.36	27,324.50	101,579.21
17 YEARS	Kitchen Steward	0.286	1,689.60	482.77	43,929.60	12,552.02	56,481.62	31.68	20,987.00	77,468.62
6 YEARS	Asst. Chef	0.307	2,687.20	825.41	69,867.20	21,460.66	91,327.86	50.39	30,339.50	121,667.36
3 YEARS	Butler	0.282	1,851.20	521.53	48,131.20	13,559.78	61,690.98	34.71	22,502.00	84,192.98
22 YEARS	Storekeeper	0.102	2,200.00	223.79	57,200.00	5,818.54	63,018.54	41.25	25,772.00	88,790.54
44 YEARS	Head Storekeeper	0.202	2,508.00	468.48	65,208.00	13,165.12	78,373.12	47.03	28,659.50	107,032.62
16 YEARS	Maitre d'	0.184	3,176.00	536.82	82,576.00	15,204.22	97,780.22	59.55	34,922.00	132,702.22
15 YEARS	Storekeeper	0.236	1,904.80	448.73	49,524.80	11,666.98	61,191.78	35.72	23,004.50	84,196.28
13 YEARS	Pastry Chef	0.165	4,397.60	660.68	114,337.60	18,904.18	133,241.78	82.46	46,374.50	179,616.28
9 YEARS	Asst. Chef	0.304	3,080.00	935.00	80,080.00	24,310.00	104,390.00	57.75	34,022.00	138,412.00
19 YEARS -	Kitchen Steward (RETIRED 2000)							-	-	-
18 YEARS	Butler	0.158	2,299.20	327.48	59,779.20	9,417.15	69,196.35	43.11	28,248.00	97,444.35
10 YEARS	Butler	0.353	2,062.40	696.12	53,622.40	18,908.82	72,531.22	38.67	26,029.00	98,560.22
11 YEARS	Butler	0.324	2,331.20	756.15	60,611.20	19,659.90	80,271.10	43.71	28,548.00	108,819.10
8 YEARS	Exec Chef	0.274	4,028.00	1105.25	104,728.00	28,736.50	133,464.50	75.53	42,909.50	176,374.00
13 YEARS -	Asst. Maitre d' (RETIRED 2000)							-	-	-
3 YEAR	Kitchen Steward	0.360	1,656.00	595.98	43,056.00	15,495.48	58,551.48	31.05	20,672.00	79,223.48
2 YEAR	Doorman	0.337	1,720.00	579.99	44,720.00	15,079.74	59,799.74	32.25	16,642.00	76,441.74
	FY2002				1,918,069.40	499,721.28	2,417,790.68		871,766.37	

1. Cabana Roof Reconstruction and Pool Deck Renovation

Project Description: Cabana: Design and construction of new hip roof to replace deteriorated existing flat roof. Design will integrate active solar collectors, skylights, and new metal roofing consistent with the Executive Residence roof installed in 1998. Solar panels will be utilized to heat the swimming pool and provide domestic hot water to the cabana.
Work also includes associated exterior renovation to repair damaged cornice and coping details, interior ceiling modifications to accept relocated skylights and repair damage from leaks, and required mechanical and electrical upgrades.

Pool Deck: Demolition and removal of subsided existing concrete slab/deck and inadequate supporting foundation. This will require the removal of existing utilities and twelve large cypress trees. Excavation and installation of new foundations system, replacement of deteriorated swimming pool plumbing and other related utilities, construction of new concrete slab/deck, installation of new cypress trees.

Note: It should be noted that this is an extremely difficult work site, the terrain and existing surface features necessitate the extensive use of a large crane to accomplish both portions of this project.

Project Location: Adjacent to Swimming Pool (south of West Wing)

Itemized Costs:
Design - $15 K
Structural and finish roofing system - $265 K
Solar equipment and installation - $75 K
Required interior modifications (including ceiling, mechanical, and electrical) - $40 K
Pool Deck - $35 K
Total - $430 K

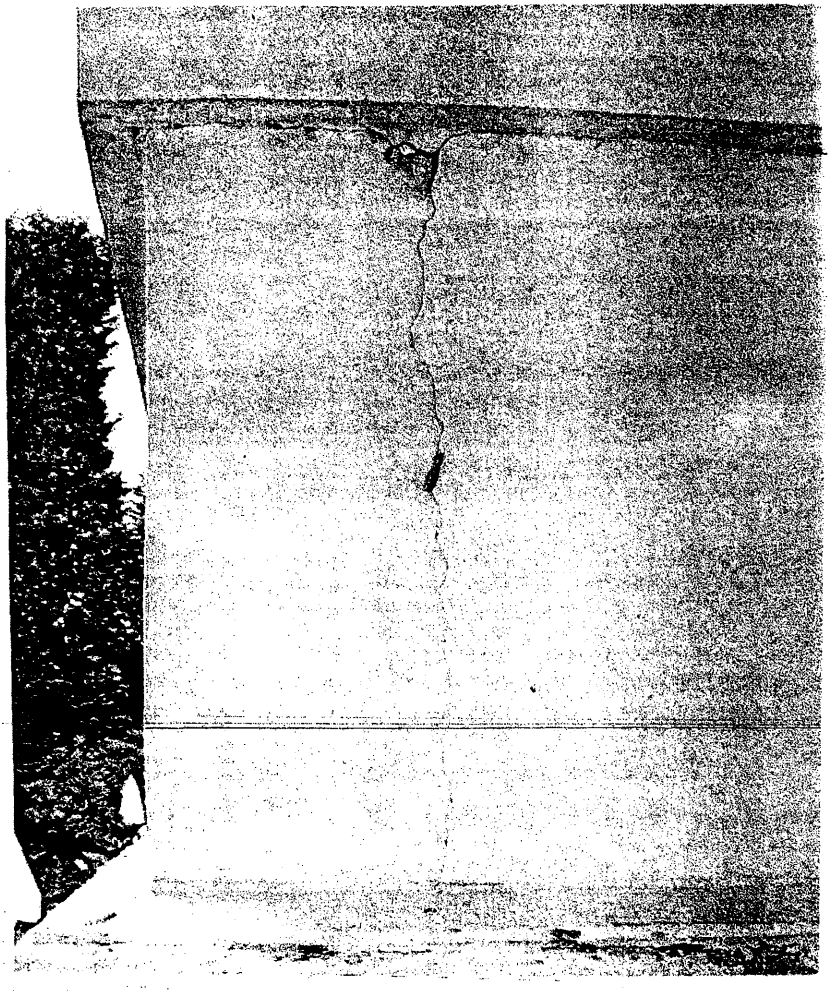
Project Schedule:
Start - November 2001
Completion - June 2002

Impact of One Year Delay: Cabana: continued deterioration of existing roofing with likely recurring interior damage due to leaks, continued energy inefficiency.
Pool Deck: increasing subsidence of concrete slab, potentially hazardous walking surface, loss of existing cypress trees.

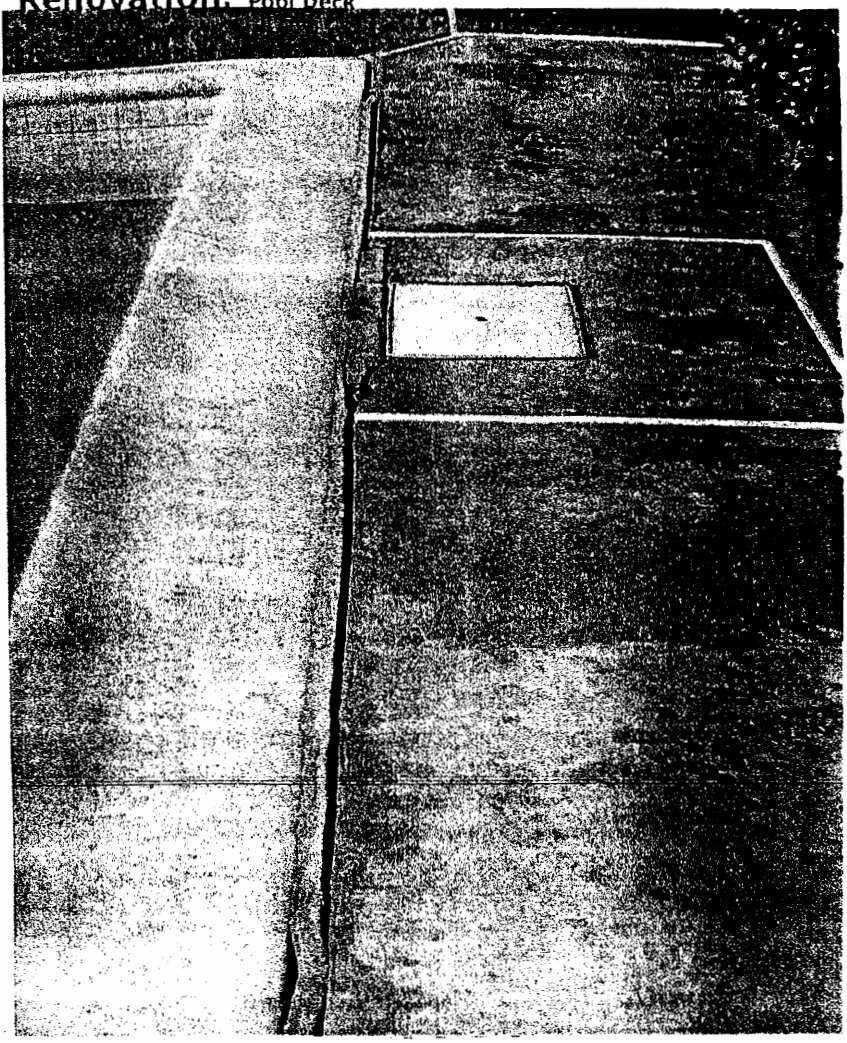
Cabana Roof Reconstruction and Pool Deck Renovation:

Exterior view of cabana area.

Cabana Roof Reconstruction and Pool Deck Renovation: Deteriorated exterior wall.



Cabana Roof Reconstruction and Pool Deck Renovation: Pool Deck



Cabana Roof Reconstruction:

Deteriorated built-up roofing showing inadequate drainage capability and skylight curbs.

2. North Portico Curtain Wall Replacement

Project Description: Design, demolition, fabrication, and installation of two exterior steel wall and door assemblies including automatic openers.
The existing structure(s) are severely deteriorated - the steel framework is rusted, doors do not close properly/completely, parts are missing. The result is unsightly, energy wasting, rodent susceptible, and considered a security risk due to the difficulty of locking the doors quickly due to misalignment.
The new structure will correct the above deficiencies and comply with the American Disabilities Act (ADA).

Project Location: East and West exterior ends of the Ground Floor hallway directly under the North Portico

Itemized Costs: Survey and Design - $10 K
Fabrication and Installation - $110 K (includes fabrication and installation of custom insulated steel walls, doors, sidelights, and automatic door closers.
Total - $ 120 K

Project Schedule: Start - October 2001
Completion - April 2002

Impact of One Year Delay: Strong probability of inability to completely close and lock doors, continued wasting of energy, noncompliance with ADA, operational hazard, continued problem with rodent infiltration.

North Portico Curtain Wall Replacement:
Severely deteriorated (arched) steel wall, doors, and side lights.

North Portico Curtain Wall Replacement:

Interior view of steel doors and side lights.

3. Installation of Insulated Windows

Project Description: Design, fabrication, installation of new insulated glass "panes" for five windows and three doors.
The existing windows and doors are single glazed with historic glass believed to be from the 1817 reconstruction. The glass is extremely energy inefficient, prone to condensation in cold and/or humid weather, and susceptible to mechanical damage.
The replacement "panes" will be custom fabricated, insulated, low emissivity units comprised of government provided historically accurate reproduction glass (previously procured by the Executive Residence through the window glass replacement project) laminated with modern float glass. The new assemblies will be historically appropriate, energy efficient, reduce ultra-violet light to minimize damage to the art and artifacts in the space, and eliminate condensation problems and the resultant damage to the historic window framework.

Project Location: Blue Room, Red Room, Green Room, and Yellow Oval Room

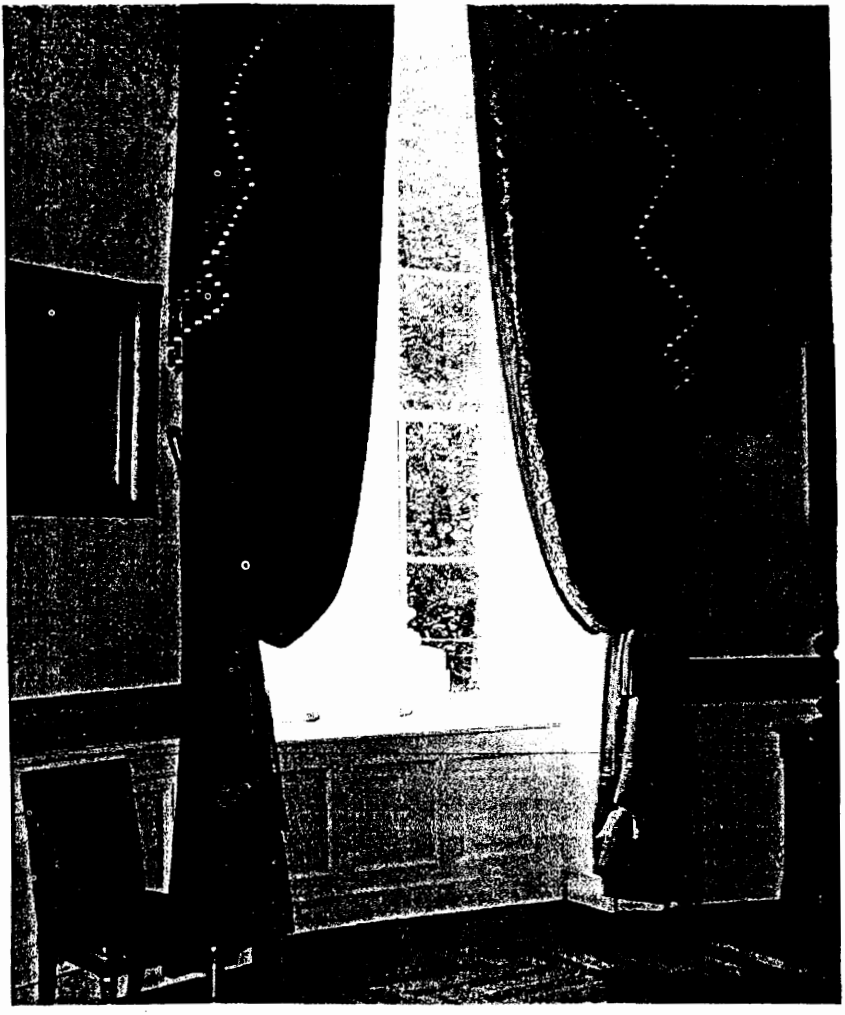
Itemized Costs: Survey, Design and prototype development - $15 K
Fabrication and Installation - $145 K (includes custom insulated glass units with low emissivity coating, historically accurate hand-made reproduction glass installed in true "divided lite" doors and windows)
Total - $160 K

Project Schedule: Start (Survey and Design) - October 2001
Fabrication - November 2001 to May 2002
Installation - May 2002 to September 2002
Completed - September 2002

Impact of One Year Delay: Continued damage to existing historic window sash and sill, unacceptable aesthetic qualities due to condensation, difficulty in maintaining proper temperatures and humidity in adverse weather.

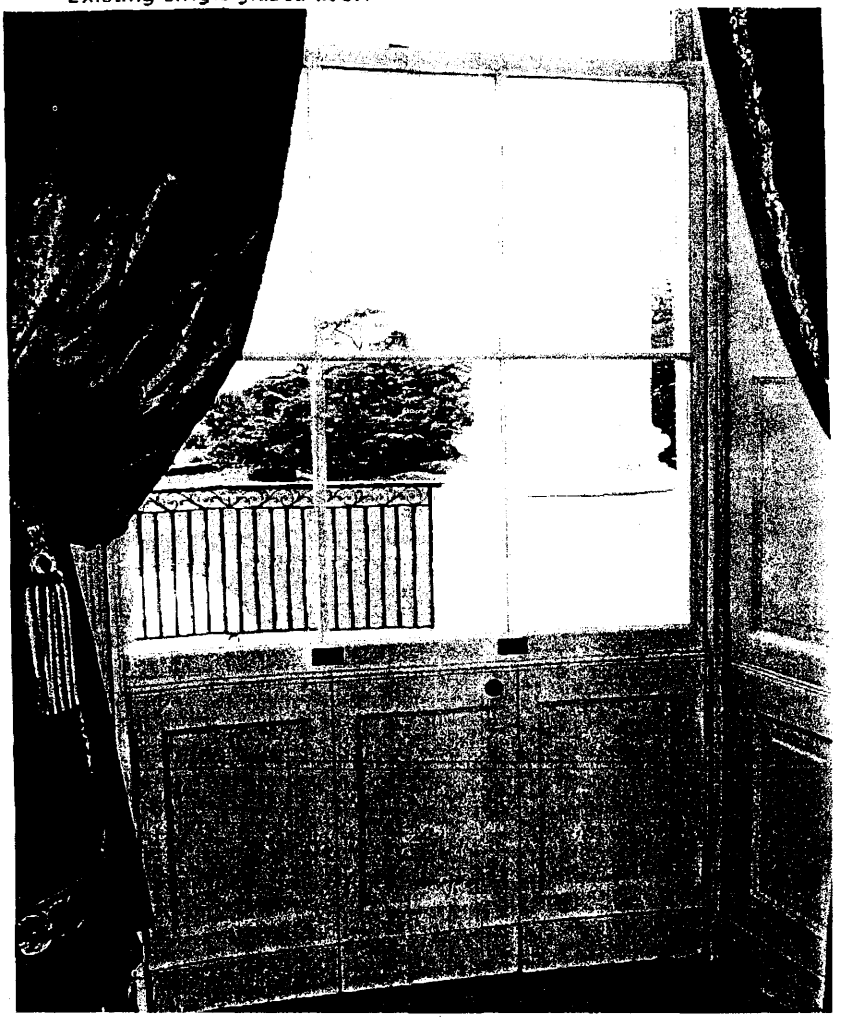
Installation of Insulated Windows:

Existing single glazed windows (typical).



Installation of Insulated Windows:

Existing single glazed door.



Installation of Insulated Windows:

Exterior of Blue Room single glazed window showing condensation.

4. Restoration of Stone and Pavers

Project Description: Executive Residence Third Floor: Replacement of damaged limestone veneer in the exterior walls, removal and tuck pointing of all existing mortar joints, and application of vapor permeable sealer. NOTE: These walls were not part of the completed Exterior Restoration project of 1980 -1996 which involved only the historic (1792-1800) sandstone of the original construction.

North Portico: Removal of damaged limestone pavers and installation of new material. Cut out existing mortar in all limestone and marble joints, grout with new mortar, or caulk as necessary.

South Portico: Removal of damaged marble pavers and steps, installation of new material. Cut out existing mortar in all marble joints, including steps and Blue Room balcony, grout with new mortar or caulk as required.

Project Location: Executive Residence exterior of the Third Floor, North Portico, South Portico, and Blue Room balcony

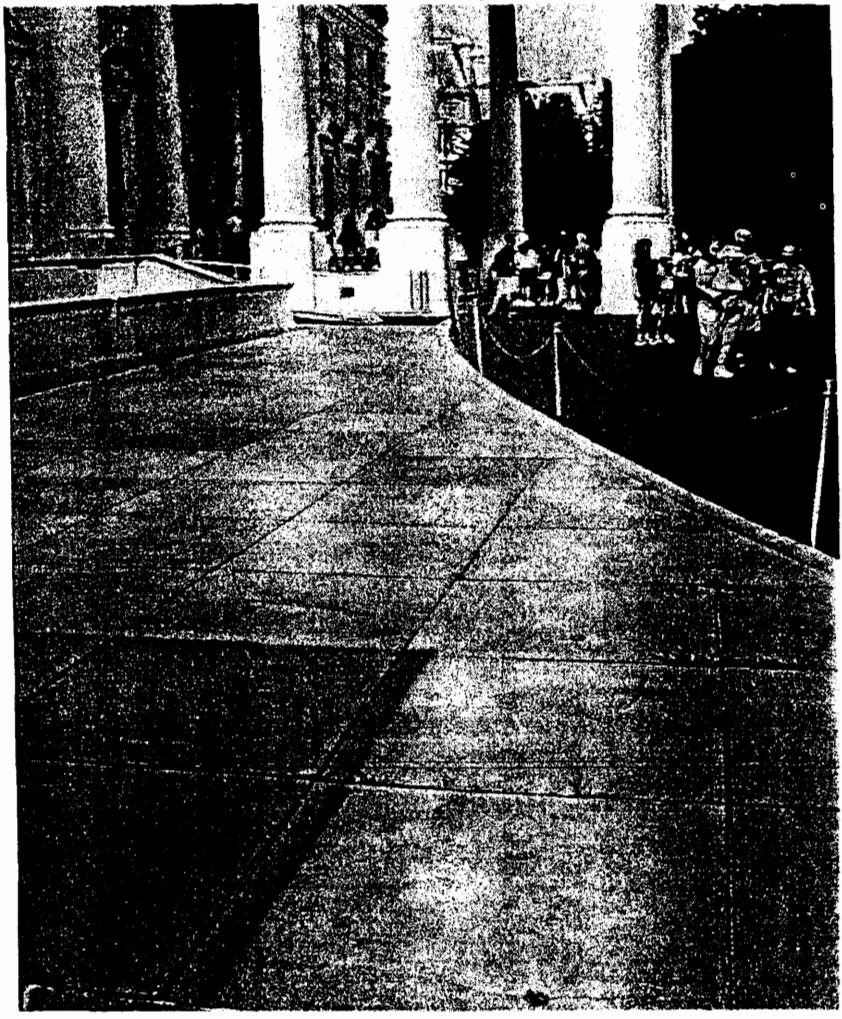
Itemized Costs: Third Floor walls (fabrication and installation) - $60 K
North Portico - $97 K
South Portico and Blue Room balcony - $120 K
No design costs (completed in previous fiscal year)
Total - $277 K

Project Schedule: Start (fabrication) - November 2001
Begin on site work - April 2002
Completion - July 2002

Impact of One Year Delay: Continued water infiltration and subsequent freeze- thaw damage of existing pavers and limestone wall veneer, potential leakage into interior spaces. Continued deterioration and potentially hazardous walking surface on pavers.

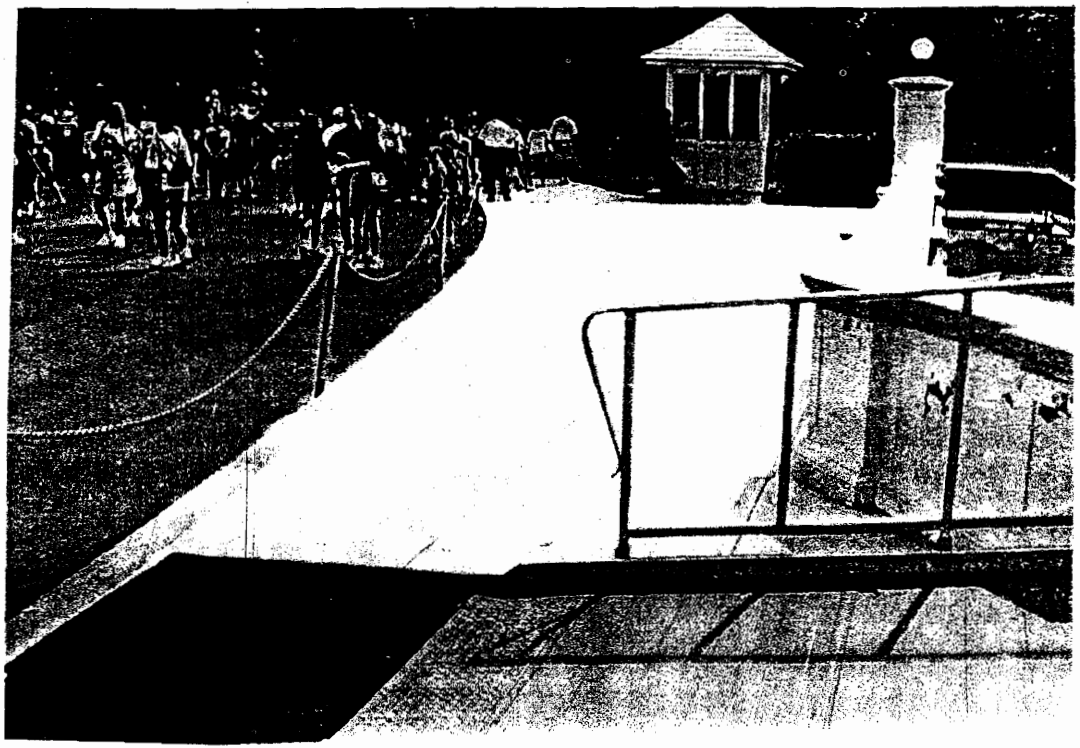
Restoration of stone and pavers:

Deteriorated and broken stone pavers adjacent to tour route egress.



Restoration of Stone and Pavers:

Deteriorated and broken stone pavers adjacent to tour route egress.



Restoration of Stone Pavers:
Deteriorated and broken stone pavers adjacent to tour route egress.

Restoration of Stone and Pavers:
Partial view of south portico.

Restoration of Stone and Pavers:
Cracked and broken limestone pavers at South Portico.

5. Replacement of Kitchen Floor

Project Description: Demolition and removal of existing deteriorated kitchen flooring, drains, and related utilities. Installation of new seamless flooring, floor drains, and utilities.

Project Location: Ground Floor Main Kitchen

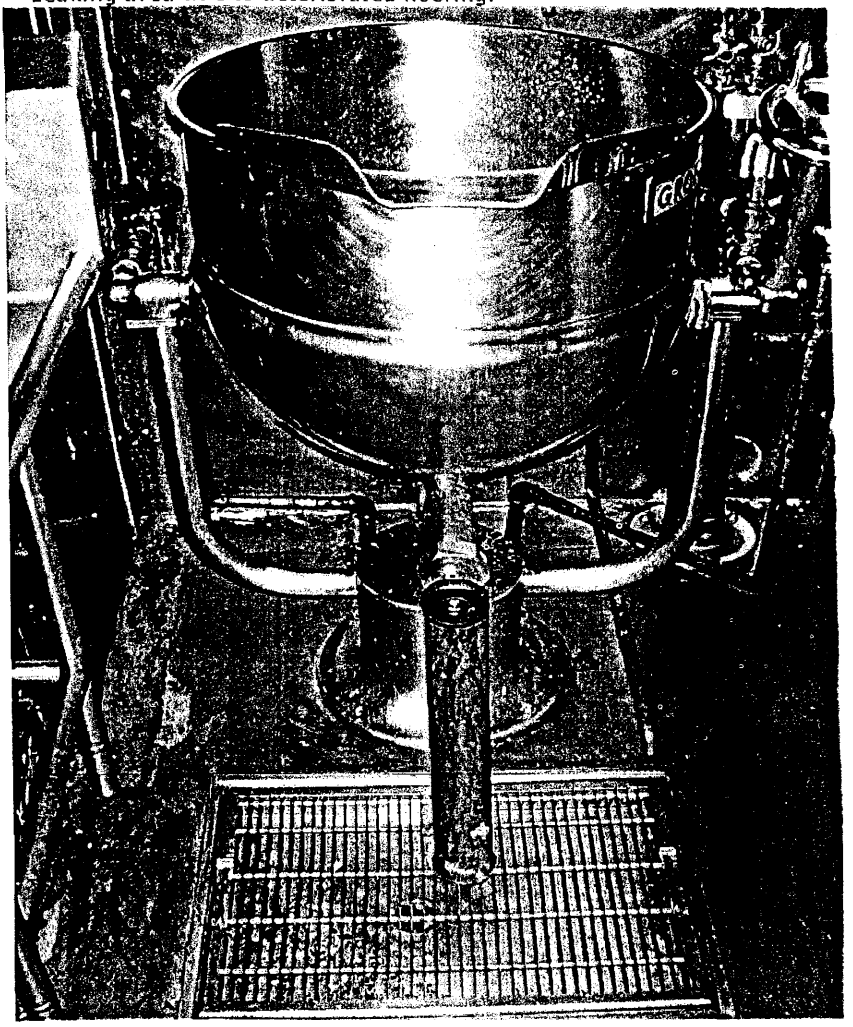
Itemized Costs:
Demolition - $10 K
Repair drains and other utilities - $15 K
New flooring including installation - $50 K
Total - $75 K

Project Schedule:
Start - August 2002
Completion - September 2002

Impact of One Year Delay: Continued difficulty in proper cleaning of existing flooring - potential health code violations, continued leakage into office space below, continued deterioration of existing utilities.

Replacement of Kitchen Floor:

Leaking area due to deteriorated flooring.



Replacement of Kitchen Floor:

Result of kitchen floor leaking through slab causing deteriorating utilities.

6. East and West Wing Exterior Restoration

Project Description: Removal of all paint from stone and wood surfaces to expose substrate. Inspection and evaluation of all materials to identify areas requiring repair. The standards of differentiating between "historic character" and "requiring replacement" will be those established during the Executive Residence Exterior Restoration program accomplished from 1980 to 1996.

Repair of stone will be by complete piece or dutchman of the same material (limestone) as original construction - no synthetic or cementitious based products will be permitted. Deteriorated mortar in masonry joints will be removed and repointed with a sacrificial mortar.

Repair of wood window components will be accomplished with wood only, in the same manner as the stone. Deteriorated caulking will be removed and new backer rod and caulking installed in all joints. Window glass glazing compound will be removed and new compound installed.

After sufficient curing time for all new material, one coat of primer and two finish coats of paint will be applied by brush or roller to all surfaces except for intricate detailing which may by sprayed.

All paint types and applications will be in strict conformance with manufacturers recommendations and specifications for weather conditions, paint film thickness, spread rates, etc. All products and processes will conform with EPA regulations.

A paint maintenance program will be developed for exterior cleaning procedures and cycles to maximize the time between repainting. Based on experience from the Executive Residence, extending repainting cycles from the previously expected four years to between six and ten years (depending on exposure) can be expected. It should be noted that this performance is not based on the type of paint now required by EPA, although manufacturers expect similar, if not increased, performance.

Project Location: The area of work includes the exterior walls and windows of the East and West Wings and the connecting terrace walls - with the exception of the West Colonnade (which has been identified as a separate project).

It should be noted that the areas included in this project are completely separate from the Exterior Restoration project of 1980 - 1996 which only involved the Executive Residence.

Restoration of East and West Wing Exterior Restoration (continued)

Itemized Costs:

Mobilization, scaffolding, rental equipment - $100 K
Paint removal - $960 K
Disposal of effluent - $100 K
Stone and wood repair $1,280 K
Painting - $250 K
Project management, consultant, supervision - $300 K
Contingency (10%) - $300 K
*Total - $3,290 K (estimated complete project)
*Funding requested - $2,500 K - Phase One, additional funding requirements will be determinable only after Phase One is partially complete. This is the same approach successfully utilized for the Executive Residence Exterior Restoration project of 1980 -1996

Project Schedule:

Multi year project (dependent on determination of scope following survey and analysis in October 2001)
Begin paint removal - April 2002
Completion (Phase One) - October 2004

Impact of One Year Delay:

Continued deterioration of stone and paint coatings due to water infiltration and/or inadequate paint adherence. Increased freeze/thaw damage, deteriorating aesthetic quality.

East and West Wing Exterior Restoration:
View of stone deterioration and paint peeling.

East and West Wing Exterior Restoration:

Severely deteriorated stone at northwest corner of East Wing.

East and West Wing Exterior Restoration:
Excessive paint build up and discoloration, deteriorated stone.

7. Restoration of the West Colonnade

Project Description: Removal of all paint from the walls, columns, ceiling, windows, and parapet of the West Colonnade.
Removal and repair of damaged and deteriorated portions of historic stone in the columns, walls, and exterior parapet. Removal and repair of deteriorated stucco. Removal of deteriorated mortar in stone walkway. Carving and installation of historically accurate stone dutchman where required. Repoint stone walkway. Polish marble wall base. Prime and paint all surfaces.

Project Location: West Colonnade (between the Executive Residence and West Wing

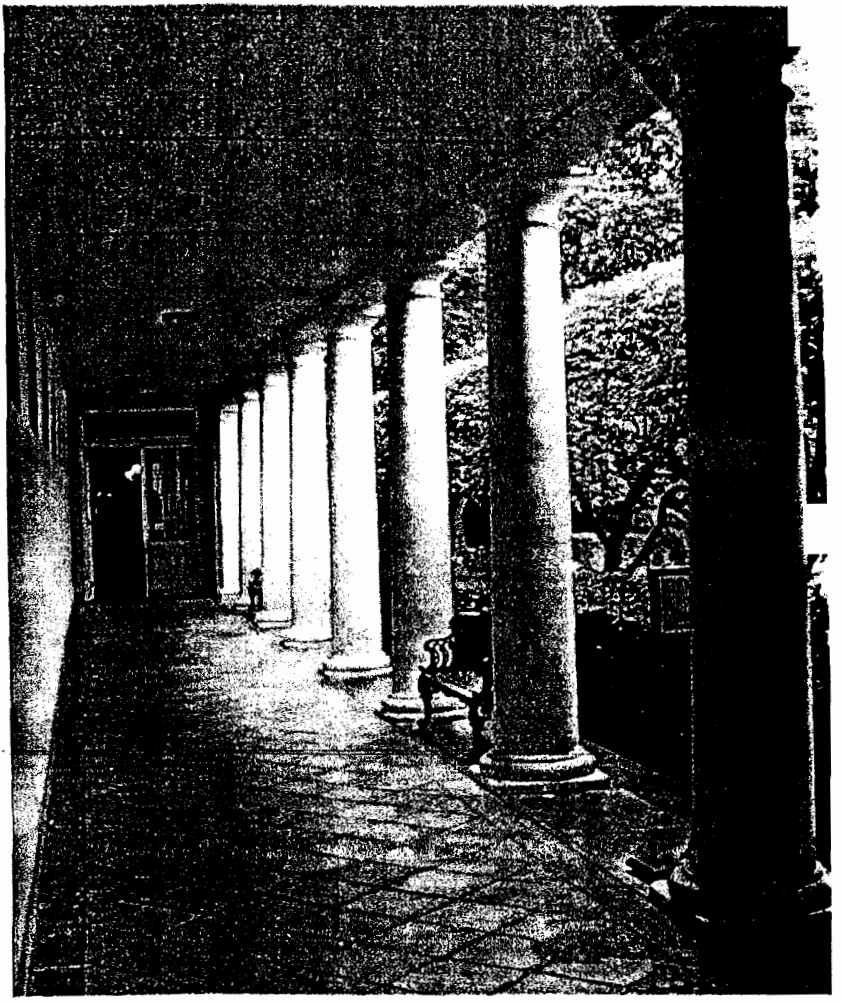
Itemized Costs: Mobilization, scaffolding, rental equipment - $15 K
Paint removal and disposal of effluent - $130 K
Stone repair - $100 K
Painting - $30 K
Total - $275 K

Project Schedule: Start - April 2002
Completion - October 2002

Impact of One Year Delay: Increasing deterioration due to weathered and damaged surfaces, water infiltration, and deteriorating aesthetic quality.

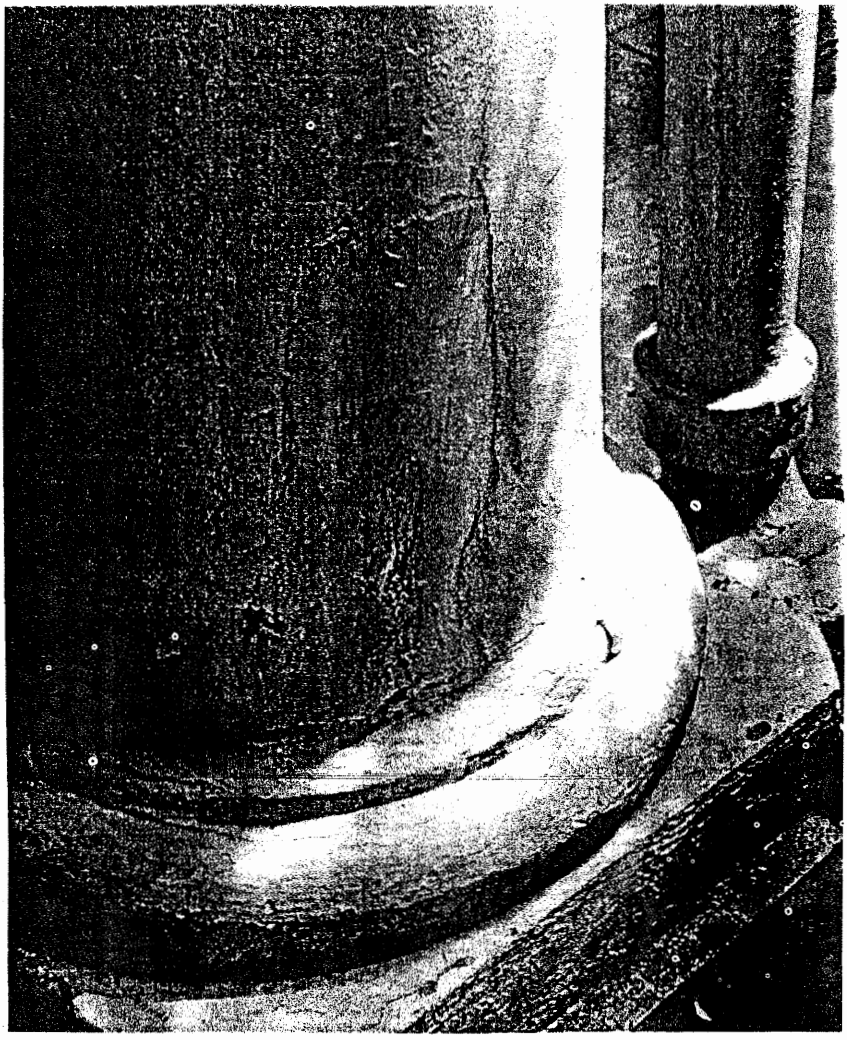
Restoration of the West Colonnade:

View of deteriorated stone pavers.



Restoration of the West Colonnade:

View of deteriorated stone column and inappropriately placed drain pipe.



8. Communications Systems Repairs - Phase 2

Project Description: (Classified project) Removal and replacement of severely deteriorated conduits and supporting structures that house all communications, power, and other cable connections between the East Wing and the Executive Residence.
Installation of new conductors, conduit, raceways, manholes, and other necessary equipment to modernize communications and power connections. Work will be partially accomplished through underground directional boring in a manner to minimize visible trenching. This will also eliminate the existing unacceptable and problematic conduit routing through the building cooling tower air discharge areaway. As directed by Congress, the design funding was appropriated in FY 2001 and the construction funding is requested in FY 2002.

Project Location: East Wing, Executive Residence, and North Grounds

Itemized Costs: Estimated Construction - $4,500 K

Project schedule: Survey (Phase One) - to be completed in September 2001
Design (Phase One) - to be completed in January 2002
Construction (Phase Two) - start March 2002
Construction completed (Phase Two) - November 2002

Impact of One Year Delay: Increasing risk of severely deteriorated conduit collapse which would sever the communications systems to the multi-agencies in the East Wing and the Executive Residence.

QUESTIONS SUBMITTED BY REPRESENTATIVE STENY HOYER
FOR THE
EXECUTIVE OFFICE OF THE PRESIDENT

Issue: Executive Residence/White House Complex

QUESTION 1: What additional repairs do you foresee for the White House in the outyears?

Answer: Multi-year construction projects currently being reviewed for inclusion in future Executive Residence appropriation requests are as follows:

- Review the kind of materials used for the stanchions and chains to guide tours on the edge of the driveway
- Consider extending the Ground Floor hallway on both sides of the North Portico with a canopy or atrium to create a work area for the Flower Shop and for special events
- Survey and replace existing vestibule at the North Portico
- Address the portable ramps for the wheelchairs at the North Portico
- Replace glass in various areas of East side with historically accurate glass
- Assess hallway constricted arch opening leading to the North Underground area
- Analyze the awkward ramp leading from the Ground Floor hallway to the Storeroom
- Examine grates at windows at ground level on the South side (must be accessible from inside)
- Replace doors at booksellers area
- Revitalize both the East and West Gardens (irrigation, electrical wiring concerns)
- Remodel and renovate the Family Theatre
- Evaluate the baseboards and marble floors on the State Floor
- Evaluate the water filtration system and position of tank
- Restore and paint the perimeter fence in its entirety (including re-welding of post ornaments, consideration of stainless steel replacements, examination of mountings at stone piers, and re-alignment)

- ❖ Replace canopies at South Portico, West Wing basement, press entry, and Visitor Entrance Building
- ❖ Replacement of irrigation system on North and South Grounds
- ❖ Establish fire hydrants
- ❖ Survey underground electrical vaults (danger from water leakage)
- ❖ Possible replacement of comfort station with more permanent restrooms for special events
- ❖ Survey surface features of South roadway

QUESTION 2: What is the state of repair of the EEOB?

Answer: As evidenced by a General Accounting Office report, over $216 million is required to correct EEOB building deficiencies. The building is a historic landmark, yet it is rapidly deteriorating due to lack of funding. Within the structure, the electrical system is obsolete, the heating and cooling systems are antiquated, and the water pipes are old and often leak. Further, the sewer lines are between 70 to 100 years old; we are experiencing roof leaks; and the cable infrastructure no longer meets the current technology requirements.

QUESTION 3: Do you have plans to renovate the EEOB? If so, please provide cost estimates for such renovations.

Answer: There are a number of repair and renovation efforts planned for the EEOB. Very soon, the General Services Administration (GSA) plans to install fire and safety items such as sprinklers, an expanded fire alarm system, and egress stairwells. These costs are reflected in GSA's budget. There are no repair and renovation funding requests in the EOP Fiscal Year 2002 budget submission.

Issue: White House Office Staff

QUESTION 1: How many permanent staff are assigned to the Office of Faith-Based Initiatives?

Answer: The Office's staff allocation is seven. Two additional White House employees are temporarily assisting the Office in its start up operations.

QUESTION 2: How many details?

Answer: The Office of Faith-Based and Community Initiatives currently includes no detailees from other government departments or agencies. As this initiative moves forward, we will continually assess the need for detailees and assignees to help carry out the Administration's agenda.

QUESTION 3: Is this Office currently expecting to hire additional staff? If so, how many?

Answer: The Office of Faith-Based and Community Initiatives has identified the need to hire one additional staff member. However, there is currently no staff allocation to cover this additional hire.

QUESTION 4: Approximately how many agency staff not assigned to the White House are working on the Faith-Based & Community Initiative?

Answer: Across the five cabinet departments identified in the President's January 29, 2001 Executive Order, there are approximately 15 total staff working on a department level to help enact the Administration's agenda. This total does not include any intra-agency project teams, task forces, or working groups the departments may have assembled on an ad-hoc basis to meet their important duties under the President's Executive Order.

QUESTION 5: Please provide details on how many permanent staff and detailees are currently assigned to the following offices (or their successor office). In addition, please provide details as to the staffing levels as of January 2000.

a) National AIDS Policy
b) National Economic Council
c) Office of Policy Development
d) One America

Answer: The staff and detailee levels for these offices are as follows:

Bush Administration (as of May 11, 2001)

Office	Staff and Detailee Count
National AIDS Policy	0[1]
National Economic Council	17
Office of Policy Development	32
One America	0[2]

[1] While the Bush Administration has established an AIDS Policy Office, there is no specific organizational code for personnel and payroll purposes. Rather, individuals from the White House Domestic Policy Council and Office of Policy Development are performing this function.

[2] The Bush Administration does not have an organizational code for personnel and payroll purposes specific to an Office on the President's Initiative for One America. Rather, individuals from the White House Domestic Policy Council and the Office of Public Liaison are performing this function.

Clinton Administration (as of January 15, 2000)

Office	Staff and Detailee Count
National AIDS Policy	0[3]
National Economic Council	21
Office of Policy Development	35
One America	5

Issue: EOP Consolidation

QUESTION 1: What oversight would the Congress have over how the consolidated resources are allocated?

Answer: The Congress would retain the same oversight over the allocation of resources under the consolidated budget proposal. The Executive Office of the President would provide monthly or quarterly reports to the Congress addressing the details associated with how the single appropriation is being executed with complete cost accounting for each Office or Council. The proposal offers advantages to the Congress by permitting the Executive Office of the President to demonstrate better performance and results from funds appropriated with no loss of accountability.

The consolidated budget initiative also demonstrates to the Congress, the President's desire to fulfill the congressional mandate for a single, integrated EOP financial management and accountability structure consistent with the Chief Financial Officer (CFO) Act of 1990 and Public Law 106-58, Section 638, establishing a CFO at the EOP. In addition to establishing a CFO, the public law established a single agency head for the EOP and grants the President the authority to transfer functions, funds, personnel, and other assets as he determines to the function of the CFO. Approving this initiative would provide the President the necessary authority to achieve the goals of CFO Act of 1990 and Public Law 106-58, Section 638.

QUESTION 2: What are the savings that you believe would result from centralized procurement? How many dollars? How many people?

Answer: It is difficult at this point in time to quantify the exact amount of savings in dollars and/or people that would result from centralized procurement. Once the Chief Financial Officer is in place, one of the efforts that will receive high priority will be to quantify the specific savings associated with this initiative. The current financial

[3] Similar to the current Administration, the prior Administration did not include a designated AIDS Policy Office. Staffing support was also provided by the Domestic Policy Council and the Office of Policy Development.

structure does not allow the EOP to maximize buying power by purchasing in bulk. Further, it does not allow for control of the number of service contracts that are needed to support various types of equipment. In addition, the existing financial structure creates an unnecessary amount of procurement actions and paperwork. It is our belief that the consolidated appropriation will allow the EOP to achieve these streamlining objectives and save taxpayer dollars.

QUESTION 3: Every major Federal agency has a Chief Financial Officer. However, many agencies also have bureaus that receive direct appropriations. What is different about the Executive Office of the President that would require the CFO to have this much discretion over the budgets of the bureaus of the EOP?

Answer: The nature of the appropriations each Executive Office of the President agency receives differs substantially from those received by the bureaus of major Federal agencies. The level of funding appropriated for each EOP agency is significantly less than that appropriated to major Federal agency bureaus. In addition, the funds appropriated to the EOP are for the salaries and expenses of smaller units that provide direct support to the President. This is quite different from the major Federal agencies that receive funding for nationwide programmatic missions.

U.S. Code, Title 31, Section 902 states that the CFO has the authority to "direct, manage, and provide policy guidance and oversight of agency financial management personnel, activities and operations" which includes "the development of agency financial management budgets". In addition, Section 902 requires the CFO to "monitor the financial execution of the budget of the agency [EOP] in relation to actual expenditures." The current EOP financial structure would restrict the CFO's ability to perform these functions efficiently and effectively. The EOP's current structure also lessens the flexibility necessary to maximize the allocation of resources as the interests or needs of the President evolve or change. As the President's Office, it is in the EOP's best interest to be represented as a single entity. Doing so will ensure the President is best served by the Chief Financial Officer requirement.

Issue: EOP Management

QUESTION 1: Please clarify the current EOP management structure. In particular, what are the roles of the Deputy Chief of Staff for Operations, the Deputy Assistant to the President for Management and Administration, and the Director of the Office of Administration?

Answer: The positions that are identified provide key management and operational support to the Executive Office of the President. The Deputy Chief of Staff for Operations supports the Chief of Staff by ensuring that policy development, project planning and special initiatives are executed properly. The position includes close coordination with the Administrator of the General Services Administration; the Director

of the National Park Service; the Chief Usher at the White House Executive Residence; and other entities who are responsible for completing projects throughout the White House complex.

The Deputy Assistant to the President for Management and Administration is responsible for coordinating all of the daily management and administrative functions for the EOP. In particular, this position oversees the White House Military Office, the White House Management Office and the Office of Administration.

The Director of the Office of Administration is responsible for overseeing the centralized administrative support services for EOP agencies. Those support services include such things as human resources, financial management, information technology, and library research services. Additional responsibilities include oversight for mail, messenger, and procurement services, graphics and printing, facilities and security. The Director of the Office of Administration is also responsible for presenting the EOP Budget Submission to the Congress.

QUESTIONS SUBMITTED BY REPRESENTATIVE CARRIE MEEK
FOR THE
EXECUTIVE OFFICE OF THE PRESIDENT

Issue: White House Web Site

QUESTION 1: You make the case that there has been an exceptionally smooth presidential transition. By and large, I suspect that this is so and I am pleased to hear it. I do have an area of concern, however, that I want to raise with you. A number of people have raised the issue with my staff.

If everything is running so smoothly, how come the White House Web Site is so lousy? There's little information on the site and what is available is not presented in a user-friendly format. The current White House Web Site is barely even a placeholder. No doubt, you have seen the April 30 edition of the Washington Post which had an extensive article discussing the public's complaints about the web site.

We may have gotten spoiled by the vast array of information that was accessible through the White House Web Site in the last administration. But the Clinton White House Web Site was a great resource and the information available on the site usually was provided in a very user-friendly format.

The taxpayers have made sizeable investments in technology for the White House Web Site. When will the Bush Administration resume giving them a return on that investment? Are there any technological or other obstacles that have prevented this from occurring by now? What are the problems and what, if anything, does the Subcommittee need to do to help?

Answer: It should be noted that the previous Administration created the White House web site over an eight-year period. The new Administration is also very interested in ensuring that timely information is provided to the American public who utilize the White House web site. In addition, we want to ensure that the information contained on the site is accurate, informative and easy to access. Therefore, we are working diligently to produce the final version of the web site. In addition to providing information to the American public, the web site will also be compliant with required accessibility standards. We anticipate the launch of the new White House web site very soon.

Issue: EOP Information Technology Program

QUESTION 1: In your prepared testimony, you indicated disappointment in the information technology program that you found at the EOP and you advised that you had asked the Secretary of Defense for a review. What you did not indicate was the nature of your concerns. Subject to operational and security requirements, please tell me generally,

what are the nature of your concerns? Are they a lack of functionality, security-related, what?

Answer: We were disappointed in the capabilities and content of the information technology program. We found that the Executive Office of the President information technology program lacked a key component -- a viable Strategic Plan. Instead, the Information Technology Architecture Plan was being used as a substitute. Additionally, we learned of the poor state of the network infrastructure throughout the complex. Further, the wiring and cabling is not adequate. As stated during the congressional hearing, the EOP plans to hire a Chief Information Officer who will oversee information technology policy development and strategic planning for the EOP. Further, we requested that the Secretary of Defense provide an independent review of the communications and information technology support being provided to the President's Office. We anticipate receiving an initial draft of that report in the near future. We are hopeful this effort will serve as the foundation for the development of a strategic plan and information technology architecture that meets the requirements of the EOP in the years to come.

Issue: Staffing for the Vice President's Office

QUESTION 1: What are the duties of the persons who will occupy the two additional positions on the Vice President's staff?

Answer: Although the Vice President requires substantial flexibility with regard to staffing, the planned use of the two additional positions would allow professional policy staff support and public communications support. The request for additional personnel supports the sharp increase in the demands on the Vice President for assistance in connection with the performance of functions specially assigned to the Office by the President. In addition to supporting the normal duties of the Vice President, the Vice President's staff has recently provided substantial support to the function assigned to the Vice President by the President in January 2001, of chairing and directing the work of the National Energy Policy Development Group. In May 2001, the President assigned to the Vice President another major function -- leading a domestic preparedness review group on weapons of mass destruction. Thus, early in the Administration, it is evident that the President intends to rely to a substantial degree upon the Vice President for the performance of major functions and initiatives. To enable the Vice President to provide this level of support, the Office requires strengthened staff support.

Issue: National Security Council Detailees

QUESTION 1: At page 10 of your prepared statement, you note that the new Administration has a focus on "hiring payroll individuals rather than relying on non-reimbursable detailees or internship programs." Is there some policy rationale for the decision not to rely upon as many detailees or interns? Please explain your reasoning.

Answer: No, there is no policy rationale for the National Security Council's (NSC) changes in hiring. While at the beginning of this Administration there was a slight decrease in detailees, the trend has shifted in response to on-going changes in current events. Most detailees do not currently impact the NSC budget, as calculated in compliance with the Department of State's Appropriation Authorization Act of 1973 (P.L. 93-126). The NSC selects highly qualified individuals, both within and outside the government, who are experts in specific areas of national security and foreign policy. As the National Security Advisor responds to critical issues each day, she or he must have the flexibility to engage skilled professionals, regardless of their personnel classification as payroll hires or detailees.

Executive Office of the President

Fiscal Year 2002
Congressional Budget Submission

Compensation of the President
White House Office
Special Assistance to the President
Official Residence of the Vice President
Office of Administration
Office of Policy Development
National Security Council
Council of Economic Advisers
Unanticipated Needs

Executive Office of the President
Fiscal Year 2002
Congressional Budget Submission

Table of Contents

Budget Highlights 1

Compensation of the President
- Overview 5
- Appropriation Language/Program and Performance 7
- Summary Tables:
  - Object Classification 8
  - Funding Request by Object Classification (Pie Chart) 9
  - Explanation of Changes by Object Class 10

White House Office
- Mission Statement and Background 13
- Overview 14
- Appropriation Language/Program and Performance 16
- Summary Tables:
  - Object Classification and Personnel Summary 17
  - Funding Request by Object Classification (Pie Chart) 18
  - Explanation of Changes by Object Class 19

Special Assistance to the President
- Mission Statement and Background 25
- Overview 26
- Appropriation Language/Program and Performance 28
- Summary Tables:
  - Object Classification and Personnel Summary 29
  - Funding Request by Object Classification (Pie Chart) 30
  - Explanation of Changes by Object Class 31

Official Residence of the Vice President
- Mission Statement and Background 37
- Overview 38
- Appropriation Language/Program and Performance 40
- Summary Tables:
  - Object Classification and Personnel Summary 41
  - Funding Request by Object Classification (Pie Chart) 42
  - Explanation of Changes by Object Class 43

Office of Administration
Mission Statement and Background 49
Overview 52
Appropriation Language/Program and Performance 59
Summary Tables:
Object Classification and Personnel Summary 60
Funding Request by Object Classification (Pie Chart) 61
Explanation of Changes by Object Class 62

Office of Policy Development
Mission Statement and Background 69
Overview 70
Appropriation Language/Program and Performance 72
Summary Tables:
Object Classification and Personnel Summary 73
Funding Request by Object Classification (Pie Chart) 75
Explanation of Changes by Object Class 76

National Security Council
Mission Statement and Background 81
Overview 83
Appropriation Language/Program and Performance 86
Summary Tables:
Object Classification and Personnel Summary 87
Funding Request by Object Classification (Pie Chart) 88
Explanation of Changes by Object Class 89

Council of Economic Advisers
Mission Statement and Background 95
Overview 96
Appropriation Language/Program and Performance 98
Summary Tables:
Object Classification and Personnel Summary 99
Funding Request by Object Classification (Pie Chart) 100
Explanation of Changes by Object Class 101

Unanticipated Needs
Mission Statement and Background 107
Overview 108
Appropriation Language/Program and Performance 110
Summary Tables:
Object Classification 111
Explanation of Changes by Object Class 112

Executive Office of the President
FY 2002 Congressional Budget Highlights

This section addresses the highlights of the Executive Office of the President (EOP) FY 2002 budget request. As addressed on pages 961-962 of the FY 2002 President's Budget Appendix, the Administration is currently working on a proposal to consolidate all EOP accounts into one appropriation. Additional information about this proposal will be provided shortly.

Compensation of the President – Per the Treasury/Postal FY 2000 Appropriations Bill, P.L. 106-58, the President's salary was increased from $200 thousand to $400 thousand annually, effective January 20, 2001. The FY 2002 budget request of $450 thousand reflects a $60 thousand increase over the FY 2001 appropriation to cover the first full year at the new salary level.

White House Office – The FY 2002 budget request of $54.2 million and 400 FTEs represents a 1.8% increase over the FY 2001 appropriation. The increase is attributed to the 3.6% pay raise effective January 1, 2002.

Special Assistance to the President – The FY 2002 budget request of $3.9 million and 24 FTEs represents a 6.3% increase in funding and 2 additional FTEs over the FY 2001 appropriation. The increase is a combination of the 3.6% salary increase anticipated in FY 2002 and additional funding needed to support the salary and benefits for two additional positions on the Vice President's staff. The increased authority for two positions and the associated funding will allow the Vice President to be prepared to provide the level of support necessary to best assist the President on a wide spectrum of issues.

Vice President's Residence – The FY 2002 budget request of $314 thousand and 1 FTE is an 11% decrease from the FY 2001 appropriation. The decrease is the result of a transfer of responsibility for utilities payments previously held by this account to the Department of the Navy. Personnel savings were realized because the current Residence manager's salary is significantly less than her predecessor. A small increase for supplies and materials and equipment offset the net reduction slightly.

Council of Economic Advisors – The FY 2002 budget request of $4.2 million and 35 FTEs represents a 2.2% increase over the FY 2001 appropriation. The additional amount is attributed to the 3.6% general pay and locality adjustments for GS and GS-equivalent employees and within grade increases effective January 2002.

Office of Policy Development – The FY 2002 budget request of $4.1 million and 31 FTEs is a 2.4% increase over the FY 2001 appropriation. The increase is attributed to the 3.6% salary increases anticipated for FY 2002.

National Security Council – The FY 2002 budget request of $7.4 million and 60 FTEs is a 4.2% increase over the FY 2001 appropriation. The increase reflects the 3.6% salary increase and the new Administration's focus on hiring payroll individuals rather than relying on non-

reimbursable detailees or internship programs. A small increase is needed to cover a rent rate increase in FY 2002.

Unanticipated Needs – The FY 2002 budget request of $1 million is a 72.5% decrease below the FY 2001 appropriation. This decrease eliminates the funding level of $2.5 million that was provided in FY 2001 as a one-time grant to fund the Puerto Rico referendum.

Office of Administration – The FY 2002 budget request of $46.0 million and 202 FTEs is an increase of 5.5% over the FY 2001 appropriation and no additional FTEs. The $2.4 million increase is comprised of $0.5 million for salaries and expenses and $1.9 million for the Capital Investment Plan (CIP). The $0.5 million increase is for the 3.6% general pay and locality adjustment for GS and GS-equivalent employees effective January 1, 2002.
The $1.9 million net increase is primarily associated with the roll-out of new EOP common desktop software and an electronic documents management system

Executive Office of the President

Compensation of the President

Fiscal Year 2002 Budget

Executive Office of the President
Compensation of the President

Overview

For fiscal year (FY) 2002, an appropriation of $450,000 is requested for Compensation of the President. This represents an increase of $60,000, or 15.4%, in appropriation over the FY 2001 level.

This request complies with P.L. 106-58, Treasury/Postal FY 2000 general provision number 644, which increased the President's salary from $200,000 to $400,000 effective at noon on January 20, 2001. The additional $60,000 increase reflects the first full year at the new salary level.

The FY 2002 request also provides for the President's expense account of $50,000. The expense account is for official use as authorized by Title 3 of the United States Code and is not considered as taxable to the President. The unused balance at the end of the fiscal year is returned to the Treasury.

Executive Office of the President
Compensation of the President

Overview (continued)
(dollars in thousands)

A summary of the Compensation of the President's FY 2002 budget request is shown below

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$250	$390	$450
Full-time equivalents	0	0	0

The President's position is not counted as a full-time equivalent position.

The increase requested for FY 2002 is as follows:

FY 2001 Enacted level	$390
Personnel compensation	60
FY 2002 Budget Request	$450

Executive Office of the President
Compensation of the President

Appropriation Language

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; [$390,000] *$450,000*: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President. *(Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

Program and Performance

These funds provide for the compensation of the President and official expenses.

Executive Office of the President
Compensation of the President

Object Classification
(dollars in thousands)

I.D. Code 11-0001-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$200	$340	$400
11.9	Total personnel compensation	$200	$340	$400
	Non-personnel obligations			
25.2	Other services	4	50	50
99.9	Total, Direct obligations	$204	$390	$450

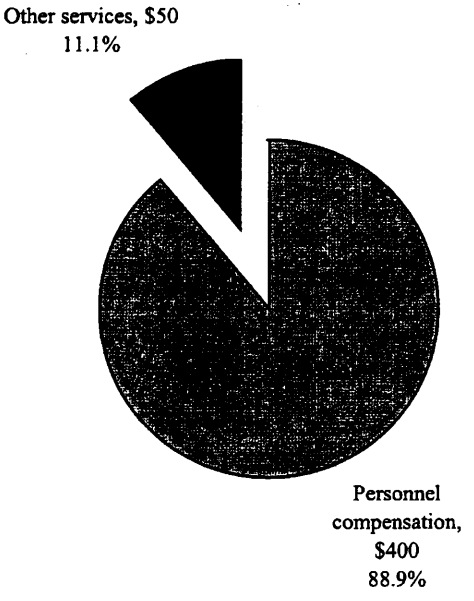
Personnel Summary

I.D. Code 11-0001-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	0	0	0

Executive Office of the President
Compensation of the President

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$450



Executive Office of the President
Compensation of the President

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1)	
$340	$400		$60
		The Personnel compensation category provides funding for the President's salary.	
		In accordance with P.L. 106-58, an additional $60 is requested to cover the increase in the President's annual salary from $200 to $400 which became effective at noon on January 20, 2001. This increase reflects the first full year at the new salary level.	
		Other services (25.2)	
$50	$50		$0
		This category funds the President's expense account, as authorized by 3 U.S.C. 102. It is used to assist in defraying expenses relating to or resulting from the discharge of the President's official duties.	
		No increase is requested in this object class.	
$390	$450	Total for all object classes	$60

Executive Office of the President

White House Office

Fiscal Year 2002 Budget

Executive Office of the President
White House Office

Mission Statement and Background

The White House Office (WHO) provides advisory and administrative support directly to the President. This requires a full range of professional, managerial, and support staff.

The professional staff provides advice and counsel to the President in his role as Chief Executive on a wide variety of issues including national security, domestic and economic policy. The professional staff also brings expertise on relations with Congress, selection of candidates for presidential appointments, and relations with cabinet departments, other executive branch agencies, and state and local governments. The WHO staff also serves as the President's representative before the media and as the central point of contact for scheduling and correspondence. In accordance with the provisions of 3 U.S.C. §105, the WHO supports and assists the activities of the First Lady.

Executive Office of the President
White House Office

Overview

For fiscal year (FY) 2002, the White House Office requests an appropriation of $54,165,000 and authorization of 400 full-time equivalent (FTE) positions. This represents a net increase of $994,000, or 1.9%, in appropriation over the FY 2001 post-rescission enacted level. The number of FTEs remains unchanged.

FY 2002 Request

The FY 2002 budget increase is required to cover resources needed to ensure a continuity of service to the President, White House staff and the general public. The increase is attributed to a 3.6% increase in personnel compensation in accordance with Office of Management and Budget guidance.

Inflationary cost increases for all remaining categories will be absorbed in existing levels. Therefore, no increases are requested for these line items.

Executive Office of the President
White House Office

Overview (continued)
(dollars in thousands)

A summary of the White House Office FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$52,243	$53,171	$54,165
Full-time equivalents	400	400	400

The increases and decreases requested for FY 2002 are as follows:

FY 2001 Enacted level	$53,171
Personnel compensation	1,164
Civilian personnel benefits	280
Subtotal	$54,615
Benefits for former personnel	(450)
FY 2002 Budget request	$54,165

Executive Office of the President
White House Office

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); and not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President, [$53,288,000] *$54,165,000: Provided*, That [$9,072,000] $10,740,000 of the funds appropriated shall be available for reimbursements to the White House Communications Agency]. *(Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

Program and Performance

These funds provide the President with staff assistance and provide administrative services for the direct support of the President.

Executive Office of the President
White House Office

Object Classification
(dollars in thousands)

I.D. Code 11-0110-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$22,544	$22,420	$23,584
11.3	Other than full-time permanent	71	75	75
11.5	Other personnel compensation	97	100	100
11.8	Special personal services payments	620	200	200
11.9	Total personnel compensation	$23,332	$22,795	$23,959
12.1	Civilian personnel benefits	5,725	5,564	5,844
13.0	Benefits for former personnel	50	500	50
21.0	Travel and transportation of persons	1,203	1,027	1,027
21.0	Travel of the President	25	100	100
22.0	Transportation of things	6	60	60
23.1	Rental payments to GSA	4,812	5,228	5,228
23.3	Communications, utilities and misc. charges	3,147	3,207	3,207
24.0	Printing and reproduction	698	800	800
25.2	Other services	11,405	12,171	12,171
26.0	Supplies and materials	464	550	550
26.0	Official entertainment	4	19	19
31.0	Equipment	1,219	1,150	1,150
99.0	Subtotal, Direct obligations	$52,090	$53,171	$54,165
99.0	Reimbursable obligations	1,286	1,293	0
99.9	Total obligations	$53,376	$54,464	$54,165

Personnel Summary

I.D. Code 11-0110-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	383	400	400

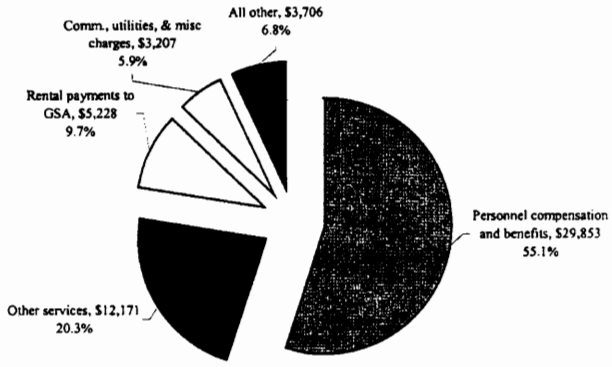
Executive Office of the President

White House Office

Funding Request by Object Classification

(dollars in thousands)

Fiscal Year 2002
$54,165



Executive Office of the President
White House Office

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$22,795	$23,959		$1,164
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees and assignments under the Intergovernmental Personnel Act (IPAs).	
		The increase reflects the anticipated salary costs for the White House staff and provides for the projected 3.6% general pay and locality adjustments effective January 1, 2002.	
		Civilian personnel benefits (12.1)	
$5,564	$5,844		$280
		Funding in this category provides for employee benefit costs including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy and workers' compensation.	
		The increase reflects anticipated benefit costs for the White House staff. This request is based on the average current benefits as a percentage of salary costs.	
		Benefits for former employees (13.0)	
$500	$50		($450)
		This category includes unemployment compensation and severance payments.	
		This decrease more accurately reflects the anticipated costs for WHO employees who may become unemployed. The FY 2001 request was inflated due to the Administration transition.	

FY 2001 Estimate	FY 2002 Request		Net Change
		Travel and transportation of persons (21.0)	
$1,027	$1,027	Costs for official WHO travel, such as per diem, hotel and transportation, and auto rental, are covered in this category. No increase is requested in this object class.	$0
		Travel of the President (21.0)	
$100	$100	These funds provide for the official travel expenses of the President, or government staff accompanying the President as authorized by 3 U.S.C. 103. No increase is requested in this object class.	$0
		Transportation of things (22.0)	
$60	$60	The requested amount will fund commercial express delivery as well as freight and other shipping charges. No increase is requested in this object class.	$0
		Rental payments to GSA (23.1)	
$5,228	$5,228	Funding in this category provides office space in the White House, the Dwight D. Eisenhower Executive Office Building, the New Executive Office Building, and the Jackson Place townhouses. No increase is requested in this object class	$0
		Communications, utilities and miscellaneous charges (23.3)	
$3,207	$3,207	This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges. No increase is requested in this object class	$0

FY 2001 Estimate	FY 2002 Request		Net Change
		Printing and reproduction (24.0)	
$800	$800	These funds provide for government and commercial printing requirements. No increase is requested in this object class.	$0
		Other services (25.2)	
$12,171	$12,171	Included in this category is a wide range of commercial and government services such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. No increase is requested in this object class.	$0
		Supplies and materials (26.0)	
$550	$550	This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications. No increase is requested in this object class.	$0
		Official entertainment (26.0)	
$19	$19	This allowance for entertainment is used strictly for expenses of official representation by senior Executive Office of the President and White House Office staff when the President is not directly involved. No increase is requested in this object class.	$0
		Equipment (31.0)	
$1,150	$1,150	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment, such as photocopiers, facsimile machines and telephones. No increase is requested in this object class.	$0

$53,171	$54,165	Total for all object classes	$994

Executive Office of the President

Special Assistance to the President

Fiscal Year 2002 Budget

Executive Office of the President
Special Assistance to the President

Mission Statement and Background

The Special Assistance to the President (Office of the Vice President) account was established on September 26, 1970 to enable the Vice President to provide continuing assistance to the President. This assistance includes specially assigned functions by the President.

Among the Vice President's executive functions are the following:

A. Member of the President's Cabinet, acting as chairman when the President is absent;

B. Member of the National Security Council;

C. Ex-Officio member of all Cabinet Councils; and

D. Member of the Board of Regents of the Smithsonian Institution.

The objective of the Office of the Vice President is to assist and support the Vice President in carrying out executive and legislative duties. The Vice President's staff provides support on domestic policy, national security affairs, legislative affairs, communications, scheduling, advance, military support, protective matters, administration, and legal matters, and supports the Vice President's spouse, as provided by law.

Executive Office of the President
Special Assistance to the President

Overview

For fiscal year (FY) 2002, the Special Assistance to the President requests an appropriation of $3,896,000 and authorization of 24 full-time equivalent (FTE) positions. This represents a net increase of $231,000, or 6.3%, in appropriation and 2 FTEs over the FY 2001 post-rescission enacted level.

FY 2002 Request

The increase in the FY 2002 request by the Special Assistance to the President account reflects the 3.6% increase in personnel compensation in accordance with Office of Management and Budget guidance. Also, an increase of $150,000 and 2 FTEs is requested, to fund the salary and benefits for two additional positions on the Vice President's staff. The increased authority for two positions, and associated funding, will allow the Vice President to be prepared to provide the level of support necessary to best assist the President on a wide spectrum of issues.

While the non-pay portion of the Special Assistance to the President's budget has been held to the FY 2001 level, budget amounts were shifted to and from various object classes to provide adequate funding for the office's spending priorities. These shifts are explained in detail in the explanation of changes by object class section of the budget request.

Executive Office of the President
Special Assistance to the President

Overview
(Dollars in Thousands)

A summary of the Special Assistance to the President's FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$3,609	$3,665	$3,896
Full-time equivalents	22	22	24

The increases and/or decreases requested for FY 2002 are as follows:

FY 2001 Enacted level	$3,665
Full time permanent	185
Civilian personnel benefits	38
Special personal services	64
Travel and transportation of persons	7
Communications, utilities and misc. charges	4
Printing and reproduction	5
Equipment	7
Subtotal	$3,975
Rental payments to GSA	-51
Other services	-14
Supplies	-14
FY 2002 Budget Request	$3,896

Executive Office of the President
Special Assistance to the President

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions; services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles, [$3,673,000] *$3,896,000. (Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L.106-554.)*

Program and Performance

These funds are to be used by the Vice President to carry out responsibilities assigned him by the President and by various statutes.

Executive Office of the President
Special Assistance to the President

Object Classification
(Dollars in Thousands)

I.D. Code 11-1454-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$1,587	$1,722	$1,907
11.3	Other than full-time permanent	3	0	0
11.8	Special personal services payments	94	30	94
11.9	Total personnel compensation	$1,684	$1,752	$2,001
12.1	Civilian personnel benefits	380	418	456
21.0	Travel and transportation of persons	361	371	378
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	631	673	622
23.3	Communications, utilities and misc. charges	204	200	204
24.0	Printing and reproduction	30	20	25
25.2	Other services	22	44	30
26.0	Supplies and materials	47	63	49
31.0	Equipment	117	123	130
99.0	Subtotal, Direct obligations	$3,477	$3,665	$3,896
99.0	Reimbursable obligations	202	350	350
99.9	Total obligations	$3,679	$4,015	$4,246

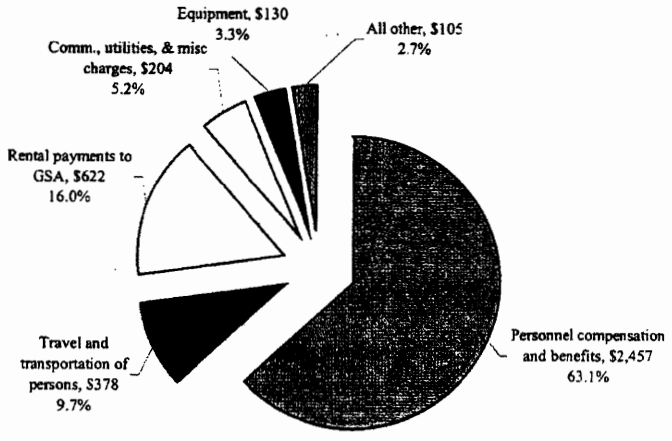
Personnel Summary

I.D. Code 11-1454-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	20	22	24

Executive Office of the President
Special Assistance to the President

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$3,896



Executive Office of the President
Special Assistance to the President

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$1,752	$2,001		$249
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees, and assignments under the Intergovernmental Personnel Act (IPAs).	
		Of the total increase, $64 will provide for the projected 3.6% general pay and locality adjustments effective January 1, 2002. The balance of $121 will cover salary costs for two additional FTE.	
		In addition, this includes an increase of $64 to restore the funding for detailees to a historical level of $94. This object class line was reduced in FY 2001 due to below average use of detailees related to the transition.	
		Civilian personnel benefits (12.1)	
$418	$456		$38
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation.	
		Of the total increase, $9 will cover anticipated benefit costs for the vice president's staff. This request is based on the average current benefits as a percentage of salary costs. Also, $29 will cover estimated benefits costs for two additional FTE.	

FY 2001 Estimate	FY 2002 Request		Net Change
$371	$378	Travel and transportation of persons (21.0) This line item covers the costs of official travel such as per diem, hotel, transportation, auto rental, and local transportation. The increase in this category reflects a 2% cost of living increase.	$7
$1	$1	Transportation of things (22.0) The requested amount will fund commercial express delivery as well as freight and other shipping charges. No increase is requested in this object class.	$0
$673	$622	Rental payments to GSA (23.1) Funding in this category provides office space in the Dwight D. Eisenhower Executive Office Building. The amount requested in this line item will adequately fund the space needs of the Office of the Vice President.	($51)
$200	$204	Communications, utilities and miscellaneous charges (23.3) This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges. The requested increase is necessary to continue the current level of services. It will cover inflationary increases of telecommunications costs and miscellaneous rental expenses.	$4
$20	$25	Printing and reproduction (24.0) These funds provide for government and commercial printing requirements.	$5

FY 2001 Estimate	FY 2002 Request		Net Change
		The requested funding will cover anticipated printing costs for the Office of the Vice President.	
		Other services (25.2)	
$44	$30	Included in this category is a wide range of commercial and government services, such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. The decrease in this object class more closely aligns the budget with actual costs and is sufficient to meet the office's needs in this object class.	($14)
		Supplies and materials (26.0)	
$63	$49	This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications. The decrease in this object class more closely aligns the budget with actual costs and is sufficient to meet the office's needs in this object class.	($14)
		Equipment (31.0)	
$123	$130	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment, such as photocopiers, facsimile machines and telephones. This funding level will provide sufficient funding to continue the planned information technology (IT) and non IT replacement cycles.	$7
$3,665	$3,896	Total for all object classes	$231

Executive Office of the President

Official Residence of the Vice President

Fiscal Year 2002 Budget

Executive Office of the President
Official Residence of the Vice President

Mission Statement and Background

The Official Residence of the Vice President account was established by Public Law 93-346, as amended by Public Law 93-552, on July 12, 1974. The Residence is located on the grounds of the Naval Observatory in the District of Columbia and serves as a facility for official and ceremonial functions, as well as a home for the Vice President and Second Lady.

Funds appropriated to this account are for the care and operation of the Residence equipment, furnishings, dining facilities, and services as required to perform and discharge the Vice President's official duties, functions and obligations.

Executive Office of the President
Official Residence of the Vice President

Overview

For fiscal year (FY) 2001, the Official Residence of the Vice President requests an appropriation of $314,000 and authorization of 1 full-time equivalent (FTE) position. This represents a net decrease of $39,000 or (11%), in the appropriation below the FY 2001 post-rescission enacted level. The number of FTEs remains unchanged.

FY 2002 Request

The net reduction of the Official Residence of the Vice President account is due to the transfer of responsibility for utilities payments previously held by this account to the Department of the Navy.

Funding for the Residence's utilities has historically been provided in the Official Residence of the Vice President account. Utility charges were based on a square footage percentage of the Residence grounds to the Naval Observatory grounds. In the spring of 1998, a meter was installed to measure actual electricity costs. These costs proved to be higher than the Official Residence of the Vice President's account could support. The Department of the Navy has agreed to assume responsibility for the utility payments. Therefore, we have requested an amount for the Vice President's Residence that is reduced by $43,000. Likewise, the Office of Management and Budget increased the Department of the Navy's budget by the same amount. Hereafter, the responsibility for the Residence's utilities will be with the Navy.

This transfer nets against an overall increase to the Official Residence of the Vice President account of $4,000. The increase is the net result of increases and decreases to various object classes. A $12,000 increase is requested in Supplies and materials to align this object class more closely with actual expenditures. A $24,000 increase is requested in Equipment to continue to replace and upgrade equipment pursuant to the Residence's information technology replacement plan including the purchase of a high quality copier.

Personnel savings of $23,000 were realized because the current Residence manager's salary is significantly less than her predecessor. The Other Services object class is reduced by $10,000 to align it more closely with actual expenditures.

Executive Office of the President
Official Residence of the Vice President

Overview (continued)
(dollars in thousands)

A summary of the Official Residence of the Vice President's FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$338	$353	$314
Full-time equivalents	1	1	1

The increases and decreases requested for FY 2002 are as follows:

FY 2001 Enacted level	$353
Supplies and materials	12
Equipment	24
Subtotal	$389
Personnel compensation	-14
Civilian personnel benefits	-9
Communications, utilities and misc. services	-42
Other services	-10
FY 2002 Budget request	$314

Executive Office of the President
Official Residence of the Vice President

Appropriation Language

SALARIES AND EXPENSES

For the care, operation, refurnishing, and improvement of the official residence of the Vice President; the hire of passenger motor vehicles; and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, [$354,000] *$314,000: Provided,* That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses or carrying out such activities. *(Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

Program and Performance

These funds provide for the care and operation of the of the Vice President's official residence.

Executive Office of the President
Official Residence of the Vice President

Object Classification
(dollars in thousands)

I.D. Code 11-0211-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$88	$92	$78
11.9	Total personnel compensation	$88	$92	$78
13.0	Civilian personnel benefits	22	24	15
21.0	Travel and transportation of persons	1	1	1
22.0	Transportation of things	0	1	1
23.3	Communications, utilities and misc. services	64	67	25
24.0	Printing and reproduction	7	10	10
25.2	Other services	11	25	15
26.0	Supplies and materials	35	25	37
26.0	Official entertainment	75	90	90
31.0	Equipment	8	18	42
99.9	Total obligations	$311	$353	$314

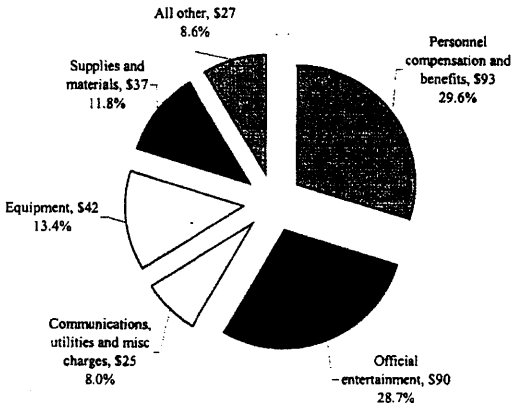
Personnel Summary

I.D. Code 11-0211-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	1	1	1

Executive Office of the President
Official Residence of the Vice President

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$314



Executive Office of the President
Official Residence of the Vice President

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$92	$78		($14)
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees, and assignments under the Intergovernmental Personnel Act (IPAs).	
		The decrease is requested in this object class because the current Residence manager's salary is lower than her predecessor.	
		Civilian personnel benefits (12.1)	
$24	$15		($9)
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation.	
		This request is based on the average current benefits as a percentage of salary costs. It is decreased concurrent with the decrease in full-time permanent salaries.	
		Travel and transportation of persons (21.0)	
$1	$1		$0
		This line item covers the cost of local transportation of the Residence staff.	
		No increase is requested in this object class.	
		Transportation of things (22.0)	
$1	$1		$0
		The requested amount will fund commercial express delivery as well as freight and other shipping charges.	
		No increase is requested in this object class.	

FY 2001 Estimate	FY 2002 Request		Net Change
		Communications, utilities and miscellaneous charges (23.3)	
$67	$25	This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds postage, and miscellaneous rental charges. This net decrease reflects the transfer $43 in budget authority to the Department of the Navy for payment of Residence utilities, and an increase of $1 to cover inflationary increases.	($42)
		Printing and reproduction (24.0)	
$10	$10	These funds provide for government and commercial printing requirements. No increase is requested in this object class.	$0
		Other services (25.2)	
$25	$15	Included in this category is a wide range of commercial and government services, such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. The decrease in this object class more closely aligns the budget with actual expenditures.	($10)
		Supplies and materials (26.0)	
$25	$37	This category provides funding to purchase general office and household supplies, IT supplies, newspaper and magazine subscriptions, and government publications. The additional funds requested in this category will bring this object class in line with actual expenditures.	$12

FY 2001 Estimate	FY 2002 Request		Net Change
		Official entertainment (26.0)	
$90	$90	The line item for official entertainment expenses provides for catering and equipment rental, foodstuffs, and beverages consumed at official events. Expenditures for entertainment are accounted for solely on the certificate of the Vice President. No increase is requested in this object class.	$0
		Equipment (31.0)	
$18	$42	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and furniture and equipment. The increase in this object class will fund the purchase of a high quality copier, the continued upgrade and replacement of the Residence's information technology (IT) and non-IT equipment, and the replacement of furniture as necessary.	$24
$353	$314	Total for all object classes	($39)

Executive Office of the President

Office of Administration

Fiscal Year 2002 Budget

Executive Office of the President
Office of Administration

Mission Statement and Background

The Office of Administration (OA) was created by Reorganization Plan No. 1 of 1977, and formally established by Executive Order 12028, on December 12, 1977. OA provides customer-based administrative services to all entities within the Executive Office of the President (EOP), including direct support services to the President. Specifically, OA provides facilities and financial management services, general administrative services, human resources management, information management and technology systems, library and records management services, and security management. OA is comprised of the following:

Office of the Director. The Office of the Director provides leadership and overall management of the agency's staff, services, and resources. This office ensures that customer and administrative priorities are addressed and that the objectives of OA's customer-oriented mission are fulfilled.

General Counsel (GC). The GC serves as counsel to the Office of Administration. The General Counsel's Office provides legal advice in a wide range of substantive areas including general administrative law, ethics, federal procurement, employment law, legal aspects of budgetary and congressional matters, federal record keeping, and information technology management. GC advises other EOP components in areas related to OA's administrative support mission, particularly in cases where EOP components do not have counsel with expertise in government agency law. In addition, GC manages ongoing litigation and provides litigation support to the Justice Department related to OA's mission or uniquely within OA's expertise.

Equal Employment Opportunity (EEO). The EEO promotes diversity and offers programs to prevent discrimination in the workplace. EOP entities receive a variety of services, including dispute resolution, employee counseling, complaint investigation, and EEO/Civil Rights training.

Security (SEC). The SEC manages personnel, computer, and information security for the EOP complex. SEC directs the background investigation process and briefs employees on the requirements and guidelines for handling classified material. SEC coordinates internet and technology safeguards, oversees access to the EOP complex, and pre-screens candidates for employment based on security guidelines.

Operations and Legislative Liaison Division (OLL). The OLL provides advice and assistance on issues relating to the operations, procedures, and practices of OA. In addition, OLL provides support and guidance on congressional matters. OLL directs the EOP Small and Disadvantaged Business Utilization program, and is responsible for administering OA's customer service support functions.

Financial Management Division (FMD). The FMD provides EOP entities with financial services, including budget formulation, execution and analysis; centralized accounting support; and coordinated internal controls reporting. FMD serves as the custodian of the official financial

records of the EOP. FMD's travel unit reviews all EOP travel vouchers in accordance with GSA regulations, and provides travel advisory assistance to all employees.

Human Resources Management Division (HRM). The HRM provides the EOP with human resource management services. These services include payroll processing, recruitment and placement, internal staffing, employee benefits counseling and enrollment, general employee and management advisory services, employee development and training, and position management. HRM maintains the automated human resource management systems and manages the EOP Drug Free Workplace Program.

General Services Division (GSD). The GSD provides common administrative services to the EOP. The Mail/Messenger Branch provides interoffice mail delivery, messenger service throughout the EOP complex, and deliveries throughout the metropolitan area. The Publishing Branch prepares documents and visual aids, oversees the operation of two large-scale duplicating shops, and assists the EOP entities in preparing and designing publications. The Procurement Branch negotiates contracts and procures goods and services on behalf of EOP entities. The Property and Supply Management Branch provides office supplies to EOP clients. This branch also maintains an off-site warehouse and security screening facility known as the Remote Delivery Site (RDS). The GSD also coordinates equipment repair, property disposal and miscellaneous services requested by our EOP clients.

Facilities Management Division (FAC). The FAC manages space use, rent allocation, repairs, and renovations in the White House complex. FAC is the principal liaison between EOP entities and the General Services Administration (GSA). The Preservation Office oversees the restoration of the Dwight D. Eisenhower Executive Office Building (EEOB) to preserve its historical and architectural integrity. It also directs and manages the EEOB Tour Program, the receipt of gifts, and loans of materials and furnishings. The Telecommunications Service Office (TSO) is responsible for administering the EOP telephone system and the cable infrastructure in EOP buildings and provides a single point of contact for the EOP-user community for these systems.

Information Systems and Technology Division (IST). IST is the primary office within the EOP responsible for leading and implementing the EOP information technology (IT) vision and initiatives. IST oversees the Information Technology Architecture (ITA) and ensures adherence to the Information Technology Architecture Implementation Plan that incorporates industry best practices and guidelines from other federal agencies. In addition, IST plans, develops and maintains application systems to support EOP-specific missions, provides customer support services to all of the agencies within the EOP, manages the information and communications infrastructure, and supports the operation and maintenance of the computer network, electronic mail systems, and standard desktop computer systems. IST operates and maintains the EOP Data Center (24 hours a day, 7 days a week), which includes the central computing facilities and other systems that provide the EOP with administrative and mission critical services. These services include: financial management, procurement, human resources, and records management.

Library and Research Services Division (LRS). The LRS provides research materials and services for the EOP. LRS's three libraries maintain a permanent collection of 65,000 print volumes, 760,000 microfiche sheets, 7,950 microfilm rolls, more than 900 journal and newspaper subscriptions, as well as on-line database, internet, and CD-ROM resources. LRS provides virtual library service to all EOP desktops via the intranet Library home page.

Executive Office of the President
Office of Administration

Overview

For fiscal year (FY) 2002, the Office of Administration (OA) requests an appropriation of $46,032,000 and authorization of 202 full-time equivalent (FTE) positions. This represents a net increase of $2,391,000, or 5.5%, in appropriation and no FTEs over the FY 2001 post rescission enacted level.

FY 2001 Realigned Funds

Funds were realigned in several object classes to align OA's FY 2001 budget with actual costs. This realignment moved $59,464 from Communications, utilities and miscellaneous charges, $7,900 from Printing, and $872,098 from Other Services, as follows: $259,430 to Full-time permanent, $62,770 to Civilian personnel benefits, $200,300 to Travel and transportation of persons, $358,442 to Supplies and materials and $58,520 to Equipment.

The funds were surplus in the Communications, utilities and miscellaneous charges category because the internet bandwidth usage is not as high as was originally anticipated. The funds were available in the Printing and reproduction category as a result of less duplication required by the Defense Automated Printing Service (DAPS). Funding from the Other Services category became available due to vacancies being filled at a slower rate than anticipated under the Northrop Grumman contract that supports OA's information technology efforts.

Funds were realigned to the Personnel categories to allow OA to adequately fund staff for the remainder of the fiscal year. The current rate of attrition is significantly less than that originally projected and budgeted in FY 2001, and the average salary cost is higher than budgeted as well.

Funds were realigned to Travel and transportation of persons to allow OA to provide financial management and information technology support on the President's trips. These funds will allow OA to ensure that vendors are paid timely and that costs are tracked and expedited accurately. In addition, these funds will ensure the President has state of the art, real-time access to the EOP information technology systems.

Funds were realigned to the Supplies and materials and Equipment categories to adequately fund the agency's priorities for the remainder of the fiscal year.

The realigned object classes present a truer base for the FY 2002 request.

FY 2002 Request

OA funding is split between two major components: Salaries & Expenses (S&E) and the Capital Investment Plan (CIP). The S&E component requests a $499,000 or 1.5%, increase in appropriation to fund the 3.6% general pay and locality adjustment for GS and GS equivalent employees effective January 1, 2002. The FY 2002 CIP request, which is an increase of $1,892,000, or 19.1%, in appropriation, will continue the modernization of the IT infrastructure

at the EOP complex. This request reflects the projects required by the updated Information Technology Architecture (ITA) plan submitted to Congress in August, 1999 for Committee review. The CIP funds support the total cost of ITA projects scheduled for implementation during FY 2002.

Salaries and Expenses (S&E): $34,257,000

The S&E component of this request supports the core Office of Administration services. These funds provide for the salaries, office space, maintenance contracts, supplies, computer equipment, utilities, and other essential resources necessary to meet the administrative needs of the EOP. The $499,000 increase is needed to adequately fund personnel compensation and benefits object classes for the 202 FTEs. These funds will provide for the 3.6% general pay and locality adjustments effective January 1, 2002 for GS employees, cost growth in personnel benefits, the transportation subsidy program, promotions, within grade increases and overtime.

Capital Investment Plan (CIP) $11,775,000

The EOP's FY 2002 Capital Investment Plan continues to build upon the investments made in previous fiscal years in line with the plans that have regularly been presented to the Congress. Primary consideration is given to the network infrastructure, with plans to continue the multiyear project to redesign the EOP network infrastructure and to upgrade switches and routing equipment. Another critical project is systems application development. The EOP plans to use funding targeted for electronic document management to develop a replacement system for the existing electronic records management system. There will be an update to desktop common software that will replace the desktop configuration implemented in 1999 during the Y2K effort. Other relatively new, but critical, efforts include development of the network operations center and the network security perimeter. The EOP will continue to perform systematic strategic planning and independent validation and verification of system application plans. A new emphasis during FY 2002 is the development of multimedia applications.

Listed below are the various CIP projects proposed for FY 2002 and the amount of funding required for each of the different functional areas. A brief description of the projects is also included.

Network Infrastructure: $5,148,000

The following lists network infrastructure renovation projects and the FY 2002 associated costs:

Cost	Projects
$2,748,000	Network components and equipment
350,000	Roll-out and test equipment laboratory
400,000	Server infrastructure
265,000	Security perimeter improvements

265,000	Internet infrastructure and virtual private networks
880,000	Multimedia/video-teleconferencing
240,000	Network Operations Center
$5,148,000	Total

Project Descriptions

Network components and equipment - The EOP is currently in the midst of a major data network upgrade to position its network to meet anticipated future demands for significant increases in electronic traffic. Funds will support developing network designs for each EOP building, purchasing cabling components and laying new cables. In addition, funds will provide for the purchase of central switches, wire closet equipment, centralized network storage, and other hardware and software necessary to provide an integrated EOP network.

Roll-out and test equipment laboratory - The EOP has developed a test laboratory facility to provide simulation of servers, routers, applications, and protocol behavior. Maintaining this facility is critical to fully test new system configurations prior to roll-out within the EOP. The goal is to maintain an up-to-date detached networking environment that has the look and feel of the EOP's network, thus allowing for comprehensive testing of network strategies. Anticipated equipment needs include the acquisitions of servers, switches, software, and desktop equipment necessary to simulate the EOP system environment.

Server infrastructure - EOP servers carry an increasing workload in performing computing services throughout the EOP complex. Servers come in a variety of sizes and costs, and the EOP will consolidate servers to enhance the efficiency, redundancy, and cost-effectiveness of EOP systems.

Security perimeter improvements - An area of increasing focus is the need to develop and maintain a security perimeter to protect from computer hackers and cyberterrorists around the world. These funds are required for hardware, software, and implementation services.

Internet infrastructure and virtual private networks - Funds are needed in FY 2002 to enable the EOP's web applications to handle the continuing growth in internet traffic. Virtual private networks are being developed to ensure safe, effective, and secure communications from EOP staff who are in offsite locations. These improvements include software, servers, hardware necessary to implement new technologies, as well as necessary implementation or design services.

Multimedia/video-teleconferencing - The EOP plans to develop White House and other EOP multimedia applications as the marketplace implements these solutions. Funds will be used to purchase software and hardware necessary to provide the needed services, as well as the contractor services necessary for design and implementation of such products. Another objective includes the introduction of desktop videoteleconferencing capability.

Network operations center - The network operations center has emerged as a key element in the EOP's ability to monitor the network status, and most importantly, to pinpoint developing network issues before they cause service breakdowns or outages. These funds will be utilized to purchase hardware, software, and implementation/design services necessary to provide the network operations center with the tools needed for its success.

Data Center: $130,000

Project Description

Mainframe hardware and software - The data center is undergoing a significant renovation to its facility during FY 2001. As a result, during FY 2002 there will be a need to upgrade existing software licenses to the latest version. There will also be hardware purchases in disk storage, tape management, and other related categories in order to facilitate this upgrade.

Systems Development: $3,455,000

The following lists the systems development projects and the FY 2002 associated costs:

Cost	Projects
$ 505,000	White House systems
2, 000,000	Electronic document management
850,000	EOP agency applications
100,000	Financial system
$3,455,000	Total

Project Descriptions

White House systems - This includes work for the White House's Presidential Personnel, Correspondence, and Records Management Offices, as well as other White House offices which require new system applications to perform their business functions. One primary focus is the continuing effort to make these applications web-enabled. EOP staff will also work toward integrating existing and planned systems where it will be cost effective and technically feasible.

Electronic document management/pilot projects - The primary need is for a thorough top-to-bottom redesign of the EOP's critical electronic records management system. These funds will also be used for initial development and implementation of pilot projects and systems as prototypes and/or projects for proof of development.

EOP agency applications - These applications are moving toward web-centric environments. This effort involves redesign, development, and implementation of applications that are custom-built for EOP purposes. In addition, this involves customizing existing commercial off-the-shelf solutions. Examples of the type of systems to be moved to a web-centric environment include payroll/personnel, an EOP corporate/integrated database, and the relocation of Lotus NOTES database applications to an open database system. This work will cross agency boundaries. Rehostings will be performed on the systems from White House, OMB, or other agencies that will most benefit in the entire EOP's system architecture.

Financial system - The EOP's planning includes a FY 2003 request for funding to upgrade or replace the EOP financial/accounting system. Funding is required in FY 2002 to conduct market surveys and requirements analyses in connection with the new system or upgrade.

Telephone Switch Upgrade: $300,000

Project Description

Telephone switch upgrade - Funds are needed for further development of the EOP's telephone switch, which is scheduled for replacement and upgrade with FY01 capital investment funds. The benefits to be gained from the planned system upgrade include increased memory capacity, and addition of new service features to enable the EOP community to have telephone switching capabilities necessary to fulfill the mission of the Executive Office of the President.

Customer Service: $2,125,000

The following lists the customer service projects and the FY 2002 associated costs:

Cost	Projects
$1,875,000	EOP common software
250,000	Travel and offsite equipment support
$2,125,000	Total

Project Descriptions

EOP common software - The EOP's goal is to have all EOP component agencies working jointly to develop a new, modern common software standard on EOP desktop computers. This funding will replace the common software that was installed in FY99 during the Y2K effort. Common desktop software applications include core desktop software functions (e.g., operating system, word processing, spreadsheets, database management, e-mail, calendars, internet browsers, multimedia applications, et cetera). This includes the purchase of software, and the cost of contractor staff necessary to execute the roll-out and installation of the software within the EOP community.

Travel and offsite equipment support - The Office of Administration has been working with the White House Communications Agency to improve the offsite support for staff who accompany the President and Vice President on travel. This includes the provision of equipment at Camp David and other permanent offsite Presidential and Vice Presidential sites. The primary use of these funds is to replace laptop computers, travel printers, faxes, and other necessary equipment.

Program Management: $617,000

The following lists the program management projects and the FY 2002 associated costs:

Cost	Projects
$ 537,000	Independent Verification and Validation/Strategic Planning
80,000	Overhead Costs
$ 617,000	Total

Project Descriptions

Independent Verification and Validation and Strategic Planning – These funds are required to ensure that plans are consistent with annual information technology architecture (ITA) updates, and will maintain focus on comprehensive life-cycle costs for equipment and systems. The primary obstacles to software implementation success are incomplete and changing requirements and lack of involvement by the end user. Thus, it is critical to address root causes of failure at the beginning of project by reviewing the comprehensiveness of plans prior to project initiation, and by ensuring that the plans address the needs of the EOP user community. These funds will also be used to develop the specific projects within the CIP budget with acquisition strategies and equipment replacement.

Overhead Costs – These funds are required for overhead/contractor space.

Executive Office of the President
Office of Administration

Overview (continued)

(dollars in thousands)

A summary of the Office of Administration's FY 2002 budget request is shown below:

Appropriation	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	FY 02-01 Increase Amount	FY 02-01 Increase Percent
Salaries and Expenses	$30,132	$33,758	$34,257	$499	1.5%
Capital Investment Plan	8,772	9,883	11,775	1,892	19.1%
Total	$38,904	$43,641	$46,032	$2,391	5.5%
Full-time equivalents	192	202	202	0	0.0%

The increases and decreases requested for FY 2002 are as follows:

	Request	FY 02-01 Increase Amount	FY 02-01 Increase Percent
FY 2001 Salaries and Expenses enacted level	**$33,758**		
Current Service Level Adjustments			
Personnel compensation and benefits	499		
FY 2002 Salaries and Expenses request	**$34,257**	**$499**	**1.5%**
Capital Investment Plan			
Network infrastructure	5,148		
Data center renovations	130		
Systems Development	3,455		
Telephone switch upgrade	300		
Customer service	2,125		
Program management	617		
FY 2002 Capital Investment Plan request	**$11,775**	**$1,892**	**19.1%**
FY 2002 Office of Administration request	**$46,032**	**$2,391**	**5.5%**

Executive Office of the President
Office of Administration

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles [$43,737,000] *$46,302,000* of which [$9,905,000] *$11,775,000* shall remain available until *September 30,* [2002] *2003* for a capital investment plan which provides for the continued modernization of the information technology infrastructure. *(Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L.106-554.)*

Program and Performance

The Office of Administration's mission is to provide high-quality, cost-effective, administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

The Office of Administration receives reimbursements for information management support and general office services.

Executive Office of the President
Office of Administration

Object Classification
(dollars in thousands)

I.D. Code 11-0038-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$10,507	**$11,776**	$12,178
11.3	Other than full-time permanent	162	171	171
11.5	Other personnel compensation	211	116	116
11.8	Special personal services payments	92	0	0
11.9	Total personnel compensation	$10,972	$12,063	$12,465
12.1	Civilian personnel benefits	2,470	**2,825**	2,922
13.0	Benefits for former personnel	0	5	5
21.0	Travel and transportation of persons	56	**240**	240
22.0	Transportation of things	47	41	41
23.1	Rental payments to GSA	2,941	**3,071**	3,071
23.3	Communications, utilities and misc. charges	1,505	**1,440**	1,355
24.0	Printing and reproduction	399	**447**	447
25.2	Other services	13,332	**15,426**	14,355
26.0	Supplies and materials	1,389	**2,125**	1,265
31.0	Equipment	5,793	**5,958**	9,866
99.0	Subtotal, Direct obligations	$38,904	$43,641	$46,032
99.0	Reimbursable obligations	5,261	4,596	0
99.9	Total obligations	$44,165	$48,237	$46,032

*** Bolded numbers indicate "realigned" amounts.**

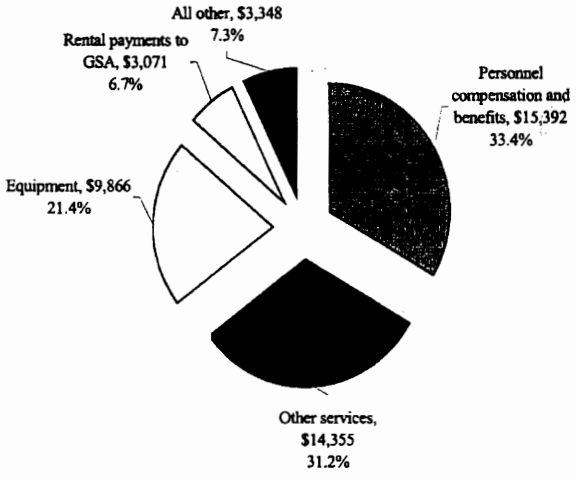
Personnel Summary

I.D. Code 11-0038-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	192	202	202

Executive Office of the President
Office of Administration

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$46,032



Executive Office of the President
Office of Administration

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$12,063	$12,465		$402
		The personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees.	
		Salaries and Expenses (S&E): The $402 increase will provide for the projected 3.6% general pay and locality adjustments effective January 1, 2002 for GS employees. These funds will also cover promotions, overtime, and within-grade salary increases.	
		Civilian personnel benefits (12.1)	
$2,825	$2,922		$97
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation.	
		S&E: $97	
		This request is based on the average current benefits as a percentage of salary costs.	
		Benefits for former employees (13.0)	
$5	$5		$0
		This category includes unemployment compensation and severance payments.	
		No increase is requested in this object class.	
		Travel and transportation of persons (21.0)	
$240	$240		$0
		This category provides funds in support of training activities, local transportation, travel to the payroll and personnel system services site, and other travel requirements.	

FY 2001 Estimate	FY 2002 Request		Net Change
		No increase is requested in this object class.	
		Transportation of things (22.0)	
$41	$41		$0
		The requested amount will fund commercial express delivery, contract cost for excessing services, as well as freight and other shipping charges.	
		No increase is requested in this object class.	
		Rental payments to GSA (23.1)	
$3,071	$3,071		$0
		Funding in this category provides office space in the New Executive Office Building, the Dwight D. Eisenhower Executive Office Building, the Remote Delivery Site (located in the Anacostia Naval Station) and the U.S. Kids child care center located at 1425 New York Avenue.	
		No increase is requested in this object class.	
		Communications, utilities and miscellaneous charges (23.3)	
$1,440	$1,355		($85)
		This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; satellite subscriptions; internet service provider fees; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges.	
		S&E: No increase is requested in this object class.	
		Capital Investment Plan (CIP): -$85	
		The FY02 CIP does not include funding for communications costs, although the FY01 CIP included $85 for internet service charges. These costs have been determined to be operating expenses rather than investment costs, and for that reason are included in the operating budget rather than the Capital Investment Plan.	
		Printing and reproduction (24.0)	
$447	$447		$0
		These funds provide for government and commercial printing requirements. It includes funding for the 3.3%	

FY 2001 Estimate	FY 2002 Request		Net Change
		increase in GPO rates and cost growth of the Defense Printing Service (DPS) agreement. No increase is requested in this object class.	
$15,426	$14,355	Other services (25.2) Included in this category is a wide range of commercial and government services such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. *S&E:* No increase is requested in this object class. *CIP: -$1,071* The primary reason for the decrease in "other services" is that the procurement strategy for the re-cabling of the EOP data network has changed. Previously, the EOP intended to contract separately with different vendors: one to provide supplies, and one to lay cables. However, the current plan is to contract with a single contractor that will be responsible for providing a finished product to the EOP. This change in procurement strategy does not affect the final cost, but it shifts funding in "other services" to the "equipment" category.	($1,071)
$2,125	$1,265	Supplies and materials (26.0) This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications. *S&E:* No increase is requested in this object class. *CIP: -$860* The primary reason for the decrease in "supplies and materials" is that the procurement strategy for the re-cabling of the EOP data network has changed. Previously, the EOP intended to contract separately with different vendors: one to provide supplies, and one to lay cables. However, the current plan is to contract with a single contractor that will be responsible for providing a finished product to the EOP. This change in procurement strategy does not affect	($860)

FY 2001 Estimate	FY 2002 Request		Net Change
		the final cost, but it shifts funds in "supplies and materials" funding to the "equipment" category. There are no CIP funds budgeted in FY 2002 under this category.	
$5,958	$9,866	Equipment (31.0)	$3,908
		This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office equipment such as photocopiers, facsimile machines and telephones.	
		S&E: No increase is requested in this object class.	
		CIP: $3,908	
		The are three new key elements in the FY 2002 CIP. EOP common software increases by $1,500 to update the desktop software that was installed in EOP agencies during FY 1999. The budget request also includes a $1,500 increase for electronic document management, which is targeted for development of a new records management system for the EOP. In addition, the request includes a $630 increase for multimedia and video-teleconferencing applications.	
$43,641	$46,032	Total for all object classes	$2,391

Executive Office of the President

Office of Policy Development

Fiscal Year 2002 Budget

Executive Office of the President
Office of Policy Development

Mission Statement and Background

The Office of Policy Development (OPD) is composed of two policy groups: the Domestic Policy Council and the National Economic Council. These two groups are responsible for advising and assisting the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other policy development and implementation initiatives as directed by the President.

The two policy groups are responsible for ensuring coordination in the development and implementation of executive branch policy. Both serve as a forum in which policy advice to the President can be considered and refined. The policy process is managed in a way that allows issues particular to each group to be included in policy deliberations being led elsewhere in the Executive Office of the President or in executive branch departments or agencies.

The Domestic Policy Council was established on August 16, 1993 by Executive Order 12859.

The principal functions of the Domestic Policy Council are to:

- coordinate the policy-making process with respect to domestic issues;
- coordinate domestic policy advice to the President;
- ensure that domestic policy decisions and programs are consistent with the President's stated goals, and ensure that those goals are being effectively pursued; and,
- monitor implementation of the President's domestic policy goals.

The National Economic Council was established on January 25, 1993 by Executive Order 12835.

The principal functions of the National Economic Council are to:

- coordinate the economic policy-making process with respect to the domestic and international economic issues;
- coordinate economic policy advice to the President;
- ensure that the economic policy decisions and programs are consistent with the President's stated goals, and ensure that those goals are being effectively pursued; and,
- monitor implementation of the President's economic policy goals.

Executive Office of the President
Office of Policy Development

Overview

For fiscal year (FY) 2002, the Office of Policy Development requests an appropriation of $4,119,000 and authorization of 31 full-time equivalent (FTE) positions. This represents a net increase of $96,000, or 2.4%, in appropriation over the FY 2001 post-rescission enacted level.. The number of FTEs remains unchanged.

FY 2002 Request

The FY 2002 President's budget includes an increase in Personnel salaries and benefits of $96,000 to provide for the 3.6% salary increase anticipated in FY 2002.

Executive Office of the President
Office of Policy Development

Overview (continued)
(dollars in thousands)

A summary of the Office of Policy Development's FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$4,017	$4,023	$4,119
Full-time equivalents	31	31	31

The increases requested for FY 2002 are as follows:

FY 2001 Enacted level	$4,023
Personnel compensation	76
Special personal services payments	2
Civilian personnel benefits	18
FY 2002 Budget request	$4,119

Executive Office of the President
Office of Policy Development

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; [$4,032,000] $4,119,000. *(Executive Office Appropriations Act, 2001, as enacted by Section 1(a)(3) of P.L. 106-554.)*

Program and Performance

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

Executive Office of the President
Office of Policy Development

Object Classification
(dollars in thousands)

I.D. Code 11-2200-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$2,068	$2,224	$2,300
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	2	9	9
11.8	Special personal services payments	168	67	69
11.9	Total personnel compensation	$2,238	$2,300	$2,378
12.1	Civilian personnel benefits	491	562	580
21.0	Travel and transportation of persons	171	132	132
23.1	Rental payments to GSA	559	556	556
23.3	Communications, utilities and misc. charges	259	224	224
24.0	Printing and reproduction	184	20	20
25.2	Other services	119	42	42
26.0	Supplies and materials	88	86	86
31.0	Equipment	135	101	101
99.0	Subtotal, Direct obligations	$4,244	$4,023	$4,119
99.0	Reimbursable obligations	100	100	0
99.9	Total obligations	$4,344	$4,123	$4,119

Personnel Summary

I.D. Code 11-2200-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	29	31	31

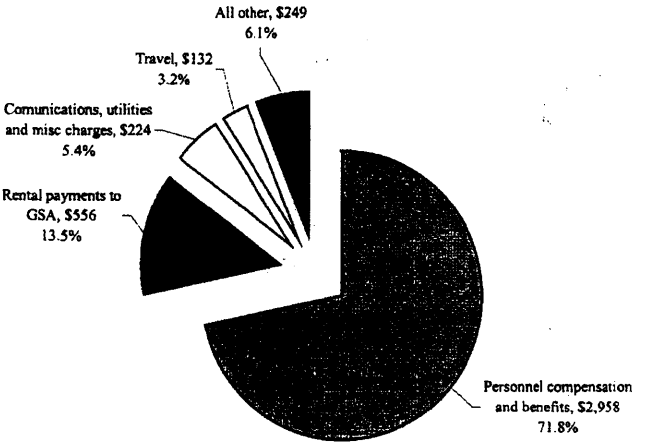
Object Classification
for the National Economic Council (NEC)
and the Domestic Policy Council (DPC)
(dollars in thousands)

		NEC	DPC	FY 2002 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,533	767	2,300
11.5	Other personnel compensation	8	1	9
11.8	Special personal services payments	58	11	69
11.9	Total personnel compensation	1,599	779	2,378
12.1	Civilian personnel benefits	390	190	580
21.0	Travel and transportation of persons	117	15	132
23.1	Rental payments to GSA	300	256	556
23.3	Communications, utilities and misc. charges	170	54	224
24.0	Printing and reproduction	11	9	20
25.2	Other services	11	31	42
26.0	Supplies and materials	49	37	86
31.0	Equipment	58	43	101
99.9	Total obligations	2,705	1,414	4,119

Executive Office of the President
Office of Policy Development

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$4,119



Executive Office of the President
Office of Policy Development

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$2,300	$2,378		$78
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees, and assignments under the Intergovernmental Personnel Act.	
		The increase will provide for the 3.6% cost of living increase beginning January 1, 2002.	
		Civilian personnel benefits (12.1)	
$562	$580		$18
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation.	
		The increase will provide for the 3.6% cost of living increase beginning January 1, 2002.	
		Travel and transportation of persons (21.0)	
$132	$132		$0
		This line item provides funding for accommodations, airfare, and other travel related costs for the staff.	
		No increase is requested in this object class.	
		Rental payments to GSA (23.1)	
$556	$556		$0
		Funding in this category provides for office space in the Old Executive Office Building.	
		No increase is requested in this object class.	

FY 2001 Estimate	FY 2002 Request		Net Change
		Communications, utilities and miscellaneous charges (23.3)	
$224	$224	This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges. No increase is requested in this object class.	$0
		Printing and reproduction (24.0)	
$20	$20	These funds provide for government and commercial printing requirements. It includes funding for the 3.3% increase in GPO rates, which can be absorbed in the current budget level. No increase is requested in this object class.	$0
		Other services (25.2)	
$42	$42	Included in this category is a wide range of commercial and government services, such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. No increase is requested in this object class.	$0
		Supplies and materials (26.0)	
$86	$86	This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications. No increase is requested in this object class.	$0
		Equipment (31.0)	
$101	$101	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment, such as photocopiers, facsimile machines and telephones.	$0

		No increase is requested in this object class.	
$4,023	$4,119	Total for all object classes	$96

Executive Office of the President

National Security Council

Fiscal Year 2002 Budget

Executive Office of the President
National Security Council

Mission Statement and Background

The National Security Council (NSC) was established by the National Security Act of 1947, 50 U.S.C. section 401 et seq. By Reorganization Plan Number 4, effective August 20, 1949, the Council was placed in the Executive Office of the President.

The NSC advises and assists the President in integrating all aspects of national security policy as it affects the United States -- domestic, foreign, military, intelligence, and economic. Working in conjunction with the National Economic Council, the NSC develops the Administration's approach to international economic issues. The NSC system coordinates executive departments and agencies in the effective development and implementation of those national security policies.

The National Security Council regular attendees include: the President, the Vice President, the Secretary of State, Secretary of the Treasury, the Secretary of Defense and the Assistant to the President for National Security Affairs. The Director of Central Intelligence and the Chairman of the Joint Chiefs of Staff, as statutory advisers, also attend NSC meetings. The Chief of Staff to the President and the Assistant to the President for Economic Policy are invited to attend any NSC meeting. The Counsel to the President, the Attorney General, the Director of the Office of Management and Budget and heads of other executive departments and agencies or other senior officials, are invited to attend NSC meetings as deemed appropriate.

The NSC staff, the element funded by this budget request, is headed by the Executive Secretary and provides day-to-day support for the President, the National Security Advisor, and two Deputy National Security Advisors. The NSC staff seeks to ensure that national security information provided to the President is responsive to his needs and is properly coordinated among the agencies and within the Executive Office of the President. The staff prepares policy presentations and arranges meetings for the President and the NSC on national security matters.

The NSC staff is organized with regional and functional offices headed by senior directors who report directly to the National Security Advisor. The staff facilitates, coordinates, and monitors the review, development, and implementation of national security decisions under the guidance of the President and the National Security Advisor. Through the Executive Secretary, the NSC reviews presidential options with concerned agencies to ensure that decision choices are presented to the President in a timely manner with all relevant views represented. The NSC monitors implementation of decisions to ensure compliance and execution. The NSC provides guidance, review, and policy direction pursuant to E.O. 12333. Seeking to ensure intra-governmental consensus whenever possible, the NSC acts as an honest broker in the presidential decision-making process.

The National Security Council budget also provides funding for the President's Foreign Intelligence Advisory Board (PFIAB). PFIAB has the authority to continually review the performance of all agencies of the Federal government that are engaged in the collection, evaluation, or production of intelligence or the execution of intelligence policy.

Executive Office of the President
National Security Council

Overview

For fiscal year (FY) 2002, the National Security Council requests an appropriation of $7,447,000 and authorization of 60 full-time equivalent (FTE) positions. This represents a net increase of $297,763, or 4.2%, in appropriation over the FY 2001 rescinded level. Per P.L. 106-554, a 0.22% government-wide rescission reduced this account's FY 2001 original appropriation by $15,763. The number of FTEs remains unchanged.

FY 2001 Realigned Funds

Funds were shifted within the personnel and travel categories to align NSC's FY 2001 budget with actual costs. This realignment moved $350,000 from the Special personal services payments and $50,000 from the Travel categories, as follows: $249,000 to full-time permanent; $83,000 to Other personnel compensation; and, $68,000 to Civilian personnel benefits.

The net change in the Personnel categories results from the new Administration's focus on hiring payroll individuals rather than relying on non-reimbursable detailees or career developmental programs. Since the staff reduction involved these non-paid positions, the decrease in personnel did not provide a monetary benefit. Instead, this Administration's hiring trend requires a funding increase to cover the new policy staff brought on to the NSC payroll. Funding adjustments in this category also represent an increase for benefits and overtime.

Funds in the Special personal services payments category are available due to a reduction of reimbursable detailees in this fiscal year. To comply with the Department of State's Appropriations Authorization Act of 1973 (P. L. 93-126), NSC will reimburse for State Department detailees who serve more than two years on the NSC staff.

Also, some funds in PFIAB's Travel category are available in this fiscal year. Since the selection of the new board members has not taken place for this Administration, travel expenses have decreased over the past few months. Once selections are made, PFIAB's travel schedule will likely return to normal.

The realigned object classes present a truer base on which to fund FY 2002.

FY 2001 Reprogramming

NSC requests that the above realignment of FY 2001 funds constitutes a formal reprogramming of those funds. As of the date of this budget submission, none of the funds included in this notification have been obligated. We will assume Committee approval, if no objections are raised within two weeks of the testimony date for this appropriation, May 3, 2001.

FY 2002 Request

Since funding levels for NSC are primarily determined by expenditures for personnel, the requested increase must address mandatory changes in pay. The largest portion of the FY 2002 increase, $224,000, falls within personnel compensation and benefits.

The net increase in the Personnel categories results from the new Administration's focus on hiring payroll individuals as explained above. The adjustments annualize the impact of this hiring trend. NSC has budgeted for the 3.6% general pay and locality adjustment effective January 1, 2002 for all personnel categories. Funding in this category also represents an increase for benefits, which is commensurate with the pay raise.

A funding increase is also requested in Rental payments to GSA. A $74,000 increase is needed to cover estimates for rent obtained from GSA. It represents a 6.1% rate adjustment to the current rate. At this time, NSC does not anticipate acquiring more space in FY 2002.

Inflationary cost increases for all remaining categories will be absorbed in existing levels. Since every effort is made to maintain the current level of service to the National Security Advisor and to the President, the FY 2002 budget request reflects only those adjustments necessary to continue this support.

Executive Office of the President
National Security Council

Overview (continued)
(dollars in thousands)

A summary of the National Security Council's FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$6,970	$7,149	$7,447
Full-time equivalents	60	60	60

The increases requested for FY 2002 are as follows:

FY 2001 Enacted level	$7,149
Personnel compensation	161
Civilian personnel benefits	63
Rental payments to GSA	74
FY 2001 Budget request	$7,447

Executive Office of the President
National Security Council

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, [$7,165,000] *$7,447,000. (Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

Program and Performance

The National Security Council advises the President on the integration of domestic, foreign, and military policies relating to national security.

Executive Office of the President
National Security Council

Object Classification
(dollars in thousands)

I.D. Code 11-2000-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$2,673	**$3,341**	$3,745
11.3	Other than full-time permanent	4	0	0
11.5	Other personnel compensation	277	**323**	330
11.8	Special personal services payments	885	**400**	150
11.9	Total personnel compensation	$3,839	$4,064	$4,225
12.1	Civilian personnel benefits	637	**797**	860
13.0	Benefits for former personnel	0	0	0
21.0	Travel and transportation of persons	392	**415**	415
22.0	Transportation of things	1	0	0
23.1	Rental payments to GSA	1,178	1,213	1,287
23.3	Communications, utilities and misc. charges	191	199	199
24.0	Printing and reproduction	25	10	10
25.1	Advisory and assistance services	17	16	16
25.2	Other services	24	24	24
25.3	Other purchases of goods & services from Gvt. acc	66	66	66
25.4	Operation and maintenance of facilities	68	50	50
25.6	Medical care	3	4	4
25.7	Operation and maintenance of equipment	86	74	74
26.0	Supplies and materials	173	127	127
31.0	Equipment	130	90	90
99.0	Subtotal, Direct obligations	$6,830	$7,149	$7,447
99.0	Reimbursable obligations	366	330	330
99.9	Total obligations	$7,196	$7,479	$7,777

*** Bolded numbers indicate "realigned" amounts.**

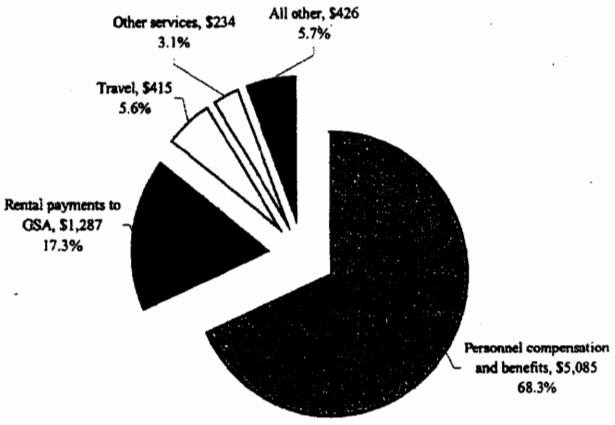
Personnel Summary

I.D. Code 11-2000-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	41	60	60

Executive Office of the President
National Security Council

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$7,447



Executive Office of the President
National Security Council

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$4,064	$4,225	The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees, and assignments under the Intergovernmental Personnel Act. The increase will provide for the projected 3.6% general pay and locality adjustments effective January 1, 2002. These funds will also cover promotions and within-grade salary increases. The increase requested annualizes the impact of this Administration's hiring trend, which is focussed on payroll individuals.	$161
		Civilian personnel benefits (12.1)	
$797	$860	Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, transportation subsidy, and workers' compensation. The increase reflects anticipated benefit costs. This request is based on the average current benefits as a percentage of salary costs.	$63
		Travel and transportation of persons (21.0)	
$415	$415	This line item covers the cost of trips made by NSC staff members on behalf of the President in carrying out the Administration's foreign policy agenda. It also covers the travel requirements of PFIAB.	$0

FY 2001 Estimate	FY 2002 Request		Net Change
		No increase is requested in this object class.	
$1,213	$1,287	Rental payments to GSA (23.1) Funding in this category provides office space in the Dwight D. Eisenhower Executive Office Building. This request reflects a 6.1% increase in GSA rates anticipated in FY 2002.	$74
$199	$199	Communications, utilities and miscellaneous charges (23.3) This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges. No increase is requested in this object class.	$0
$10	$10	Printing and reproduction (24.0) These funds provide for government and commercial printing requirements. It includes funding for the 3.3% increase in GPO rates, which can be absorbed in the current budget level. No increase is requested in this object class.	$0
$16	$16	Advisory and assistance servics (25.1) This category funds professional services contracts with non-Federal sources. No increase is requested in this object class.	$0
$24	$24	Other services (25.2) This object class funds contractual services with the private sector that are not otherwise classified	$0

FY 2001 Estimate	FY 2002 Request		Net Change
		No increase is requested in this object class.	
		Purchases of goods and services from Gov't accounts (25.3)	
$66	$66	These funds cover services obtained from other Federal agencies.	$0
		No increase is requested in this object class.	
		Operation and maintenance of facilities (25.4)	
$50	$50	This category funds work done by GSA within the offices.	$0
		No increase is requested in this object class.	
		Medical care (25.6)	
$4	$4	This object class covers medical care through a health unit available to EOP employees.	$0
		No increase is requested in this object class.	
		Operation and maintenance of equipment (25.7)	
$74	$74	This category funds operation, maintenance, and repair of equipment, which mostly includes copying machines.	$0
		No increase is requested in this object class.	
		Supplies and materials (26.0)	
$127	$127	This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications.	$0
		No increase is requested in this object class.	
		Equipment (31.0)	
$90	$90	This line item funds information technology hardware and software, customized software programming, peripheral	$0

		equipment (e.g., printers and communications devices), and general office furniture and equipment, such as photocopiers, facsimile machines and telephones. No increase is requested in this object class.	
$7,149	$7,447	Total for all object classes	$298

Executive Office of the President

Council of Economic Advisers

Fiscal Year 2002 Budget

Executive Office of the President
Council of Economic Advisers

Mission Statement and Background

The responsibilities of the Council are established in the Employment Act of 1946 and include the following:

1. To gather and analyze timely information concerning current and prospective economic developments and report regularly to the President on the relationship of these developments to the achievement of maximum employment, production, and purchasing power as prescribed in the act.

2. To assist and advise the President in the preparation of the Economic Report of the President.

3. To appraise and report to the President on the extent to which the various programs and activities of the Federal Government contribute to the execution of the purposes of the act.

4. To develop and recommend to the President national economic policies to foster and promote competitive enterprise, to avoid economic fluctuations, and to maintain maximum employment, production, and purchasing power.

5. To study, report, and recommend on Federal economic policy and legislation as the President may request.

In carrying out these duties, the Council consults regularly with other government agencies and departments, as well as the Congress, and representatives of business, labor, consumers, agriculture, state and local governments, and the economics profession. In addition, Council members and staff frequently serve on Cabinet Council working groups in a wide variety of fields.

Included in the Council's staff is a statistical unit responsible for the monthly publication of the Economic Indicators and the preparation of the statistical material in the annual Economic Report of the President, as well as for providing continuous assistance to the Council and professional staff.

Executive Office of the President
Council of Economic Advisers

Overview

FY 2002 Request

For fiscal year (FY) 2002, the Council of Economic Advisers (CEA) requests an appropriation of $4,192,000 and authorization of 35 full-time equivalent (FTE) positions. This represents an increase of $91,000, or 2.2%, in appropriation and no increase in FTE over the FY 2001post rescission enacted levels.

The total increase is for personnel compensation and benefits. The increase provides for the 3.6% general pay and locality adjustments for GS and GS-equivalent employees and within-grade increases, effective January 2002.

The requested increase will provide adequate funding for CEA to continue to support the President by producing quality economic reports, briefings, analyses and advice.

Executive Office of the President
Council of Economic Advisers

Overview (continued)
(dollars in thousands)

A summary of the Council of Economic Advisers' FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$3,825	$4,101	$4,192
Full-time equivalents	35	35	35

The increases requested for FY 2002 are as follows:

FY 2001 Enacted level	$4,101
Personnel compensation	73
Civilian personnel benefits	18
FY 2002 Budget request	$4,192

Executive Office of the President
Council of Economic Advisers

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Council of Economic Advisers in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), [$4,101,000] *$4,192,000. (Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

Program and Performance

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to the Congress.

Executive Office of the President
Council of Economic Advisers

Object Classification
(dollars in thousands)

I.D. Code 11-1900-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
	Personnel obligations			
11.1	Full-time permanent	$1,869	$2,120	$2,193
11.5	Other personnel compensation	80	62	62
11.8	Special personal services payments	529	516	516
11.9	Total personnel compensation	$2,478	$2,698	$2,771
12.1	Civilian personnel benefits	393	465	483
21.0	Travel and transportation of persons	72	99	99
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	455	469	469
23.3	Communications, utilities and misc. charges	105	114	114
24.0	Printing and reproduction	95	103	103
25.2	Other services	36	37	37
26.0	Supplies and materials	62	63	63
31.0	Equipment	98	52	52
99.0	Subtotal, Direct obligations	$3,795	$4,101	$4,192
99.0	Reimbursable obligations	0	0	0
99.9	Total obligations	$3,795	$4,101	$4,192

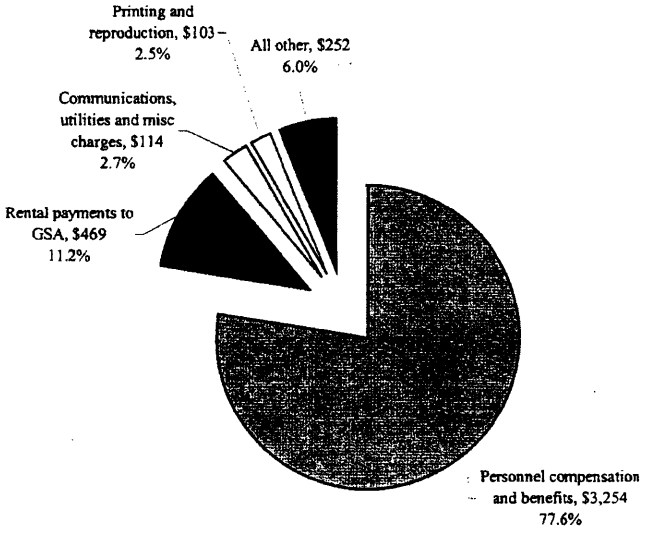
Personnel Summary

I.D. Code 11-1900-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	27	35	35

Executive Office of the President
Council of Economic Advisers

Funding Request by Object Classification
(dollars in thousands)

Fiscal Year 2002
$4,192



Executive Office of the President
Council of Economic Advisers

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$2,698	$2,771		$73
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), reimbursable detailees, and assignments under the Intergovernmental Personnel Act.	
		The increase will provide for the projected 3.6% general pay and locality adjustments effective January 1, 2002, for GS employees. These funds will also cover within-grade salary increases and promotions.	
		Civilian personnel benefits (12.1)	
$465	$483		$18
		Funding in this category provides for employee benefit costs, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, and health and life insurance.	
		The increase reflects anticipated benefit costs. This request is based on the average current benefits as a percentage of salary costs.	
		Travel and transportation of persons (21.0)	
$99	$99		$0
		This line item covers Council Members' and staff travel expenses (including per diem, hotel, and transportation) to attend policy committee meetings and to represent the U.S. as official delegates at international meetings and forums. These meetings and forums include the Economic Committee of the Asia-Pacific Economic Cooperation forum and the Organization for Economic Cooperation and Development.	
		No increase is requested in this object class.	

FY 2001 Estimate	FY 2002 Request		Net Change
		Transportation of things (22.0)	
$1	$1	The requested amount will fund commercial express delivery as well as freight and other shipping charges. No increase is requested in this object class.	$0
		Rental payments to GSA (23.1)	
$469	$469	Funding in this category provides office space in the Dwight D. Eisenhower Executive Office Building. No increase is required in this object class.	$0
		Communications, utilities and miscellaneous charges (23.3)	
$114	$114	This object class funds the use of commercial, cellular, local, and long distance telephone service; GSA's FTS service; wire services; and database subscriptions. It also funds after-hours utilities, postage, and miscellaneous rental charges. No increase is requested in this object class.	$0
		Printing and reproduction (24.0)	
$103	$103	These funds provide for printing of the annual Economic Report of the President, the monthly Economic Indicators, and other necessary printing and reproduction expenses. No increase is requested in this object class.	$0
		Other services (25.2)	
$37	$37	Included in this category is a wide range of commercial and government services such as contractual services, commercial repairs, maintenance of equipment, training and professional services contracts for editing the Economic Report of the President. No increase is requested in this object class.	$0

FY 2001 Estimate	FY 2002 Request		Net Change
		Supplies and materials (26.0)	
$63	$63	This category provides funding to purchase general office supplies, IT supplies, newspaper and magazine subscriptions, and government publications. No increase is requested in this object class.	$0
		Equipment (31.0)	
$52	$52	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment. No increase is requested in this object class.	$0
$4,101	$4,192	Total for all object classes	$91

Executive Office of the President

Unanticipated Needs

Fiscal Year 2002 Budget

Executive Office of the President
Unanticipated Needs

Mission Statement and Background

In 1940, Congress recognized the need for the President of the United States to have limited funds available to meet unplanned and unbudgeted contingencies for national interest, security, or defense purposes. The original account title, "Emergency Fund for the President," was changed to "Unanticipated Needs" in 1975.

This account has been used to fund a wide range of national priorities including the President's Commission on Privatization, the National Space Council, the White House Conference for a Drug Free America, and the J.F.K. Assassination Records Review Board. The most recent request for transfer from the Unanticipated Needs account, made during FY 2000, funded the establishment of the White House Council on Youth Violence.

Expenditures from this account may be authorized only by the President. The Director of the Office of Management and Budget provides the necessary controls to assure that only unforeseen priorities are financed and that funding from other sources is not available. Prior use of these funds has occurred within strict internal controls and reporting standards.

Executive Office of the President
Unanticipated Needs

Overview

For fiscal year (FY) 2002, Unanticipated Needs requests an appropriation of $1,000,000. This represents a net decrease of $2,500,000, or (71.5%) in appropriation under the FY 2001 post rescission enacted level. This decrease eliminates the funding level of $2,500,000 that was provided as a one-time grant to fund the Puerto Rican statehood referendum. There are no full-time equivalent positions associated with this account.

This request is comprised of an Unanticipated Needs direct program activity in the amount of $1,000,000. As in the past, the $1,000,000 would be used only when the President determines that an unanticipated national priority requires funding, which would neither be available from regular existing accounts, nor available in a timely fashion through the supplemental budget process. The FY 2002 budget request will provide adequate funding for the President to meet unanticipated needs in furtherance of the national interest, security, or defense.

Executive Office of the President
Unanticipated Needs

Overview (continued)
(dollars in thousands)

A summary of the Unanticipated Needs FY 2002 budget request is shown below:

	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request
Appropriation	$996	$3,500	$1,000

The decrease requested for FY 2002 is as follows:

FY 2001 Enacted level	$3,500
Grants, subsidies, and contributions	-2,500
FY 2002 Budget request	$1,000

Executive Office of the President
Unanticipated Needs

Appropriation Language

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, as authorized by 3 U.S.C. 108, [$3,500,000: *Provided,* That of such amount, $2,500,000 shall become available on March 31, 2001, and shall be provided to the Election Commission of the Commonwealth of Puerto Rico as a transfer to be used for objective, non partisan citizens' education and a choice by voters regarding the islands' future status: *Provided further,* That none of the funds described in the preceding proviso may be obligated until 45 days after the Election Commission of the Commonwealth of Puerto Rico submits to the Committee on Appropriations for approval an expenditure plan developed jointly by the Popular Democratic Party, the New Progressive Party, and the Puerto Rican Independence Party: *Provided further,* That the Election Commission of the Commonwealth of Puerto Rico shall include in the expenditure plan additional views from any party that does not agree with the plan] *$1,000,000. (Department of Transportation and Related Agencies, Appropriations Act, 2001, as enacted by section 101(a) of P.L. 106-346.)*

Program and Performance

These funds will enable the President to meet unanticipated needs in furtherance of the national interest, security, or defense.

Executive Office of the President
Unanticipated Needs

Object Classification
(dollars in thousands)

I.D. Code 11-0037-0-1-802		FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
	Direct obligations:			
41.0	Grants, subsidies, and contributions	$0	$2,500	$0
92.0	Undistributed	304	1,000	1,000
99.0	Subtotal, Direct obligations	$304	$3,500	$1,000
99.0	Reimbursable obligations	0	0	0
99.9	Total obligations	$304	$3,500	$1,000

Executive Office of the President
Unanticipated Needs

Explanation of Changes by Object Class
(dollars in thousands)

FY 2001 Estimate	FY 2002 Request		Net Change
		Grants, subsidies, and contributions (41.0)	
$2,500	$0		($2,500)
		This was a one-time grant to the Elections Commission of the Commonwealth of Puerto Rico to partially fund costs of educating the people of Puerto Rico on their future political status options and for their choice among the options.	
		Undistributed (92.0)	
$1,000	$1,000		$0
		The Undistributed object class is used for intra-governmental transfers that move resources between accounts. This contingency account enables the President to meet unanticipated needs in the furtherance of national interest, security, or defense.	
$3,500	$1,000	Total for all object classes	($2,500)

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
FY 2002 Appropriation Language
Operating Expenses

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $11,714,000 to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112-114.

Reimbursable Expenses

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: *Provided*, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: *Provided further*, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: *Provided further*, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payment shall be credited to this account and remain available until expended: *Provided further*, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit $25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: *Provided further*, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expenses under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: *Provided further*, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: *Provided further*, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting further the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: *Provided further*, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events with the executive residence that includes a standard for the classification of any such expenses as political or non political: *Provided further*, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Justification for Appropriation, Fiscal Year 2002
(in thousands of dollars)

Activity:	2000 ACTUAL	2001 ESTIMATE	2002 ESTIMATE	INCREASE DECREASE
Operating Expenses				
Operating Expenses	9,226	10,900	11,714	+814
Full-Time Permanent Positions (FTE)	91	95	95	

Authorization: 3 U.S. Code 105, 109-110, 112-114

Public Law 95-970, Sec 105(b) provides the President with authorization to appoint and fix the pay of employees in the Executive Residence at the White House without regard to any other provision of law regulating the employment or compensation of persons in the Government services. Employees so appointed shall perform such official duties as the President may prescribe. Section (b)(2)(A) further states the number of employees at the maximum rate of GS-18 are not to exceed 3 employees. We request that this number be increased to 6, due to the length of service of some professional career employees.

Objective: To provide for the care, maintenance, repair, alteration, refurnishing, improvement, air conditioning, heating and lighting (including electric power and fixtures) of the Executive Residence at the White House, and Official and Ceremonial functions of the President.

Program: The Executive Residence staff provides for the operation of the Executive Residence. A staff of 40 domestic employees accomplishes general housekeeping, prepares and serves meals, greets visitors, and provides services as required in support of official and ceremonial functions. A staff of 33 tradespersons, including plumbers, carpenters, painters on a single shift, electricians on a double shift, and operating engineers on a 24-hour basis, maintain and make repairs, minor modifications, and improvements to the 132 rooms and the mechanical systems and provides support for official and ceremonial functions.

A staff of 12 specialized employees provides services necessary to the operation of the White House and official and ceremonial functions. This staff includes 4 florists, 4 curators and 4 calligraphers.

An administrative staff consists of the Chief Usher, 4 Assistant Ushers, 1 Executive Grounds Superintendent, 1 Operating Accounting, 1 Accounting Technician, 1 Computer Network Engineer and 1 Administrative Officer. The staff is charged with management and administrative

functions of the Executive Residence. This requires coordination with the Executive Office of the President, the National Park Service, the Military, the United States Secret Service, the General Services Administration and other agencies.

During larger events, the Executive Residence staff is assisted by contracted personnel under personal services contract agreements ("Services by Agreement") to provide additional help as required for official and ceremonial functions.

The White House is maintained as a home for the President and his family and serves as a facility for Official and Ceremonial functions. Several projects are underway and progress has been made in the past year.

Exterior Window Project - In FY-1990, $800,000 was appropriated for replacement of the exterior windows at the Executive Residence. This project entails replacement of both the window glass and the wood window components that were last restored during the 1948-52 Truman Renovation of the White House. Historically accurate window glass has been delivered and is authentic to the original glass in quality, color, optical clarity, and method of manufacturing. Working in conjunction with a Secret Service project, actual window replacement is taking place.

Kitchen Renovation - In FY-1991, $500,000 was appropriated for renovation of the White House kitchens. This work has been completed.

Public Tours - The White House is open for public tours Tuesday through Saturday each week in addition to some national holidays, the evening Candlelight Tours at Christmas, the Easter Monday Egg Roll, and Garden Tours. In 2000, more than one million people visited the White House. An average of 5,046 visitors toured the White House during each of the 233 open days. Other special public events at the White House for 2000 include: Spring Garden Tours, 2 days (April 8 & 9) with 17,346 visitors; Fall Garden Tours, 2 days (October 7 & 8) with 15,307 visitors; the Easter Egg Roll which was held on Monday, April 24 was attended by 32,615 visitors; and the Candlelight Tours, held for 3 nights, December 27, 28 and 29th, brought in a total of 15,090 visitors.

End of Year Spending - As directed by the House of Representatives Subcommittee on the Treasury, Postal Service, and General Government Appropriations, the Executive Residence at the White House, in cooperation with the National Park Service's Finance Office, will ensure that necessary procedures are in place to review end-of-year spending. The Executive Residence routinely conducts a rigorous review of year-end spending to insure that funds are obligated only for necessary items.

Executive Residence at the White House
Major Budget Considerations — Agency Request - Fiscal Year 2002

The proposed program at the Executive Residence in FY 2002 accommodates the following fixed-cost increases:

1. Administration policy calls for a 3.6 percent pay raise effective January 1, 2002, as well as annualization of the FY01 pay raise, and FY01 step and merit pay raises. Funding is required to meet this need ..... +$371,000

2. Funding is required for regular personnel step increases and merit pay raises based on job performance and personnel evaluations in FY02 ..... +$94,000

3. Funding is requested to meet the 3.6 percent pay raise to occur in January 2002 as it pertains to premium pay, as well as annualization of the FY01 pay raise pertaining to premium pay ..... +$75,000

Funding for the following projected increases is requested:

1. Funding is requested for a projected increase in utility costs. $66,000

2. Funding is requested for an increase in contractual services. Continued escalation of costs of elevator maintenance contracts, curatorial conservation services, water filtration maintenance, computer maintenance, and technical maintenance of the heating and air conditioning system, requires a request for an increase in services. $114,000

3. Funding is requested for an increase in supplies and materials. Costs of employee uniforms, kitchen supplies, carpentry, electrical and paint supplies, engineering supplies and materials needed for non-reimbursable Presidential functions has continued to increase. $89,000

4. The cost of acquisition of Historic Furnishings has continued to escalate in recent years. Therefore, we request a modest increase in this object class $5,000

TOTAL INCREASES REQUESTED ..... $ 814,000

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Total* Operating Program & Multi Year Projects

SF-300
04/09/01

IDENTIFICATION CODE 11-0210-000	2000 actual	2001 estimate	2002 estimate
Obligations by program activity:			
00.01 Direct Program	9,302	10,910	11,723
01.01 Reimbursable Program	5,170	3,639	3,639
10.00 Total Obligations	12,875	14,564	15,362
Budgetary resources available for obligation			
21.40 Unobligated balance, SOY	148	19	9
22.00 New budget authority (gross)	14,396	14,539	15,362
23.95 New obligations (-)	(14,472)	(14,549)	(15,353)
24.99 Unobligated balance, EOY	(19)	(9)	(9)
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	9,260	10,900	11,714
40.80 Reduction pursuant to P.L. 106-11 and P.L. 106-554	(35)	(24)	
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	3,699	3,639	3,639
70.00 Total New Budget Authority (gross)	**12,925**	**14,515**	**15,353**
72.95 Change in Unpaid Obligations, SOY	555	3,422	3,041
73.10 New obligations	14,342	14,539	15,353
73.20 Total outlays (gross)(-)	(14,605)	(14,920)	(15,332)
74.95 Change in Unpaid Obligations, EOY	(3,422)	3,041	3,062
Outlays (gross)			
87.00 Outlays (gross)	14,605	14,920	15,332
86.93 Outlays from discretionary balances	130	10	9
	14,735	14,930	15,341
Offsets			
Against gross budget authority and outlays			
Offsetting collections (cash) from			
88.00 Federal Sources	1,179	1,050	1,050
88.40 Non-Federal Sources	2,520	2,589	2,589
88.90 Total, offsetting collections (cash)	3,699	3,639	3,939
89.00 Budget authority (net)	**9,226**	**10,876**	**11,714**
90.00 Outlays (net)	**11,036**	**11,291**	**11,702**

* Does not include account 11-0109-0-X-802, White House Repair and Restoration

-a-

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Total

SF-300 04/09/01 IDENTIFICATION CODE 11-0210-000	2000 actual	2001 estimate	2002 estimate
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time Permanent	5,548	5,937	6,203
11.5 Other personnel compenstion	1,359	1,830	1,960
11.9 Total Personnel Compensation	6,907	7,767	8,163
Other:			
12.1 Civilian Personnel Benefits	1,133	1,354	1,498
13.4 Benefits for former personnel	0	0	0
21.0 Travel and trans.-persons	15	12	12
22.0 Travel and trans.-things	0	0	0
23.2 Communications, utilities, rent	296	440	506
24.0 Printing and reproduction	0	0	0
25.2 Other Services	1,324	559	647
26.0 Supplies and materials	1,194	748	837
31.0 Equipment	55	65	70
99.0 Subtotal, Direct Obigations	10,924	10,945	11,733
Reimbursable Obligations:			
11.5 Other personnel compensation	390	524	550
21.0 Travel and Trans.-persons	0	0	0
22.0 Travel and trans.-things	0	0	0
23.2 Communications, utilities, rent	354	210	282
24.0 Printing and reproduction	78	180	180
25.2 Other Services	3,336	989	989
26.0 Supplies and materials	980	1,736	1,638
31.0 Equipment	0	0	0
99.0 Subtotal Reimbursable Obligations	5,138	3,639	3,639
99.9 Total Obligations	16,062	14,584	15,372
Total compensable workyears:			
Full-time equivalent employment	91	95	95
Full-time equivalent - overtime & holiday hour	16	17	17
Reimbursable Program:			
Full-time equivalent - overtime & holiday hour	3	3	3

-b-

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Operating Expenses - Only

SF-300 04/09/01 IDENTIFICATION CODE 11-0210-000	2000 actual	2001 estimate	2002 estimate
Obligations by program activity:			
00.01 Direct Program	9,172	10,900	11,714
01.01 Reimbursable Program	5,170	3,639	3,639
10.00 Total Obligations	14,342	14,539	15,353
Budgetary resources available for obligation			
22.00 New budget authority (gross)	14,396	14,539	15,353
23.95 New obligations (-)	(14,342)	(14,539)	(15,353)
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	9,260	10,900	11,714
40.80 Reduction pursuant to p.l. 106-113 and P.L. 106-554	(34)	(24)	
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	3,699	3,639	3,639
70.00 Total New Budget Authority (gross)	**12,925**	**14,515**	**15,353**
Change in unpaid obligations			
72.95 Unpaid Obligations, SOY	555	3,422	3,041
73.10 New obligations	14,342	14,539	15,353
73.20 Total outlays (gross)(-)	(14,605)	(14,920)	(15,332)
74.95 Unpaid Obligations, EOY	(3,422)	(3,041)	(3,062)
Outlays (gross), detail			
86.90 Outlays from new discretionary authority	14,605	14,920	15,332
86.93 Outlays from discretionary balances	0	0	0
87.00 Outlays (gross)	14,605	14,920	15,332
Offsetts			
Against gross budget authority and outlays			
Offsetting Collections (cash) from			
88.00 Federal Sources	1,179	1,050	1,050
88.40 Non-Federal Sources	2,520	2,589	2,589
88.90 Total, offsetting collections (cash)	3,699	3,639	3,515
89.00 Budget authority (net)	**9,226**	**10,876**	**11,714**
90.00 Outlays (net)	**10,906**	**11,281**	**11,693**

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SF-300 04/09/01	EXECUTIVE RESIDENCE AT THE WHITE HOUSE Operating Expenses - Only IDENTIFICATION CODE 11-0210-000	2000 actual	2001 estimate	2002 estimate
	Direct Obligations:			
	Personnel Compensation:			
	11.1 Full-time Permanent	5,548	5,937	6,203
	11.5 Other personnel compenstion	1,359	1,830	1,960
	11.9 Total Personnel Compensation	6,907	7,767	8,163
	Other:			
	12.1 Civilian Personnel Benefits	1,133	1,354	1,498
	13.4 Benefits for former personnel	0	0	0
	21.0 Travel and trans.-persons	15	12	12
	22.0 Travel and trans.-things	0	0	0
	23.2 Communications, utilities, rent	296	440	506
	24.0 Printing and reproduction	0	0	0
	25.2 Other Services	1,260	514	628
	26.0 Supplies and materials	1,194	748	837
	31.0 Equipment	55	65	70
	99.0 Subtotal, Direct Obigations	10,860	10,900	11,714
	Reimbursable Obligations:			
	11.5 Other personnel compensation	390	524	550
	21.0 Travel and Trans.-persons	0	0	0
	22.0 Travel and trans.-things	0	0	0
	23.2 Communications, utilities, rent	354	210	282
	24.0 Printing and reproduction	78	180	180
	25.2 Other Services	3,336	989	989
	26.0 Supplies and materials	980	1,736	1,638
	31.0 Equipment	0	0	0
	99.0 Subtotal Reimbursable Obligations	5,138	3,639	3,639
	99.9 Total Obligations	15,998	14,539	15,353
	Total compensable workyears:			
	Full-time equivalent employment	91	95	95
	Full-time equivalent - overtime & holiday hour	16	17	17
	Reimbursable Program:			
	Full-time equivalent employment	–	–	–
	Full-time equivalent - overtime & holiday hour	3	3	3

-d-

SF-300 04/09/01	EXECUTIVE RESIDENCE AT THE WHITE HOUSE Multi-Year Projects IDENTIFICATION CODE 11-0210-000	2000 actual	2001 estimate	2002 estimate
	Obligations by program activity:			
	00.01 Direct Program	130	10	9
	01.01 Reimbursable Program	0	0	0
	10.00 Total Obligations	130	10	9
	Budgetary resources available for obligation			
	21.40 Unobligated balance available, start of year	148	19	9
	22.00 New budget authority (gross)	0	0	0
	23.90 Total budgetary resources available for obligation	148	19	9
	23.95 New obligations (-)	(130)	(10)	(9)
	24.40 Unobligated balance available, EOY	19	9	0
	New Budget Authority (gross), detail Current			
	40.00 Appropriation	0	0	0
	70.00 Total New Budget Authority (gross)	**0**	**0**	**0**
	72.95 Unpaid Obligations, SOY	0	0	36
	73.10 New obligations	130	10	9
	73.20 Total outlays (gross)(-)	(130)	(10)	(9)
	74.95 Unpaid Obligations, EOY	0	36	22
	Outlays (gross), detail			
	86.93 Outlays from discretionary balances	130	10	9
	89.00 Budget authority (net)	**0**	**0**	**0**
	90.00 Outlays (net)	**130**	**10**	**9**

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Multi-Year Projects

SF-300 01/00/00 IDENTIFICATION CODE	2000 actual	2001 estimate	2002 estimate
Direct Obligations:			
25.2 Other Services	130	10	9
26.0 Supplies and Materials	0	0	0
99.0 Total, Direct Obligations	130	10	9

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration
FY 2002 Appropriation Language

For the repair, alteration, and improvement of the Executive Residence at the White House, $1,306,000 to remain available until expended for 6 projects for required maintenance, safety and health issues, and continued preventative maintenance. *(Executive Office Appropriations Act, 2001.)*

And $7,319,000 for Multi-Agency Repair and Restoration projects to remain available until expended for 3 projects for required maintenance and continued preventative maintenance in conjunction with the General Services Administration (GSA), the Secret Service, the Office of the President, and other agencies charged with the administration and care of the White House.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

White House Repair and Restoration

Justification for Appropriation, Fiscal Year 2002
(in thousands of dollars)

Activity:	2000 Actual	2001 Actual	2002 Estimate	Increase Decrease
White House Repair and Restoration	810,000	509,000	1,036,000	+527,000
Multi-Agency Repair and Restoration	- 0 -	457,000	7,319,000	+6,862,000

Authorization: 3 U.S. Code 105, 109-110, 112-114

Objective: To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in FY 1996 to program and track expenditures for capital improvement projects at the Executive Residence at the White House.

Current Accomplishments:

Roof Project: In FY1996, $2,200,000 was appropriated for replacement of the roof. This project replaced the major roof structure, the north portico roof, and the solarium roof. Overall roofing installation has been completed.

Laundry: In FY1998 $200,000 was appropriated for the relocation and modernization of the laundry. This project has been completed.

Freight Elevators Rehabilitation Project: This FY2000, $75,000 project has been completed.

Solarium Restoration Project: The solarium restoration project began with the small portion of limestone installation required to allow completion of the Third Floor Promenade Waterproofing Project. The majority of this project is to be accomplished in conjunction with a classified USSS project scheduled to begin in August 2001.

Third Floor Promenade Waterproofing Project: This FY2000, $200,000 project is completed.

Paint Shop Improvement and Renovation Project: This FY2000, $295,000 project is completed.

Swimming Pool Rehabilitation Project: This FY2000, $25,000 project is completed.

Purchase and Installation of New Ironers: The FY2000, $40,000 purchase has been completed and installed.

Executive Residence at the White House
Requested Repair/Restoration Increases - FY2002

Exterior Washington & Re-Painting of White House: This FY2000, $85,000 project is 80% completed. Remainder of work will be accomplished during the spring of 2001 as weather permits.

Ozone Purification Project: In FY2001 $99,780 was appropriated to design and install a purification system to improve safety and increase the efficiency of the Residence cooling towers. After extensive additional consultation with professional engineers and industry experts, the decision was made to install a more sophisticated automatic chemical treatment system as opposed to zone purification as originally specified. The new installed system should be effective in protecting the purity and safety of the cooling tower water while being less damaging to the existing mechanical components.

Transition Impact: In FY2001 $99,780 was appropriated for the impact of the transition in moving and packing items for the outgoing First Family and setting up the living quarters for the incoming First Family. This project is currently in progress.

Family Quarters Redecoration: In FY2001 $99,780 was appropriated to redecorate the family living quarters. This project is currently in progress.

Linen Replacement Project: In FY2001 $149,670 was appropriated for replacement of Presidential Seal Napkins, First Family and Guest Room Linens and Banquet cloths. This project is currently in progress.

REPAIR AND RESTORATION OF EXECUTIVE RESIDENCE REQUESTED INCREASES FOR FY 2002:

1. **Cabana Roof Reconstruction and Pool Deck Renovation:** Funding is requested for design and construction of a new hip roof to replace deteriorated existing flat roof on the cabana. The design will integrate active solar collectors, skylights, and new metal roofing consistent with the Executive residence roof, which was installed in 1998. The solar panels will be utilized to heat the swimming pool and provide domestic hot water for the cabana. These funds will also allow demolition and removal of subsided existing concrete slab/deck and inadequate supporting foundation, and permit the excavation and installation of a new foundation system, replacement of deteriorated swimming pool plumbing and other related utilities, construction of new concrete slab/deck and replacement of cypress trees and utilities which will be removed during demolition. It should be noted that this is an extremely difficult work site due to the terrain and existing surface features, which necessitate the extensive use of a large crane to accomplish both portions of this project.
   .....$390,000

2. **North Portico Curtain Wall Replacement:** Funds are requested for the demolition and removal of severely deteriorated exterior steel walls and doors located at the east and west ends of the ground floor hallway directly under the North Portico. Funds will

Executive Residence at the White House
Requested Repair/Restoration Increases – FY 2002

enable the custom fabrication of a new energy efficient curtain wall(s) assembly including doors with automatic and security operators, side lights, and access panels. This custom work is required in order to fit this assembly into historic stone arched openings which will preserve the architectural integrity of the original construction.
..... $90,000

3. **Replacement of Insulated Windows:** Funding is requested for removal of existing historic curved window sash and doors in the Blue Room, Yellow Oval Room, and doors of the Red and Green rooms and construction of temporary sash(s) and doors during fabrication of custom insulated window light units. Project will use government supplied historically accurate glazing, utilizing state of the art low emissivity and UV protection technologies. Historic window sash and doors will be modified and receive new glazing, and reinstallation. $60,000

4. **Restoration of Stone and Pavers:** Funding is needed to cut out existing deteriorated mortar and damaged pieces of Executive Residence: Third Floor exterior limestone walls and clean existing substrate. Installation of new limestone veneer, tuck point all mortar joints, apply vapor permeable sealer, as required. NOTE: These walls were not part of the completed Exterior Restoration project of FY2000 which involved only the historic (1792-1800) sandstone of the original construction. North Portico: remove damaged limestone pavers and replacement with new material. Cut out existing mortar in all limestone and marble joints, grout with new mortar or caulk as required. South Portico: Removal of damaged marble pavers and replacement with new material. Cut out existing mortar in all marble joints, including steps and Blue Room Balcony, grout with new mortar or caulk as required. $227,000

6. **Computer Upgrade and Software Development:** Funding is requested to upgrade specific hardware such as servers, terminals, optic switcher, desk top units for $144,000 and $50,000 for continuing software development $194,000

7. **Replacement of Kitchen Floor:** Funding is requested for removal of deteriorated main kitchen flooring, floor drains, and related utilities, and repair/replacement of floor drains and utilities, preparation of existing concrete slab, and installation of new seamless waterproof flooring system. $75,000

TOTAL **$1,036,000**

REPAIR/RESTORATION - MULTI AGENCY REQUESTED INCREASES FOR FY 2002:

Current Projects:

Communication Systems Repair: Funding of $456,6670 was provided in FY2001 and the development of A&E is currently in progress.

Requested Increases for FY2002:

1. **Restoration of East and West Wing Exterior:** The area of work includes all exterior walls and windows of the East and West Wings and the connecting terrace walls with the exception of the West Colonnade which has been identified as a separate project. This will include removal of all paint from stone and wood surfaces to expose substrate. Inspection and evaluation of all materials to identify all areas requiring repair. The standards of differentiating between "historic character" and "requiring replacement" will be those established during the Executive Residence Exterior Restoration program accomplished in 1980 to 1996. Repair to stone and wood window components will be accomplished by strict conformance to established practices of "historic preservation" methods. Replacement of deteriorated components will be with matching material and after curing will be painted with one coat of primer and two finish coats of paint by brush or roller to all surfaces except for intricate detailing which may be sprayed. At the conclusion of this restoration, a paint maintenance program will be developed to recommend exterior cleaning procedures and cycles to maximize the time between repainting. The cost is an initial estimate based on previous experience and a general inspection of the buildings. As was the case with Executive Residence, a more definitive estimate can only be determined once the paint has been removed and the actual condition of the stone can determined. It is believed that funding at this level could accomplish all of the paint removal, condition assessment, project management and supervision, and a substantial quantity of stone repair. $2,500,000

2. **Restoration of the West Colonnade:** Funding is requested for stripping of all paint from the walls, columns, ceiling, windows, and parapet of the West Colonnade. Also included is the removal of damaged and deteriorated portions of historic stone in the columns, walls, and exterior parapet, removal of deteriorated stucco, and removal of deteriorated mortar in stone walkway. All of the above to be carved, repaired, repointed, polished and installed with historically accurate material and all surfaces will be primed and painted.
. . . . . $275,000

3. **Communication System Repairs - Phase 2:** Planning is in progress. Phase II of this project will renovate and replace the existing raceway with conduits that will not impact the cooling tower discharge airflow and cabling that will meet current voice and data infrastructure needs. $4,544,000

TOTAL **$7,319,000**

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EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration

SF-300 04/09/01 IDENTIFICATION CODE 11-0109-0-X-802	2000 actual	2001 estimate	2002 estimate
Obligations by program activity:			
00.01 Direct Program	239	968	2,924
01.01 Reimbursable Program	0	0	0
10.00 Total Obligations	239	968	2,924
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	189	760	760
22.00 New budget authority (gross)	810	968	8,355
23.90 Total budgetary resources available for obligation	999	1,728	9,115
23.95 New obligations (-)	(239)	(968)	(2,924)
24.40 Unobligated balance available, end of year	760	760	6,191
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	810	968	8,355
70.00 Total New Budget Authority (gross)	**810**	**968**	**8,355**
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Unpaid Obligations, SOY	0	8	129
73.10 New obligations	239	968	2,924
73.20 Total outlays (gross)(-)	(230)	(1,105)	(2,865)
73.40 Adjustments in expired accounts			
Unpaid obligations, end of year			
74.40 Unpaid Obligations, EOY	8	(129)	188
Outlays (gross), detail			
86.90 Outlays from new current authority	230	1,105	2,865
89.00 Budget authority (net)	**810**	**968**	**8,355**
90.00 Outlays (net)	**230**	**1,105**	**2,865**

SF-300
04/09/01

EXECUTIVE RESIDENCE AT THE WHITE HOUSE White House Repair and Restoration			
IDENTIFICATION CODE 11-0109-0-X-802	1999 actual	2000 estimate	2001 estimate
Direct Obligations:			
25.2 Other Services	201	923	2,780
26.0 Supplies and Materials	38	45	144
99.0 Total, Direct Obligations	239	968	2,924

THURSDAY, MAY 10, 2001.

OFFICE OF MANAGEMENT AND BUDGET

WITNESS

MITCHELL E. DANIELS, JR. DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

Mr. ISTOOK. Good morning. Calling our subcommittee to order. I apologize to everyone for the delays, both of myself, a call to the White House with the appointment for the new Director of the Office of Drug Control Policy and then, of course, we had the vote. So I wish we did not have these personal and institutional impositions, but I know everyone understands, but that does not give you the time back.

I am pleased to welcome this morning the Director of the Office of Management and Budget, Mitch Daniels, who is the last in a long line of witnesses testifying on behalf of the President's fiscal year 2002 appropriations.

And, of course, as the new Director of OMB, Mr. Daniels, we know it is your first time before the subcommittee. We will try not to bite.

As I review the appropriations request for the upcoming year, I note that within the EOP, you are requesting a fairly modest increase, lower than the rest of government, of 2.7 percent. We appreciate the effort to lead by example with the President's desire to restrain spending and we certainly applaud your efforts to manage effectively the resources of OMB.

We have discussed some things informally earlier. We understand your desire to do some consolidation of accounts, which I am uncertain as to how that might be treated by the Congress, but I share the goal of achieving economies of scale and making sure the President has the ability to organize the people that work directly with him in the way that he sees best and to achieve the efficiencies that I know you want.

I want to touch on some broad concerns before we get underway. Certainly, of course, OMB has a very unique role, a central role, regarding the oversight of federal agencies, not only in respect to the budget, but in respect to management.

Now, I have spent a great amount of time reading different things regarding OMB's management responsibilities and it is clear there is an inherent tension between when you focus on the budget and when you focus on management issues: We certainly know that when you have a brand new Administration with immediate budget requirements and, of course, a lot of focus is going to go there at the first part of the term. But I am concerned as to whether the necessary oversight of the management part is going to be handled.

It is not something that I think we ought to be debating, but it is something that relates to your personal style and your delegations of which gets the most focus. There is a great need for better management oversight and certainly in the area of information technology. The OMB has very specific responsibilities, statutory responsibilities, which basically give it superintending control over federal information technology investments, which is in the tens of billions of dollars each year. We have significant amounts in this subcommittee and I think that is one of the places where OMB can best contribute to help with management. But still, I think, an area of weakness within OMB is management efforts, which we hope that we can assist you in strengthening.

In addition to the budget concerns, oversight and federal regulations, there is specific authority for the OMB relating to reviewing regulations that come forward. There is one in particular that I want to bring up and discuss with you which is pursuant to former President Clinton's Executive Order 13166, which has sparked a whole flurry of regulations. They are very interesting regulations because nominally they claim to be policy guidelines. They are not. They are actually the imposition of regulations and rules upon society, which is plain from a reading of them, and it was clear when we had GSA in here this week that they are not internal policy guidelines. It is just like you took a regulation and put a different label on it and expect that that is going to pass muster.

I have reviewed the statutes, I have reviewed the pertinent executive orders regarding OMB's authority and to me it is extremely clear that it is within the realm of OMB's and OIRA's areas of responsibility, which I think has been escaping a lot of notice, which I will get into after we receive your testimony.

But regulatory oversight is a key responsibility of OMB. I think that is an excellent test case with this particular executive order and the multitude of extremely burdensome and expensive regulations that have been issued pursuant to it.

Finally, I want to highlight our concerns regarding the President's proposals on law enforcement within the Treasury Department. In the testimony by the Secretary of the Treasury and with the individual law enforcement bureaus, we covered this. I am concerned about the absence of any specific funding for the Treasury Department's role and the Secret Service and, in particular, in the upcoming winter Olympics, which has been designated as a special national security event.

It is especially interesting when you compare the law enforcement within Treasury, which is, I believe, approximately 40 percent of the overall federal law enforcement, with the other law enforcement budgeting in the President's proposal. We have a couple of charts here.

Over the past 14 years, as this chart illustrates, funding for the Department of Justice and its related law enforcement has increased 139 percent, but at the same time funding for Treasury law enforcement has increased by 47 percent.

If you look at employment levels, you will see the same disparity on the second chart. Justice personnel have increased by 49 percent over this period of time and Treasury law enforcement personnel have increased by 8 percent.

Looking at the third chart, if we were to compare just Customs and INS, which, of course, have complementary responsibilities between controlling the border and controlling the immigration and naturalization process, there are similar growth patterns. Funding for INS increasing by 244 percent, yet for Customs by just 35 percent.

The final chart is personnel. INS has seen an increase of 80 percent in its FTEs since 1989, Customs 5 percent.

So, Mr. Daniels, I bring the historical reference to your attention because it seems to me that there is still a disparity in the President's budget. That may relate to actual priorities, it might relate to some differences in some internal processing that perhaps ended up with an unintended disparity, but in any event it is fascinating that the special funding for the Winter Olympics security issues is contained expressly within the DOJ proposed budget, but not within the Treasury Department's law enforcement budget. That is troubling because it is a challenge for the Treasury agencies to absorb the cost to the tune of $52.6 million in fiscal year 2002. So we certainly want to get into that as well.

I know those have been a little bit long remarks, considering the late start, but I have nevertheless tried to shorten them and I know that these issues are indeed, Mr. Daniels, of concern to you. It is something that we want to achieve, a level of cooperation and mutual agreement and comity in resolving those, as well as things that may be on your plate that perhaps you think we are not paying sufficient attention to. I certainly recognize and OMB has had testimony before this Congress pointing out that sometimes Congress criticizes OMB for not getting a good enough handle on regulations, when a lot of the regulations trace back to actions by the Congress itself or sometimes inaction by it. That is why I think it is important that we have mutuality of understanding and of sharing a common goal to reduce the burden on the American public and, frankly, reduce the spending burden that it creates for the agencies under our charge as well.

So let me recognize Mr. Hoyer first and then we can receive your testimony.

Mr. HOYER. Thank you very much, Mr. Chairman. I want to welcome the Director to this hearing and welcome to the committee. I am sure we will be working very closely together in the coming years.

O.M.B. is requesting a very modest $2 million increase. To that extent, it is within the framework of that which it is setting for the rest of the executive branch. However, as the director knows from our conversations, I believe that these government-wide levels are insufficient to provide the services that the American people expect.

I am going reference at some of the agencies under our jurisdiction, Mr. Director. The Treasury budget is not sufficient, in my opinion, to fund inflationary costs necessary to maintain current operating levels if you take out IT, which is a dedicated objective.

The Customs modernization project known as ACE is flat lined. With the current stream of funding, the development of ACE could take up to 14 years to complete. Secretary O'Neil observed that he did not think that was the most efficient way we ought to proceed.

He was not referring to that specifically, the general concept of if you are going to do IT and you think you have the right program, the Secretary's view was you ought to go ahead and do it. I agree with that.

Not only will the costs increase to develop the ACE system, it puts the legacy system, in my opinion, in a position to crash and immobilize trade in this country. Congress is going to be talking a lot about free trade. As you know, Mr. Director, I am one of those Democrats who has voted pretty consistently for NAFTA, GATT, Fast Track and PNTR, but you have to have a system that accommodates it as well.

No funding is included for Treasury and law enforcement efforts for the winter Olympics. We could argue about this chart, up or down, and I think the Chairman makes a good point on these charts, but the fact of the matter is we all knew the 2002 Winter Olympics was coming and there is no funding in the budget. The irony is that there is funding for the FBI, so that while they were funded for this, the Treasury Department was not.

The first accounts program, a small program which was established to provide low income workers with greater access to financial institutions, is zeroed out, and although it is small, it is a very significant outreach program to try to empower people. I think that is absolutely good talk. I think we ought to empower people, whether it is by giving them more of their money back or whatever it is, this is an effort to empower people.

The administration has continued the trend of under funding the courthouse request at will. As I have discussed with you, this is a bipartisan administration activity, the Clinton administration did it as well. I am, very concerned about whether or not we can plus up the program so we can do what is critically necessary to enforce laws, and to have criminals indicted brought to justice and off the streets. We need to provide places for that to be done.

I am also concerned about how federal employees are treated in the fiscal year 2002 budget. The budget assumes a 3.6 percent pay raise, as you know, Mr. Director. This is, however, in my opinion, inconsistent with FEPCA, the Federal Employee Pay Comparability Act, which, by the way, was passed in this committee in 1990 and signed by President Bush. I worked very, very closely with Connie Newman of the Bush administration on that legislation, so it was a bipartisan piece of legislation.

In addition, it is inconsistent with the military pay raise of 4.6 percent. As you know, the law says that there ought to be parity between Federal employees and military employees.

The budget also proposes to delete language that ensures contraceptive coverage for federal employees. I am not surprised at that, but that is going to be a bone of contention here.

The budget also makes reference to a plan to, and I quote, "reduce the number or layers in the upper echelons of the government." However, there are no details provided as to how that is going to be done. Hopefully, we can flesh that out.

Mr. Daniels, the concerns I am raising I think are not partisan concerns, although in time we will debate them in partisan terms, I think, and many of them are not new. I have also expressed my

concern over Treasury law enforcement, courthouse construction and federal pay, as I said to previous administrations.

With the possible enactment of a large tax cut, I am concerned that funding for these essential activities and things that I think we are agreed are essential activities, and other priorities like education will be unavailable in the future. In my opinion, we need to pay down the debt, invest in our people, our programs and infrastructure, or we will be facing the same problems we faced in the early 1990s, huge deficits and crumbling programs.

Mr. Director, we had a good discussion in my office. At least you learned what I had to say and I look forward to sitting down and listening to you at this hearing.

But first, let me read two paragraphs, if I can, from the book that I have referenced. This is David Stockman's book *Truth in Politics,* as he looked back on his term as OMB director. Page 12 in the prologue to his book, "I have been flooded with new evidence about the course of the economy and the resourceful intransigence of congressional politicians." He meant congressional politicians on both sides of the aisle he thought wanted to spend too much money.

"I knew we were on the precipice of triple-digit deficits, a national debt in the trillions, and destructive and profound dislocations throughout the entire warp and woof of the American economy. By then, all the major errors which would eventually shatter the nation's fiscal stability were apparent."

That has to be pretty chilling. He is talking about, of course, 1981.

"I had most of the diagnosis down already. It was only the full and final magnitude of the numbers that would materialize later. But I kept quiet and tried to work inside. It proved to be of no avail. After November 1981, the administration locked the door on its own disastrous fiscal policy and threw away the key. The president would not let go of his tax cut. Cap Weinberger hung on for dear life to the 1.46 trillion defense budget. Jim Baker carried around a bazooka, firing first and asking questions later of anyone who mentioned the words Social Security. Deaver, Meese and others ceaselessly endeavored to keep all the bad news out of the Oval office and off the tube. The nation's huge fiscal imbalance was never addressed or corrected, it just festered and grew."

The conversation that you and I had, Mr. Director, was about what I think is an awesome responsibility that you have and that is to tell the president the truth. Dick Darmon, I think, told President Bush the truth. It may have cost him the presidency, but in my opinion, President Bush's father did the right thing in 1990. In 1990 and 1993 and 1997—1993 in a partisan way, 1990 in a bipartisan way, and in 1997 in a bipartisan way, the Congress acted with the president, in my opinion, to provide the surpluses that we have that give us the opportunity to pay down the debt, save Social Security and Medicare and invest in some of the programs that I think all of us want to invest in.

The president says he wants to leave no child behind and he wants to defend America. I agree with him on both points.

You have an awesome responsibility and speaking truth to power will be one of your most awesome responsibilities. I welcome you

to the committee and I wish you the best as you undertake these responsibilities and look forward to working with you.

Thank you, Mr. Chairman.

Mr. ISTOOK. Thank you, Mr. Hoyer.

Mr. Daniels, it is our practice to swear the witnesses and then have your testimony.

[Witness sworn.]

Mr. ISTOOK. We have your written testimony for the record. It will appear in the record in its entirety, so I always encourage witnesses to feel free to be extemporaneous, if they prefer, in their comments. We will be happy to hear from you.

Mr. DANIELS. I see no reason to spend the Committee's scarce time on my testimony. I hope it is self-explanatory and each of these two terrific opening statements touched on pieces of it, so maybe somebody has even read it already, I do not know. But I think in view of the time, I would be happy to move directly to your questions, if you prefer.

[The information follows:]

TESTIMONY OF
MITCHELL E. DANIELS, JR.
DIRECTOR
OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

MAY 10, 2001

Mr. Chairman, Representative Hoyer, Members of the Subcommittee, I am pleased to be here this morning to discuss the President's FY 2002 budget request for the Office of Management and Budget (OMB).

I will make a short statement and then I would be pleased to answer any questions that you have.

Overview

First, I would like to reiterate the President's overarching commitment to ensuring that key national priorities are funded within a moderate rate of growth for discretionary spending. The Administration will continue to work with the Congress to realize our shared purposes and common principles. Keeping faith with this approach, the President is committed to ensuring economy and efficiency in managing the Executive Office of the President, which includes the Office of Management and Budget. As a result, OMB's budget request for FY 2002 reflects Administration policy guidance freezing spending at the FY 2001 level adjusted only for the expected pay adjustment.

For FY 2002, the Office of Management and Budget requests budget authority of $70.5 million. This request is an increase of $1.9 million (or 2.7 percent) over the FY 2001 funding level of $68.6. The OMB budget request will provide 527 full-time equivalent (FTE) positions, the same FTE level as FY 2001.

The Office of Management and Budget provides fiscal and budgetary analysis to the President. We believe that this office, as the chief management and budget office of the executive branch, has a special obligation to adhere to budgetary discipline and to maximize the productivity of our resources. As you can see from our budget request for FY 2002, OMB is committed to maintaining budgetary restraint.

Consolidated EOP Appropriation

As you know, the Executive Office of the President, despite the name, has never been managed or budgeted for as a single entity and is not currently covered under a single appropriation. One new feature in the President's Budget request is to consolidate the Executive Office of the President offices and councils under one appropriation. The reason for the consolidation is to enable genuine resource management in the Executive Office of the President.

To ensure that the Executive Office of the President has the ability to fulfill the requirements of the Chief Financial Officers Act, the Administration prepared a budget amendment to establish this single appropriation. A consolidated appropriation will enable the President to effectively manage and align resources to meet the evolving requirements of his office. The initiative also supports a single, integrated financial management system consistent with the requirements of the Chief Financial Officers Act.

The Administration recognizes that the current fragmented financial structure does not allow the Executive Office of the President to maximize buying power by purchasing in bulk. Further, it does not allow for control of the number of service contracts that are needed to support various types of equipment. In addition, the existing financial structure creates an unnecessary amount of procurement actions and paperwork. It is our belief that a consolidated appropriation will allow the Executive Office of the President to achieve these and other streamlining objectives.

Government-wide Performance

Mr. Chairman, let me briefly touch on what we plan to do to get better results from the government's programs. We want to focus on performance as a key tool in improving agency management, reforming the way we do business, and making government officials more accountable for how well their programs and organizations perform.

Our main focus over the next months will be working toward full integration of budget and performance information, and using performance data to help make program and budget decisions. OMB annually receives the performance plans and reports of approximately 100 departments and agencies for our review and use. At least every three years, we receive a set of updated strategic plans from these departments and agencies. And annually, we prepare a government-wide performance plan, which has become a major part of the President's budget. These plans and reports are required by the Government Performance and Results Act of 1993 (the Results Act), which was passed unanimously by Congress. We are nearing the fifth year of full-scale government-wide implementation of the Results Act. While the quality and scope of the plans and reports has improved over time, further progress is still needed and expected. Our effort spans several related initiatives. Let me briefly describe these for you.

First, we will insist that agencies develop a credible linkage between resources and performance. We need to be able to answer the question: "What are we getting for the money we are spending?" As we work to establish this linkage, we expect to make some changes to the traditional process of how we review budget requests, and the nature of our passback to the agencies on their requests.

Second, we intend to improve our ability to understand the true cost of each program. Full costing of certain program budget accounts will necessitate significant accounting changes, and we are developing a legislative proposal permitting us to assign currently unallocated costs and present these in the budget.

Third, you should see a more robust presentation of performance information in the FY 2003 President's Budget. We also intend to explore how a significant restructuring of the budget document itself might enhance public and Congressional understanding of governmental performance.

Work is already underway on these and several related initiatives. These tasks will engage nearly every OMB office, and will comprise a significant part of the workload over the next year. We believe that this work will lead to a big potential payoff in improved effectiveness and efficiency of government.

Electronic Government (E-Gov)

I'd like to spend a little time discussing an item that is important to the President and that is under the purview of this subcommittee - the E-Gov fund. The President is committed to bringing the Federal government closer to its citizens and has proposed to accelerate Federal efforts to implement "electronic government," or E-Gov, as an important step in this endeavor. The FY 2002 Budget seeks an appropriation of $20 million as the first installment of this fund, which will total $100 million over the next three years.

The E-Gov fund will be used to fund interagency initiatives that will expand the use of the Internet to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. OMB would manage allocations from the fund, which would be housed in an account in the General Services Administration, and assure its use for information technology projects that offer the greatest improvements in access and service. Criteria for using the fund are still under development, but would include placing a priority on funding innovative interagency projects that would deliver services directly to the public, or create the infrastructure to support such delivery. We have briefed your staff on our preliminary thoughts in this area and welcome input from the Subcommittee as these criteria are developed.

Conclusion

Mr. Chairman, OMB is a professional organization committed to producing the best possible work in support of both executive and legislative branch policy decisions. For this reason, I recommend that you approve our request for FY 2002.

Mr. Chairman, that concludes my statement. I would be happy to answer any of the Subcommittee's questions.

Mr. ISTOOK. That is unheard of, Mr. Director.

Mr. DANIELS. I screwed up again. Oh, no. [Laughter.]

Mr. ISTOOK. I was not timing you, but that was probably under 30 seconds.

Mr. DANIELS. I am still learning, Mr. Chairman.

Mr. ISTOOK. Do not run for the U.S. Senate. [Laughter.]

Mr. ISTOOK. Now I am going to hear from the senators. Okay.

E.O. 13166, "IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY"

Thank you. Mr. Daniels, let me start on the one thing that relates to the management side and the regulatory side of OMB. We know there has been a great amount of consideration by the Bush Administration—whether it be last-minute or last-year activity by the former Administration and that is a political hot potato, we understand that. There is a particular one that I think has not been on people's radar screens but I have become increasingly aware of it, especially during the last week, and that is the consequences of President Executive Order 13166, which was issued in August of last year. I think because there was so much media focus on the Democratic National Convention at the time, perhaps it did not receive the attention then.

Immediately with the issuance of the Executive Order came the issuance of so-called policy guidance statements by the Department of Justice and published in the Federal Register. After that, of course, federal agencies were directed to prepare their own. They did.

Almost all of those occurred before the inauguration. However, in the case of the Department of the Treasury, theirs were published in the Federal Register on March 7th of this year. And the first time it was brought up in any of our hearings was yesterday with the General Services Administration. I read to them from the laundry list contained in their own internal policy guidance, as it is called, which imposes obligations on anyone who is involved in an assistance program with GSA, which includes a ton of non-profits around the country, and it includes for-profit entities. I thought it was fascinating that, among other things, it says people who operate the vendor stands which are done by the blind nevertheless are under a requirement to provide not only but written translations of documents into foreign languages.

That is the stated purpose of these regulations, because that is what they are, to impose a requirement, as the Department of Justice guideline says, really on anyone who contracts with the federal government as well as those who receive some form of federal assistance in the form of grants or otherwise. It even, for example, expressly includes those who participate in the Americorp program, the organizations that are involved with it.

And I do no think anybody has done a calculation at this stage of how many untold millions of dollars, millions of manhours will be caught up by this requirement that says if you have persons with limited English proficiency with whom you are doing business because you have received some sort of assistance or contracted with the federal government now you come under this requirement, which is burdensome, it is vague, and it imposes an untold cost on

businesses and individuals throughout the nation. Nobody seems to have calculated that, which is the purpose of a lot of the oversight by OMB.

Under the normal protocol, both statutory and by executive orders, OMB should have reviewed those regulations before they were issued. I mean, calling it a policy guidance statement does not make it one. That is kind of like saying, you know, is is not is, just changing the label on it. And I believe the statutes and the executive orders are sufficiently clear that it does not matter what you call it; what matters is the effect of it.

Since these were not reviewed before they were issued, they were not reviewed by OMB in the prior Administration, some of them have been issued during this Administration, again, without OMB's involvement in assessing the burden. I thought that would be a good place to start with whether OMB is taking any active role to take charge of this burden that has been placed, and make a determination of whether these should be rescinded as I believe they should. I would certainly like the Administration's opinion because one bottom line thing that I have not mentioned is that these were predicated on an interpretation of the law which has been overturned by the U.S. Supreme Court in the past month, in the Alabama Sandoval case.

Now, I could go on and I could read to you from some of these, even the Transportation Department regulations, which seems like they are saying to Departments around the country, you might better look at not putting signs up in English, but putting them up in symbols instead for traffic signs around the nation. They go into that much detail and that much degree.

Before I go any further, I really should give you a chance to tell us about the Administration's and OMB's policy and whether anyone has measured the federal resources through you, through these agencies that are involved in issuing, interpreting and enforcing these regulations and the burden on the nation.

Mr. DANIELS. The honest answer to the last question is no, there has not yet been a measurement of costs imposed. I think that is only one of several important concerns that this situation surfaces and you just named, I think, most of them, Mr. Chairman. They are both substantive and procedural.

The intention of the Administration is to leave the executive order in place, but to scrutinize very carefully the actions taken underneath that Executive Order, both as to their substance and possibly to their form. You, I think, raised a question that does need a look, which is whether the administrative requirements of our law have been fully observed and perhaps even, for all I know, some congressional prerogatives usurped in the process. All of that is going to be under active review.

You are correct that as far as I know just one department's so-called guidance emerged since January 20th, but one could well be too many if it is later determined that it was flawed or excessive, so we will be looking at it very carefully with an eye both to the law that ought to govern in this area and also to the process in the situation so far.

Mr. ISTOOK. You state that the Administration's intent is to keep the Executive Order in place. Of course, I have keyed on the ad-

ministrative ones, but the Executive Order is what set off these responses by the federal agencies and I frankly wonder if it is consistent to have an Executive Order telling them to issue things and then saying, "but we disagree with the fact that they have issued them."

I frankly wonder if this is an Executive Order which the current Administration might see fit either to rescind or amend, whatever it may be. I hope that attention is being given to that. But this whole thing kind of brings up the issue of what are the current priorities—and I understand the immediate budget situation—but what are the current priorities of OMB and how is that reflected in what you have or have not done in this area of your responsibility?

OMB'S MANAGEMENT AGENDA

Mr. DANIELS. Thank you, really, for raising what I believe is one of the most important questions about our stewardship of this agency. I am very determined that the budgetary responsibilities, which are probably the first that most people associate with our work, not consume and devour management attention and, agency energy during President Bush's Administration. We will soon be sharing with Congress and the public an ambitious management agenda, much of it marked off by the President during his campaign for the presidency, other pieces of it drawn from the excellent work of our predecessors, of GAO, and of congressional oversight committees, about areas of special urgency for better management in the Federal government.

We have prepared an agenda for ourselves that we intend to hold OMB accountable for. We have prepared a menu of what we believe are important management opportunities department by department, which I will be sharing with the cabinet next week. So we take that very, very seriously.

Likewise, we have the related responsibility for regulatory review, which we intend to be thorough, grounded in the best science and the best economics possible. We believe we have recruited a first rate person to lead that regulatory effort and we hope to see that person confirmed and in the job very quickly.

Mr. ISTOOK. Let me ask one final quick question because I need to yield to the other members of the subcommittee.

The pending efforts, as you mentioned, on management and the focus and the changes that it may bring about, do you anticipate that that will cause any revision of the budget request that is before this subcommittee or, for that matter, before any of the other subcommittees?

Mr. DANIELS. No, I do not. I think we can and will live within the requests that we have made. The quality of the workforce at OMB is very high, in my opinion. It can always be better, but I think the career professionals there are folks that the American taxpayer ought to be very proud of. We have nearly 500 on board, the budget would make possible 527, so there is a little room for more personnel as we may need them. More management attention than it is resources.

Mr. ISTOOK. Thank you, Mr. Daniels.

Mr. Hoyer.

FEDERAL EMPLOYEE PAY COMPARABILITY ACT (FEPCA)

Mr. HOYER. Thank you very much, Mr. Chairman.

Director, let me concentrate to begin with on the Federal Employee Pay Comparability Act and I am going to ask a series of what are relatively straightforward questions. We obviously have a timeframe for questions. You may not have, I understand, specific answers to each question, but to the extent you can, either give your answer now or submit them for the record.

As I discussed, we passed the Federal Employee Pay Comparability Act in the Treasury Postal Bill for fiscal year 1991 in 1990. I worked with Connie Newman, then director of the OPM, President Bush and, Ed Meese, who was very, very helpful in working on federal employee issues.

Let me ask you, do you agree there is a pay gap between the federal and non-federal pay?

Mr. DANIELS. I am not yet clear, Congressman. I have been reading the history and the data provided by the system we have in place now. It seems to be in some conflict and there is obviously some difference of opinion about the reliability of the methodology. But I am aware of the range of estimates here. I just confess I am still not able to tell at this point which ones to trust.

Mr. HOYER. That, by the way, position is consistent with almost all of your predecessors with whom I have discussed this matter. But, as you know, the Federal Salary Council says there is a 25 percent, almost 26 percent disparity between private sector and public sector pay around the country. Are you aware of that report? Have you had an opportunity to see that?

Mr. DANIELS. Well, I have seen a range of estimates that appear to differ somewhat, but they are in that ballpark. I have seen 17 percent, I believe. That is another number I am familiar with.

Mr. HOYER. At some point in time, you will have to provide, in August and in November, some advice to the president with regard to the Federal Employee Pay Comparability Act. Will it be your advice to follow the Federal Employee Pay Comparability Act?

Mr. DANIELS. I hope you will not be surprised if I say it is too soon for me to know to tell you that, Congressman. It is a very fair question. I made only in recent days the delightful discovery that I am a part of something called the federal pay agent, a further wonderful distinction of this job I have come into. I am really looking forward, very honestly, to the deliberations of that group because this is a fascinating subject and I have a lot of questions about the way we do this as well as the gap that may be there and, obviously, the big question, what do we do about this after we have agreed.

Mr. HOYER. Right. And I am hopeful that we can agree. I have told every one of your predecessors, as I told you in my office, that if you do not believe that the pay agents systemic treatment and analysis of the disparity, is correct, show me an alternative system and I will probably be in agreement with it because I am convinced that it will show, whether it is 17 percent or 25 percent, a substantial disparity which we have not been meeting.

Let me ask you, do you believe the country is facing serious economic conditions affecting the general welfare to the point that the law cannot be followed?

At this point, if you were making that advice, have you made any conclusion as to whether or not the waiver provisions of the law would be applicable today?

Mr. DANIELS. No, I have not. I am aware that the law does circumscribe the conditions under which waiver can occur and I am also aware that that finding has been made repeatedly by previous Administrations, but I am not yet ready to say whether I think, in all honesty, it can be said about this year.

Mr. HOYER. I had a significant disagreement with Director Raines, Panetta and others as to whether or not when you had a surplus that you could qualify under that waiver. My presumption is that we are going to have surpluses and it seems to me difficult under that scenario, because the language was adopted when we had, as you know, those triple-digit inflation numbers of which former Director Stockman wrote.

Mr. DANIELS. Well, just to differentiate for a moment, I think that the law speaks of economic circumstances.

Mr. HOYER. Yes, sir.

Mr. DANIELS. As opposed to fiscal. Fiscal difficulty often coincides with economic difficulty, but not always. In other words, we had a roaring economy with fiscal deficits at one point and at the same time one could imagine, for instance, a concern about inflation, even when the fiscal circumstances were currently strong. I just wanted to refine that point.

Mr. HOYER. As a member of the pay agents just let me make an observation. I know I am running out of time, Mr. Chairman, that we have specifically constructed the statute so we do not add to inflation in the sense that the federal employees follow the private sector. And, in fact, it is ECI, which is the Employment Cost Index for the private sector, less a half a point. We specifically built into the law that the federal employees will get less than the ECI adjustment in the private sector.

Mr. Chairman, I have some other questions. I am sure I have run out of time and I appreciate you extending the courtesy of asking those questions. I will come back during the second round.

Mr. ISTOOK. Thank you, Mr. Hoyer. I regret that we are not going to have as much time today as we would all like to have.

FEDERAL EMPLOYEE PAY COMPARABILITY ACT

Ms. Northup.?

Ms. NORTHUP. Thank you.

Following up on the previous questions, the pay disparities, do they take into consideration the entire benefit package, including the job protection merit employees have, the retirement benefits and so forth?

Mr. DANIELS. They do not. Now, my limited reading of this does, I think, reflect—I can say confidently that that is one question that can be asked about the comparisons that are made. They are not taking into account sort of the all-in costs or all-in benefits of public versus private employment and there are other questions. I am especially curious about the whole matter of grade leveling, both

the difficulty that they seem to have experienced in doing it, maybe the imprecisions in what they found, also the fact that it is supposed to take so darn long before this particular piece of the computation is final.

And so I think there are big questions about the methods which I look forward to learning more about.

Ms. NORTHUP. Well, I have become increasingly concerned about the employee benefits and reimbursement levels. Quite honestly, I think that in many case the public sector pay has fallen behind private sector, even if we increase it at the cost of living increase, the fact is the cost of living has not been rising so fast, but private sector pay has been rising more quickly because of the increased productivity.

On the other side, it seems to me that so often public employees' benefits are to some degree constrained by our years of early retirement benefits that often are not matched in the private sector and this is becoming an enormous cost, considering that most Americans are living longer, many are working longer, we are actively considering extending at what age you are allowed to retire, at the same time we keep seeing bills being introduced that would allow public employees to retire earlier with fewer years of service. And we all understand that years ago this was done because people did die at an earlier age, but today as Americans are living longer and healthier lives, it seems to me like public employees, whether we are talking about teachers or what area we are talking about, that the cost to the governmental unit that pays is enormous because of retirement benefits and fewer years of service before those retirement benefits are able to be drawn down, and at the same time the year-to-year pay has failed to match what it ought to match.

It is harder for us to attract good teachers, public employees and to their credit they are concerned about their pay because during the years they are working, they still pay the same amount for a house, for a car, for what they buy.

So it seems to me like we have two problems in this, the question of pay and the question of benefits that ought to be looked at.

Mr. DANIELS. I think those are quite excellent points, Congresswoman, and I would only observe further that the entire framework for this discussion may or may not suit the age in which we now live. It may have been well designed in 1990, but I come most recently from well over a decade in a company that worried a lot about pay and the starting point was always to look, really, job by job, at what we were trying to accomplish, who we were trying to recruit and retain and what the market was for those particular skills. And it was changing all the time.

And I guess an overall predisposition I bring to this whole subject is that flexibility is sadly lacking in the entire federal personnel system. This goes not merely to pay and benefits, but to the entire way in which we attempt to recruit and get the best out of the skills and the people we bring in. And it could be that we will always struggle to perfect a system which attempts to establish sort of one giant formula, one size fits all, generate answers that we are all comfortable with and have confidence in.

I think the answer may well lie in the other direction, which is to dramatically enhance the flexibility of federal managers to pay people and to manage them in a way that suits the task.

Ms. NORTHUP. Well, you know, that would sort of coincide with the view by many economists that while the United States has increased productivity because of computers and able to adjust—the private sector, able to adjust, whereas Europe, they may have the computer capability, they may actually have it, the abilities of companies to down size, to really cut costs because of their productivity has been lacking.

PRIVATIZATION

Let me ask one other area of question and that is my concern with the questions of privatization. I see sort of two sides of this. One is I saw a number of times in the last administration where in an effort to show fewer employees private contracting was done with just the fewest benefits. For example, the security services at the federal building in Louisville, no benefits, no health benefits, none of the things that every federal worker would expect.

On the other hand, I happen to be a supporter of us contracting out when there are benefits to be gained, when we serve the American taxpayer and the American public at large better.

I see a growing number of cases where federal employees and federal agencies are initiating competition with the private sector. Just offhand——

Mr. ISTOOK. Ms. Northup——

Ms. NORTHUP. Yes?

Mr. ISTOOK. I hate to interrupt you——

Ms. NORTHUP. Yes. My time——

Mr. ISTOOK. Continuing. But since our time is so limited today, I need to ask that.

Ms. NORTHUP. Okay

Mr. ISTOOK. I think the Director, I am sure, has understood your remarks.

Ms. NORTHUP. All right.

Mr. ISTOOK. Thank you.

Ms. NORTHUP. Can he respond?

Mr. ISTOOK. Yes.

Mr. Daniels, if you want to respond, please go ahead.

Mr. DANIELS. I will respond briefly by saying that a drive to—I would say reinvigorate competition in the provision of public services will clearly be near the top of the management agenda that I talked about earlier. This was a consistent theme of the President and most, I think, scholars of good government for a long time and for whatever reasons, and the reasons do not matter, there has been a lot of momentum lost in this area in recent years.

There is an enormous opportunity under conditions of complete fairness which have to be ensured for the incumbent public employees for competition with all the productivity enhancing, cost reducing, customer pleasing effects that competition tends to have to be brought to that huge unexploited part of the federal inventory of activities which has already been marked off as ripe for competition. I am not convinced that inventory is as big as it could be, so this will be a major theme. And I also take your point about the

sort of inverse situation of we have to be careful about federal or governmental activities competing with the private sector unless those competitions also are non-subsidized and fair.

Mr. ISTOOK. Thank you.

Mr. Rothman.

Mr. ROTHMAN. Thank you, Mr. Chairman.

Director Daniels, good to see you.

Mr. DANIELS. Yes, sir. You, too.

SECURE OUR SCHOOLS ACT

Mr. ROTHMAN. And thank you for coming here and giving us an opportunity to ask you some questions.

Before I had the privilege of being elevated to this Committee, I was on the Judiciary Committee and, as you know, that is a committee where the folks there do not always agree. They express their opinions in very strong, strident terms, and it is very rare that there is agreement on either side, one bringing a few votes to either side's position. However, there was a bill that Chairman Hyde and I put forth called the Secure Our Schools Act. It was enacted into law under another provision, but it made its way out of the Judiciary Committee unanimously and then it got to the floor and was voice voted and included in the Victims of Trafficking and Violence Protection Act.

The Secure Our Schools Act was for $30 million a year for three years specifically, narrowly focused on a matching grant program so that if a local school felt that they had the problem of guns or weapons in their schools and they wanted to put up half the money for metal detectors or training of security personnel or security cameras, the federal government would put up the other half. If they could not afford it, we would pay for it. Not a mandatory program, purely voluntary, if the school board felt they needed the help.

And so it passed unanimously out of the Judiciary Committee, and former Chairman Hyde and Chairman Sensenbrenner and I and others sent a letter to you on March 7th and you were kind enough to respond in your letter of April 4th. And while I appreciate that President Bush and the administration, as you say, includes over $300 million to help our young people from gun-related crimes, most of the money goes to other things: child safety locks or for task forces or for school resource officers.

The Secure Our Schools Act request of $30 million a year was focused narrowly on metal detectors and those kind of security devices in a matching grant program.

Now, we all voted for this in the Judiciary Committee and then on the floor of the House, a voice vote, because this is not an urban problem or suburban problem, it is a problem affecting the whole country. And children have written to me countless times saying they were afraid to go to school. And I was hopeful—and am hopeful—that you can find some money in your budget to meet this need. Certainly it is my highest priority, and I know the Judiciary Committee and Chairman Sensenbrenner and Mr. Hyde and others feel the same way, that we can get funding for this program. It has a very narrow focus of metal detectors because so many of the crises that we face in the schools where kids have brought guns and

weapons into schools would be eliminated if there were metal detectors at the door and not every school system can pay for it and that is why I hope you will find money for that in the budget.

Mr. DANIELS. Thank you, Congressman, and it was an impressive bipartisan group of people that supported that particular approach. I mean, here is clearly an area in which I am sure everyone present and everyone not present shares the objective in mind.

As you pointed out, the budget as submitted increases rather significantly the total amount of money aimed at this general problem. We believe that the problem can be approached, including through the means that your bill is very specifically aimed at, through a variety of other programs and we have tried to increase the flexibility with which schools and also local law enforcement can access federal funds to match the available money to the specific needs they have and I know in many cases metal detectors is exactly the need; other schools may, however, find that an extra officer or some other program would be better suited.

Mr. ROTHMAN. I understand. If I may just follow up very briefly, I understand that, but as I have read the description of the other programs and their focus, it is not on metal detectors and security cameras. It is on other things. And since there was this strong bipartisan message given by the entire House of Representatives, the whole Congress and signed by the president, on just this narrow range, I was disappointed that there was not a penny allocated for this specific program, which in all of our minds is really going to solve the problem more directly and, you know, with 88,000 public elementary and secondary schools, we need all the help we can get. I am hopeful that you will be able to find some money for this program.

Mr. DANIELS. Well, we very well may and you will certainly find the President and the Administration very flexible about the means of achieving common objectives and this is an excellent example of that. We will obviously be mindful of total spending and keeping within some restraint there, but particularly where the objective is as much a universal one as this one, we will be glad to work with the relevant people and committees on the means.

Mr. ROTHMAN. Thank you.

Mr. ISTOOK. Thank you, Mr. Rothman.

Mr. Tiahrt.

Mr. TIAHRT. Thank you, Mr. Chairman.

Welcome to the committee, Mr. Director.

Mr. DANIELS. Thank you, sir.

Mr. TIAHRT. Mr. Hoyer brought up the pay discrepancy, the 25 percent, and I think Ms. Northup talked about some of the differences. I guess the private sector is really market driven, based on performance and productivity and some risk in the job, which we currently do not have any measurement, do we, of productivity in government service? Do we have any metrics at all that we can measure how jobs are being done? Because I think if there was something where we could have some type of a yard stick, we might have more justification for increasing pay for government workers. Is there anything that you know of now?

Mr. DANIELS. Very, very few such measurements exist. The number one management objective of the Administration at the very top of the list that we will be working off is the measurement of performance in government programs and in government activity and eventually its linkage to the resource allocation process.

Now, this will be the single most complex thing we deal with and I am under no illusions that major gains can come quickly, but we have to start somewhere and some time and every—I think on a bipartisan basis, every relevant committee of Congress has urged that this occur, the framework is in place through some legislation passed during the 1990s and it is really time to utilize that framework and this is the first objective we will have.

Mr. TIAHRT. I know from dealing with education in the state of Kansas, the average teacher there makes in the low 30s. The average worker at the Department of Education is in the low 50s, some significant amount higher. Yet I would argue that most productivity is in the classroom. So somehow there ought to be some kind of measurement to see what is going on around the country and see if there is a metric that we could apply.

But when I talk about the Department of Education, it reminds me that we need also some metric when it comes to accounting in our government agencies, some way of determining whether we are getting a good job done for the amount of money we are investing or not, because right now the Department of Education cannot account for some $500 million and there is just no good best practices accounting system available. Are there any plans to convert the existing system to some system that could be a good management tool to see if you are on schedule, to see if you are on budget, to see if there are any performances? I do not know of anything going now. Do you have some idea of what it in the works?

Mr. DANIELS. My fear is there is too much going on and I will explain what I mean by that. I think this is a subject of great concern in various departments. I take your question to range beyond just the Department of Education, although that is a graphic example.

There are efforts, as you know, underway in virtually all departments to improve financial management. There have been some real successes and there have been some very conspicuous failures. There is a very closely related effort which we will pursue vigorously to bring overall information management to the activities of the Federal government. There will be really more than one person at OMB acting as Chief Information Officer of the Federal government. I say more than one because this will be a principal assignment of the Deputy Director for Management, a job we are going to attempt to elevate as high as we can, and at least one person working solely on the question of information systems reporting to that deputy.

When I say there may be too much going on, I am really not being facetious. What I mean is that with a variety of flowers blooming, $45 billion scheduled to be spent on information technology across the government this year, I am concerned and we want to get a handle on it to make certain that in an attempt to

make an individual department or part of a department better we are not just further proliferating inconsistent systems, non-communicative systems, such that we cannot get consistent comparative data of the kind you are talking about.

Mr. TIAHRT. That is my concern, is that it becomes—you know, right now, we do not have any one good measurement system for across the agencies or even within an agency. No good management tool, yet there are those out there in the private sector and there are best practices that are accepted, part of the CPA exams are based on some of those best practices, yet they are not inherent in our current system of accounting. And I just would encourage you to find somewhere, somehow, something that we can use to measure agencies, also inter as well as outside.

One last thing I want to ask about——

Mr. ISTOOK. Mr. Tiahrt, I am afraid I need to call time on that or we will not get around to everyone. Thank you.

Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. Daniels, welcome.

Mr. DANIELS. Thank you.

Mr. PRICE. I have a couple of specific questions for the record regarding OMB reports that I would like to get a status report on.

BUDGET RESOLUTION

I would like to spend my time this morning on the bigger issue that is before us at this moment or was before us yesterday and we will be living with for the rest of this session and that is the budget resolution conference report.

The passage of this in the House yesterday, as you know, has been treated as something welcomed by this administration and actually something of a triumph for the president, but when one looks at that resolution more carefully one sees that every discretionary budget function is basically just set at baseline.

The education funds that were added in the Senate were stripped out, but that is not all that was done. The budget resolution also stripped out the president's request which was included in the House budget resolution. This budget resolution has $21.4 billion less than the president requested for education.

The budget—perhaps I should put budget in quotes, because these appear to be just—these numbers appear just to be plugs, just to be numbers put there as a holding action. The budget provides $61.4 billion less than the president requested for appropriated health programs like Ryan White AIDS treatment, maternal and child health block grants, Center for Disease Control, FDA and so forth.

In what sense can this be called a budget that embodies the president's program?

My understanding was that the president was not proposing simply to set every budget function to baseline, that he had some priorities that he was intending to push up here.

Mr. DANIELS. Indeed he does, Congressman, and we think they are fairly reflected there.

Mr. PRICE. Fairly reflected in those budget numbers that we passed yesterday?

Mr. DANIELS. Yes, I do. The budget resolution contemplates now about a 5 percent increase in discretionary spending, apples to apples. So that is about $31 billion over last year. It is over baseline. Not in every account, obviously, because certain functions, including national defense and education and HHS, principally due to NIH and so forth, are significantly ahead and then others were restrained in our submission to keep the total inbounds.

Mr. PRICE. I am not talking about the aggregate numbers here. I am talking about the individual functions. Are you saying that the budget resolution as passed by the House yesterday is an accurate reflection of the president's priorities in terms of programmatic functions?

Mr. DANIELS. It is with a couple of qualifiers. Obviously, we believe it is as to the fiscal year just ahead. One of the qualifiers is that it is expected and has been made plain all along that after the Department of Defense has completed its comprehensive review there will be some additional requests, of a size I cannot forecast right now, and placeholder has been left or a reserve fund created for that purpose, for instance. So not all his priorities or his eventual priorities are there now, but the framework is.

Mr. PRICE. What about education? Is it a matter of some concern that this budget resolution falls $21.4 billion short of the president's request in education?

Mr. DANIELS. Well, I am not sure what is being compared to what. It is perfectly likely——

Mr. PRICE. The functional number is being compared to president's request. It is quite straightforward.

Mr. DANIELS. Well, the resolution takes full account of the original request we made. There have been discussions about additional enhancements of education spending as the education bill moves forward and, you know, there are several billion in the resolution, much of which may wind up in the education account, for all we know.

Mr. PRICE. Well, I think there have been many claimants for that small amount of flexible money, no doubt defense would be in line, as would the veterans programs, as would health care, as would education; I know on the VA/HUD subcommittee there is a severe funding squeeze; for NSF, EPA, space, HUD, veterans. I do not quite know where the slack comes from.

Mr. DANIELS. Well, this, I think, reflects the hazards of a time of surplus, Congressman. The Congress lived for several years during the 1990s with much smaller increases year on year than this resolution would contemplate and somehow a way was found. We did not propose those kinds of limits and recognize there is a fair difference of opinion, people who think 5 percent is inadequate, but there are some recent demonstrations by the Congress that somehow the activities of government can continue without growth at levels higher than this.

Mr. PRICE. Well, I am saying is the presence of that small amount of flexible money cannot be an all purpose explanation. It cannot cover everything.

Thank you, Mr. Chairman.

Mr. ISTOOK. Thank you, Mr. Price.

Mr. Sherwood.

PAPERWORK REDUCTION ACT

Mr. SHERWOOD. Thank you, Mr. Daniels. Appreciate your being here.

Paperwork reduction, the Paperwork Reduction Act requires OMB to manage government-wide paperwork reduction, but I understand in each of the last five years if we have a good handle on it, that really we have not had any reduction, as a matter of fact, it continues to grow which is, I am sure, the reason for the act. And I understand that on April 24th that the Government Reform Subcommittee held a hearing on this, but I understand that OMB did not identify any specific paperwork reductions expected for this year.

I would like to know why that is and if you do accept that as one of your functions and when might you identify some specific candidates.

Mr. DANIELS. We are delinquent on that report, on the expected report, but it is in preparation and should be available soon, Congressman. We take this responsibility very seriously. It is statutory, for one thing, but the subject matter is very important, too.

Mr. SHERWOOD. I think the starting point for any discussion on paperwork reduction probably needs to be the recognition that over four out of every five pieces of paper demanded by the federal government of its citizens come under the IRS heading and we probably will never make real headway, material headway, against paperwork excesses until we make some real headway in terms of tax simplification.

So that is a starting point. I will not pause for a commercial break about estate tax repeal, but these are the kinds of things that would more than any nibbling we may be able to do around the edges that will really finally alleviate this burden.

Well, I understand that IRS Commissioner Rizzotti testified that the potential for greater paperwork and burden reduction is enormous, that the potential for that reduction is enormous. But I understand that you do not have anybody working on that issue.

Mr. DANIELS. Well, no. We have a number of people working on the issue in the Office of Information and Regulatory Affairs. That office, like the office of the Deputy for Management, awaits confirmation and so we are eager to get started and to do much more and will take your admonition to work harder on it.

Mr. SHERWOOD. Well, I would just like to—I think that, you know, you have been our source over the years for budget numbers that we can trust and that is a very enormous responsibility and we think you have done very well with that, but there is also the management in the title and it has been my limited observation that nothing in the world needs more management than the federal government.

Mr. DANIELS. Well, it may be limited, but it is a very accurate observation and we share it.

Mr. SHERWOOD. Thank you.

Mr. ISTOOK. Thank you, Mr. Sherwood.

Ms. Meek.

Ms. MEEK. Thank you, and welcome, Mr. Daniels.

Mr. DANIELS. Thank you, ma'am.

Ms. MEEK. I am sorry I could not be here to hear your opening statement.

Mr. DANIELS. When I say you did not miss a thing, I speak literally.

Ms. MEEK. I had another meeting across the hall. Treasury finally decided to be halfway human and during the last two years made some progress. I am concerned about some of the funding that you are doing now and knowing—I do not know the way you make decisions. I think I would disagree with them, but I do not know how OMB makes decisions because a lot of the agencies who have proven to be credible in their record of performance have been good. In my opinion, they have not been given any incentive to do the level of work they were doing or even better. It seems to me that you are waiting around for us to do it and that is the worst mistake you could ever make, to wait for the Congress to put in what you did not ask for. And that concerns me.

FIRST ACCOUNTS PROGRAM, CDFI AND SECRET SERVICE

You had a first accounts program that I worked very hard for last year and the committee put it in. People have problems getting into banking services and this year it was just giving people equal access to banking and we did not increase it, we eliminated it. It is eliminated in your budget. And it could end some of the ripoffs that happen in urban communities and rural communities as well. And I am concerned about that. It is geared up to meet low income Americans.

Also, I notice that the CDFI fund gave me a lot of pain when I looked at what CDFI is getting from Treasury and that CDFI fund is supposed to promote access to capital and local economic development. It is measured by the degree of its success and you know how tight Treasury is. This program has been run very well and it is doing very well. But yet what happened, you gave them an increase of $125 million. That would be appropriate, but you did not—you cut them almost 42 percent. That is a very drastic cut. I think that is sending a message to CDFI, even though you have had a very strong proven record, you have done what you have purported to do, we are going to cut you.

Let me tell you why you did it, at least why I think you did it. You wanted to put in a new program, a new program, that is the new markets program, an unproven program. CDFI is proven. The new markets program is not. It will take you two or three years to gear up to it, even if you were to bring it in now, no matter how good it is.

So when I look at the $40 million that is coming out of CDFI, it really pains me because I do know that you could do quite a bit through CDFI, which you have already done.

And in the end I would like you to tell me, you know, give me a little confidence in that particular program.

And the last one has to do with the Secret Service. It is just—I was able to talk to the Secret Service people and they have about an average of 55 agents that are now leaving the force each year, six times the rate only seven years ago, and the amount of overtime that these agents have to do to do the job they are doing, but I think we should be very, very afraid of that practice of stretching

good men too far and not giving them time to try and retain them by giving them certain kinds of things that Secret Service people require and you have lost a lot of good skilled men and women and they will be very difficult, very hard for you to replace them.

So that is why I am interested in how you do your budgets and what changes that you expect to make that will affect the nature of the passback to these agencies.

I have other questions, I know that our time is short, but those three, Mr. Daniels, I wish you would really focus on and give me a succinct answer.

Mr. DANIELS. Let me do that and I will be glad also to follow up with a letter, Congresswoman, which a couple of these I think require some elaboration.

Ms. MEEK. All right.

Mr. DANIELS. The Secret Service issue is one to keep a close eye on. I think you are aware that a lot has been done to strengthen the service, 478 new agents in the last two years, including the year that we are in and that is about a 21 percent increase, and substantial enhancements of pay on the uniformed side.

We will just have to have a look at what demands are there. There is, I think, some reason to think that recent increases in demand for those services will not just continue on straight up, they are a function of travel, the number of people protected and other variables, not all of which are necessarily givens, but that is certainly nothing to be unwisely economical on and we do not think our budget is, especially given, as I say, the increases that have come just recently.

The first accounts program I am aware of, I know it is fairly modest, I think about $10 million.

Ms. MEEK. That is right.

Mr. DANIELS. But we saw it as redundant or duplicative with at least two other programs in government, which I can write you, and for that reason—you know, we want to be careful not to proliferate programs. We would rather find in any given area the one or two or three that work best and strengthen them and be careful not to add others, which with the same good intentions, might only diffuse the federal effort and perhaps make it less effective than it could be. And I will be glad to follow up with a letter wrapping up all these three subjects.

Ms. MEEK. I would be interested in knowing what other programs did do what the first accounts program did.

Mr. DANIELS. I will send you a note and let you know which they are.

Ms. MEEK. Thank you.

Mr. ISTOOK. Thank you, Ms. Meek.

Mr. Daniels, I understand you need to leave at noon and we have about five 'til. I would like to finish up on the questions I asked and to ask on the law enforcement; Mr. Hoyer might have some others. We can have you out of here probably by five after, if that——

Mr. DANIELS. I am at the committee's disposal, but I would appreciate it if——

Mr. ISTOOK. I understand your time commitments and we are trying to be considerate of those.

E.O. 13166, "IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY"

Let me just first follow up to what I was asking you regarding the translation requirements. I certainly hope that your statement that you expect Mr. Bush to keep the underlying Executive Order in place is an opinion rather than a policy statement because I looked back at the terminology of the actual Executive Order and it indeed requires the agencies to issue these guidelines and the Executive Order incorporates by reference the so-called guidance document that was issued simultaneously by the Department of Justice and requires the agencies to do so, that in essence, however innocuous some of the terminology in the Executive Order may appear, by requiring them to follow the much more detailed and extremely cumbersome DOJ guidelines, it is imposing that requirement through the Executive Order. I think some attention to that might be appreciated and that is why I think that a rescission or at least an amendment would be in order.

Also, when Mr. Rothman was asking about education, it occurred to me and I have not yet had the chance to personally review the guidelines, the four of them issued by the Department of Education. We know the challenges of bilingual education as well, but it is entirely possible that this may be telling public schools that since they receive vast amounts of federal money they are required to provide personal translators for students who do not speak English or not proficient in English, as well as written materials or even undoing whatever the current requirements are in bilingual education.

I should mention the pervasive effect in health care. It is actually through physicians that this first came to my attention, that with the guidance out of HHS and so forth, they are told that it is not enough if a family member of a patient can provide translation, it has to be someone that is familiar with medical terminology and so forth, that the physician provides at their expense. So that by seeing any Medicare patient, it is not just when they see the Medicare patient, by having any Medicare patient they are required to do this for all their patients and, you know, when you look at the large number of people in these programs, because these statements do not just say when you are dealing with a participant in a federal program, they say that because you participate in a federal program, you are required to do this in the ordinary course of all of your business. Thus, and through the fact that DOJ guidelines include those who contract with the federal government as well, you are extending this requirement broadly across most businesses and institutions in the country. So I wanted to bring back that particular emphasis or, for that matter, a bank, if they participate in the student loan program, and so on.

I think I have made my point clear on that. If you want to respond, you certainly may, but, if not, I wanted to move on to the law enforcement questions.

Mr. DANIELS. Well, you have very much impressed me with the possible implications of all this and I would be, I think, better advised to respond later after I have looked at it further.

Mr. ISTOOK. Certainly. I appreciate that. I appreciate that because we are hoping for a substantive response, of course.

TREASURY DEPARTMENT LAW ENFORCEMENT

On the law enforcement within Treasury, as I mentioned, we are concerned about the basically unfunded obligations, the extensive hours, I think someone else referred to them, of overtime that Secret Service agents are required to work to fulfill their mission, which is protecting the President and, of course, others as well, the unfunded mandate regarding the national security interests at the 2002 Winter Olympics.

We heard from Secretary O'Neil that this may indeed involve going into the anti-terrorism fund, but if that is the intent, I do not see any purpose in appropriating money to the anti-terrorism fund and then draining that fund in order to provide it for the known expense of providing security at the Olympics; besides which, if you have a depleted anti-terrorism fund, are you prepared for any potentiality that may occur?

I know the President has devoted some attention to this issue recently regarding the appointment of FEMA as a central response agency and so forth.

Can you address why we see this disparity in the funding for the 2002 Winter Olympics and the overall funding level between the Treasury law enforcement agencies and the other law enforcement agencies?

Mr. DANIELS. It is a very important question and I am glad to respond. We do believe the Olympics will be amply provided for, it is a little over 100, about $103 million, I think, total bill across agencies in this area. Within Treasury, we do have $43 million of unexpended funds left over from the past year in the counter-terrorism accounts. The guidelines drafted originally that govern those accounts do, as I understand it, certainly encompass an activity like the Olympics and so it will not drain the 2002 fund if it is at the appropriate level of 45 million. We will need a few million of that in addition to the carryover funds to meet the Olympic obligation of Treasury.

So that seemed a common sense way to handle it in Treasury and we think that all in all the American people can be confident that each agency is going to be able to conduct its Olympic activities and its standing ongoing activities within this budget.

Mr. ISTOOK. As I mentioned, it begs the question of, well, why have the money go into the fund and then go right back out for a foreseen event? And it also kind of begs the question, we do not have the answer, we have asked for answer, what is the optimum level at which that particular anti-terrorism fund should be maintained in order to be prepared for response to things?

Mr. DANIELS. That is a very important question.

Mr. ISTOOK. There is no sense appropriating too much or too little to that account and we do not know——

Mr. DANIELS. That is a very important question we will all have to work on together. Terrorism is an escalating problem. I do not think—and the President has assigned, I think, the right people to focus very intently on it.

Mr. ISTOOK. Well, it has an Oklahoman in charge, so I would not disagree with that.

Mr. DANIELS. That is a good start. But I do not think any of us at this point can be really sure how big the threat is or will become, nor exactly in which departments the response capabilities ought to be, but you have your finger on something very fundamental for us all that we will work with you on.

Mr. ISTOOK. Do you have any other comment on the overall funding levels between Treasury law enforcement and the others that is not specific to the 2002 Winter Olympics?

Mr. DANIELS. Well, I want to have a longer look at it. It is interesting but I am not sure it is an all together persuasive comparison. There are very different missions between between these two departments and I would observe that—or at least the numbers I have seen, I am not sure whether the chart confirms them or not, but I believe that Treasury in the last couple of years has grown at somewhat faster rates than Justice, but I think the fundamental point is that I think we ought to be careful not to draw too big a conclusion from a simple comparison of personnel, for example, because who they are, the skills they have, the assignments they have, are very, very different, of course.

Mr. ISTOOK. We know the difference and, of course, we do not want a running debate on that.

I need to yield time to Mr. Hoyer.

Mr. HOYER. Thank you very much, Mr. Chairman.

I wanted to make it clear that the 25 pay gap that I referred to, actually the gap is 32 percent. The 25 percent is the dollars that would be necessary to get to the 5 percent target, 5 percent below the private sector.

I have several questions here, but I am just going to ask you one now. I am going to submit for the record, questions on pay parity, on law enforcement, on the winter Olympics, on proposed language changes in the budget, on the FAIR Act review, and on OMB's unspecified management improvements. As I said, although those improvements are not specified, I think we all would applaud them.

Also, I will submit some questions, what he will be doing on the electronic government initiative. You have mentioned briefly, where the Adminstration's plans are. As well as the consolidation of the Executive Office of the President. I am very interested in your proposals, and what you think they will accomplish. And information technology and official representation accounts.

I will submit all of them.

Mr. DANIELS. Okay.

SELECTION REFORM

Mr. HOYER. Let me ask a question with reference to election reform which is a very critical issue. We have had, as you may know, before the House Administration Committee, bipartisan testimony, including the Secretary of State of Florida, who appeared before the Committee and testified very eloquently.

Florida has now adopted a substantial reform bill, very similar to a lot of the federal legislation pending, including a bill I have introduced. Bob Ney, the chairman of the House Administration Committee, and I are going to be working on a bipartisan bill, that

will be called the Ney-Hoyer Bill. Mr. Director there is no money suggested by the president for election reform.

Republicans, Democrats, conservatives, liberals, all regions of the country, essentially everybody agrees that the federal government has a role in helping. They, after all, are federal elections as well as state and local elections.

Can you comment on the position of the administration with reference to funding legislation that might be adopted to assist localities in replacing outworn technology, in educating election officials, educating votes, providing for provisional voting and things of that nature which seem to have universal support?

As you know, the Florida legislation passed with but two dissenting votes, Senate and House, cast against it. In the Senate, it was 38 to zip, otherwise known as zero.

I would like your comment on it because I think it is going to be important for this subcommittee, which oversees FEC, to come up with, frankly, very substantial dollars to assist states so that we can get to 2002 and 2004 without having the same kinds of problems that nobody wants to see repeated.

Mr. DANIELS. Well, Congressman, I think that the President would take a very open stance toward activity in this area. I say that while I think continuing in the view that elections and their conduct are and will always remain overwhelmingly a state and local responsibility, but we had unprecedented and I think novel circumstances just recently that caused everybody to look at this in a slightly different way.

We did not attempt—I would not have known where to start to anticipate in this budget what the Congress might choose to do, what the right way might be, let alone the right investment, for the Federal government to make if it enters the area of helping states with their responsibility, but the President is very interested in election reform and in supporting it and so I think that if and when things move in this area we will sure listen.

Mr. HOYER. Thank you.

Thank you very much, Mr. Chairman.

Mr. DANIELS. Yes, sir.

Mr. ISTOOK. Thank you, Mr. Hoyer.

Mr. Daniels, thank you. We realize—as I said, we have had a bit of an imposition and I did want to end on a note of appreciation for the fact that you have submitted your own budget at a growth rate below the average growth rate in the president's own budget and I do believe that when people seek to lead by example that that should be noted and appreciated, so thank you for that.

Mr. DANIELS. Thank you all.

Mr. ISTOOK. We stand adjourned.

Office of Management and Budget
Submitted by the Subcommittee

Government Wide Absorption of non-pay inflation costs

Question: The President's budget calls for the absorption of non-pay inflation costs by most agencies. Agencies have responded uniformly that absorbed amounts projected could be offset through "improved resource management." Budget justification materials further stated uniformly for each agency that this proposed offset is "not intended to reduce levels-of-effort."

Do you believe that OMB has a role in helping agencies achieve improved resource management? What, if any, specific direction or assistance have you given agencies as they look to achieve this goal?

Answer: Yes, OMB has a role to play in helping agencies achieve improved resource management. While no formal guidance has been issued, staffs in the Resource Management Offices are working with agencies on resource management issues intensively this year to increase efficiency and implement the President's management agenda.

Question: Please provide us with specific examples within the Department of Treasury of how improved resource management will translate into specific savings -- such as the $124 million associated with the absorption of non-pay inflation costs in fiscal year 2002.

Answer: This Administration is committed to bringing the growth in spending under control. That means setting priorities, as we do in the FY 2002 budget.

Treasury did well in this budget - a 5 percent increase over 2001. The Department's budget is up 18 percent over 2000. The Budget supports Treasury's priority programs, including IRS and Customs technology, IRS staffing, and investments to implement the Western Hemisphere Drug Elimination Act.

The Administration expects Federal managers to work seriously at improving efficiency. As with their private sector counterparts, they should not expect automatic budget increases each year.

The Budget provides a 3.6 percent increase for the government-wide pay raise. It assumes that Treasury's non-pay expenses will remain unchanged, on balance. We expect any cost increases to be offset through more efficient use of contract dollars, space, travel, equipment, and broader usage of electronic data exchange (e.g., direct deposit for tax refunds) and

other savings.

Question: Government-wide, which agencies are not required to absorb these costs and why? For the record, by appropriations account, list those accounts exempt from the absorption requirement with a brief explanation of why these accounts are exempt.

Answer: See response to next question.

Question: Government-wide, by appropriations account, provide the total absorption associated with non-pay inflation.

Answer: Agencies were provided sufficient funds to cover additional amounts for pay costs and provided flexibility to determine how to fund non-pay inflation costs within their overall total spending levels. Within an aggregate target that included overall absorption of non-pay inflation, priorities were set by the President based on programmatic requirements that emphasized increases for such activities as VA Medical Care, the National Institutes of Health, and Education.

E-Gov Fund

Question: The President's budget includes $20 million to establish interagency Electronic Government initiatives. Although the appropriation is requested within the General Services Administration, OMB will be responsible for allocating these funds.

Would this fund create a new role for OMB? In what other instance, other than in emergency situations, has OMB directly controlled a government program? Since OMB will control the funding, why aren't the funds being sought in the OMB budget?

Answer: Allocating the uses of this fund would be an extension of OMB's current role of providing analyses and recommendations on IT budget decisions as part of the budget development and execution processes.

Although OMB would manage the allocation process, agencies, or interagency teams, would manage and run the projects, not OMB. Just like they do with other budget requests, agencies will put together budget justifications and business cases supporting their E-gov fund requests for OMB approval.

The funds are sought in the GSA budget because GSA is experienced in administering the distribution of funds for interagency projects and has the necessary financial management systems and procedures in place to

support this project.

Question: Project criteria for the Fund require the use of capital planning guidelines and involve new technological innovations. Does OMB have the expertise to adequately assess the proposals with respect to these criteria? Why isn't this activity more appropriately conducted by the CIO council?

Answer: We have shared the criteria with a number of IT leaders, including GAO, and there is consensus that the proposed criteria and evaluation mechanisms are sensible.

The infrastructure for assessing these proposals already exists. Currently, OMB's Resource Management Offices work together with the OMB's statutory offices -- OFFM, OFPP, and OIRA -- to evaluate agencies' annual IT budget requests. Projects that request funding from the E-Gov fund will go through a similar - but expedited process.

In addition, we have already stated that OMB would solicit input from the e-gov committees of the CIO, CFO, and Procurement Executive Councils. We believe this fund will spawn a number of innovative projects. OMB will rely on the Government-wide Councils in determining which projects are most meritorious of funding.

Question: OMB is a relatively small organization. Does it have the staff to carry out this new activity? How many FTE will it take OMB to manage the program, to review and approve all of the proposals that will be made for use of the funds? Since no new FTE are requested, what current OMB activities will be sacrificed to handle this new responsibility?

Answer: Allocating the uses of this fund would be an extension of OMB's current role of providing analyses and recommendations on IT budget decisions Agencies will be responsible for directing and implementing these projects. I don't believe this effort will require additional FTE right now. Similar to OMB's role during the Y2K endeavor, OMB was able to cover this expanded role within its existing base while still carrying out its existing responsibilities.

In addition, OMB would solicit input from the e-gov committees of the CIO, CFO, and Procurement Executive Councils. The Government wide Councils would help us narrow the field of worthy requests.

However, it is true that OMB has been provided with a number of new statutory responsibilities within the last few years. I plan on reviewing staffing needs and welcome the views from this committee.

Question: What impact does the development of this small new program have on

the debate regarding the establishment of a centralized Federal CIO function or "Czar"? In essence, by running this program, hasn't OMB assumed the centralized function of a Federal CIO?

Answer: There has always been some centralization of Federal IT functions. Currently OMB has oversight responsibilities for Federal information resource management (IRM) activities through the Paperwork Reduction Act and the Clinger Cohen Act.

As part of the budget process, OMB evaluates agency capital planning processes and IT proposals. The E-gov fund would be an extension of that evaluation role.

Question: Recent press reports indicate that OMB is opposed to the creation of a Federal CIO. Why?

Answer: OMB is not opposed to the creation of a Federal CIO. On the contrary, the President will ensure that this important issue is elevated to the highest levels within OMB by designating the DDM as the Federal CIO. The President has said, and OMB has reiterated, that technology is a crucial element in delivering services to our citizens. The President has also indicated that integrating technology oversight with broad management and program functions under the Deputy Director for Management within OMB is critical.

Federal Costs for the FY 2002 Winter Olympics

Question: The 2002 Winter Olympics were designated a National Special Security Event (NSSE) in August of 1999. As a result, the Secret Service is tasked with the lead function of designing, planning, and implementing operational security for the Games. Further, the Federal Bureau of Investigation is tasked with crisis management, and the Federal Emergency Management Agency is tasked with consequence management.

In the President's FY 2002 budget request, the FBI and FEMA are directly funded for their roles in the federal counterterrorism plan for the 2002 Winter Olympic Games, while the Secret Service and other Treasury Law Enforcement bureaus (ATF & Customs) are not funded at all.

Why does this disparity between the Justice Department and Treasury Department funding for the Olympics exist in the President's budget?

Answer: Both Justice and Treasury bureaus were funded in the FY 2002 Budget for costs associated with the Winter Olympics. The difference in the

original budget request lied in the mechanism for funding. As noted in the question, Justice components were directly funded. In contrast, but consistent with what has been done in the recent past, OMB and Treasury anticipated the use of the Treasury Counterterrorism Fund to reimburse Treasury bureaus for costs related to the implementation of the operations and perimeter security plan at the 2002 Winter Olympics, a national special security event.

After further consideration within the Administration, and based on input received from the Subcommittee, the President, on June 1, 2001, transmitted a request for $60.6 million in additional FY 2001 funds to address needs associated with the 2002 Winter Olympics. The additional funds requested would be used to reimburse Department of the Treasury bureaus and other Federal agencies providing operational and perimeter security support at the 2002 Winter Olympics in Salt Lake City. The additional funding is for overtime, travel and other related costs, lodging, and equipment.

Question: The Secretary of the Treasury testified that the previous Administration had intended to use the Treasury Counterterrorism Fund to absorb the cost of Treasury Department involvement in the Olympics. The Justice Department also has a Counterterrorism fund, yet it was not used to fund involvement in the Olympics.

What is your understanding of the purpose of the Counterterrorism Fund?

Answer: The purpose of the fund as proposed in the FY 2002 Budget, is to enable Treasury to reimburse any Treasury bureau for the costs of providing support to counter, investigate, or prosecute terrorism.

Question: What is the appropriate balance in the Counterterrorism Fund to accomplish that purpose?

Answer: The "appropriate" balance for the Treasury Counter-terrorism Fund is difficult to ascertain. In developing the President's Budget, we examined the fund's historical spending patterns to determine the appropriate level of funding. The Omnibus Consolidated Appropriations Act of 1997 (P.L.104-208) created and provided $15 million for the Treasury Counter-terrorism Fund. The Fund was exhausted by FY 1999. In FY 2001, $55 million was provided. To date, of this $55 million, $11.522 million has been released for costs related to the Inauguration, the State of the Union, and the preparation costs of the Winter Olympics, leaving a balance of $43 million in the Counterterrorism Fund.

Question: Why was Treasury funding for this known event not sought through direct appropriations as was the case for Justice Department bureaus and

FEMA?

Answer: Based on information available at the time the FY 2002 Budget was formulated, the Counterterrorism Fund was the most appropriate funding mechanism to address Treasury's 2002 Winter Olympic needs. At the time of Budget formulation, there was incomplete knowledge on: 1) the exact amounts needed by Treasury law enforcement bureaus to carry out the Secret Service perimeter security plan; 2) possible venue changes, which would impact perimeter security requirements.

After further consideration within the Administration, and based on input received from the Subcommittee, the President, on June 1, 2001, transmitted a request for $60.6 million in additional FY 2001 funds to address needs associated with the 2002 Winter Olympics. The additional funds requested would be used to reimburse Department of the Treasury bureaus and other Federal agencies providing operational and perimeter security support at the 2002 Winter Olympics in Salt Lake City. The additional funding is for overtime, travel and other related costs, lodging, and equipment.

Question: Will the Counter-terrorism Fund become the permanent mechanism to fund Treasury Bureaus for NSSE events?

Answer: The Administration is currently reviewing alternative funding mechanisms for National Special Security Events.

Question: For the record, by appropriations account and fiscal year, provide total federal costs of the 2002 Winter Olympics.

Answer: A table of Federal support for the 2002 Winter Olympics and Paralympics can be found on pages 433 and 434 of the *Analytical Perspectives* volume of the FY 2002 Budget.

Funding for Treasury Law Enforcement

Question: Over the past fourteen years, funding for enforcement agencies of the Department of Justice (FBI, INS, DEA) has increased by 139 percent in constant dollar terms. At the same time, funding for similar Treasury law enforcement bureaus (Customs, ATF, Secret Service) has increased by 47 percent. The same disparities exist within employment levels, with Justice personnel increasing by 49 percent and Treasury law enforcement increasing by 8 percent.

If we compare just Customs and the INS, there are similar patterns of growth, with funding for INS increasing by 244 percent and funding for

Customs by 35 percent. Again, looking at personnel, the same disparities exist within employment levels, where INS has seen an increase of 80% and Customs an increase of 5%.

During your testimony, you stated that the INS and Customs have very different responsibilities. Although this does not explain funding and staffing disparities, it does raise another question. If INS and Customs have different responsibilities, why does the President's budget include a request of $7 million within the INS appropriation to establish intelligence units along our borders to monitor terrorist activities and smuggling operations and assist in tracking the movement of illicit narcotics, weapons, and contraband? Aren't these the very responsibilities of the Customs Service? How will the proposed INS intelligence units differ from current Customs Service operations along our borders?

Answer: INS' mission is to determine the admissibility of persons seeking entry to the country and to adjust the status of and provide other benefits to legally entitled non-citizens within the country with proper regard to equity and due process. This includes the investigation of alien smuggling and the prevention of illegal entry of individuals into the United States, including terrorists, criminals, and other inadmissables. Smugglers often attempt to sneak aliens, narcotics, and contraband into the United States at the same time.

The mission of the U.S. Customs Service is to ensure that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations. Customs responsibilities include intercepting terrorists, seizing narcotics, dismantling smuggling organizations, assessing and collecting duties and fees on imported merchandise, exposing Internet crime cases and targeting violators of intellectual property rights.

Even with these different responsibilities, the inspections functions of Immigration Inspectors and Customs Inspectors are somewhat similar. INS inspectors are looking for illegal individuals, while Customs inspectors are looking for illegal goods. However, since 1998, INS and Customs have been working cooperatively together on the Southwest Border to enhance the interdiction of drugs, illegal aliens, and other contraband. This has created a seamless process at and between land border ports of entry, by building a comprehensive, integrated border management system that effectively achieves the mission of each agency.

In FY 2001, the Customs Service received $7 million to establish an enhanced presence on the Northern Border. These funds went to Customs counterterrorism investigations. Another $2 million went to Customs to support 17 additional Customs agents for the Joint Terrorism

Task Forces (JTTFs). The JTTFs are interagency law enforcement groups that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists. Similarly, in FY 2002, INS requests roughly $7 million to establish intelligence units along the Northern and Southwest borders. These units will collect, analyze, and disseminate information to Federal law enforcement that identify and interdict illegal entrants to the United States; monitor potential terrorist activity and smuggling operations; and track the movement of illicit narcotics, weapons, and other contraband across our borders. This is consistent with INS' mission as stated above and is important to enhance border management.

Question: In the current fiscal year (2001), the Bureau of Alcohol, Tobacco and Firearms has a shortfall of $20 million for on-going construction of the Laboratory and Fire Research Center. It is our understanding that ATF is reviewing possible offsets for this shortfall -- including reductions to the National Integrated Ballistics Imaging System and the explosives working group. Additionally, we understand that a portion of the Counter-Terrorism fund may be used to offset these costs, the same fund being proposed to cover costs associated with the upcoming Winter Olympics.

- Does the Administration support ATF's Laboratory and Fire Research Center?
- What is the Administration's position on fully funding the anticipated shortfall for ATF's Laboratory and Fire Research Center?
- How will this shortfall be accommodated?
- If this shortfall is not accommodated, what are the impacts on the construction of this center?

Answer: The Administration fully supports ATF's Laboratory and Fire Research Center and is committed to working with Treasury to find a solution to the anticipated funding shortfall. Treasury has not forwarded to OMB a formal proposal to accommodate the shortfall or the possibility of using the Counterterrorism Fund. OMB will review Treasury's proposal if and when it is submitted. We have been assured that ATF will work with GSA to minimize the impact of the funding shortfall. If the funding shortfall were not accommodated, we expect long term costs of the project to increase.

Question: The Commission on Crime and Security in US Seaports reported last year significant levels of trafficking and other smuggling in our 368 public seaports, with high vulnerability to terrorist and criminal exploitation. There is no additional funding in this budget to meet any of these needs.

Does the Administration endorse the recommendations made by the Seaport Security Commission? If not, will the Administration conduct its own review of US Seaports and develop recommendations based on its

findings?

Answer: The Administration agrees with the recommendations made by the Seaport Security Commission. U.S. seaports play an integral role in managing our Nation's commerce, and effective security measures are essential to ensuring the safe and efficient flow of cargo and passengers.

Question: Absent additional funding, how does the Administration propose to meet some of the specific needs identified in that report -- such as addressing the lack of automated systems at waterfront or remote exam stations, undertaking a comprehensive initiative to improve cargo import procedures, etc.?

Answer: Within the resources currently available, a number of actions are being taken to support the recommendations made by the Seaport Commission. Improvements to address the lack of automated systems at waterfront or remote examination stations and enhancement of cargo import procedures are being developed. All Customs efforts in handling cargo are also directly related to threats identified by the Seaport Security Commission (e.g. terrorism, international cargo and related contraband smuggling). Some examples include:

- Customs Service development of the Automated Commercial Environment (ACE). ACE will replace the existing Automated Commercial System (ACS). The new system will have more effective manifest, entry, and in-bond targeting capability, as well as enhanced data retrieval and statistical reporting mechanisms at ports of entry.

- Customs Service provision of automated systems at remote examination sites. The Customs Service is working to develop secure communications capability using wireless technology. This could provide waterfront exam locations with access to Customs commercial and targeting automation systems.

- The General Services Administration Maritime Federal Facilities Council is looking for a single site for federal services within seaports.

- The Customs Service continues to meet with port and terminal operators seeking the best locations for Customs' Non-Intrusive Inspection (NII) technology (e.g. truck, rail, sea container, vehicle, and mobile x-ray/gamma-ray systems) and information technology. Currently, 50 systems are in operation, with an additional 45 systems funded and scheduled for delivery by the end of FY 2002.

- Customs Outbound Programs has been working with vessel carriers on an enhancement to the Automated Export System (AES) for vessel

shipments that provide additional information for targeting suspect shipments.

- Prior to unloading an inbound vessel, advanced manifesting is required. The Automated Manifest System (AMS) expedites this process by allowing Customs to target cargo prior to arrival. Customs Trade Programs have been working to standardize data elements in the rail, vessel and air environments.

Question: Last year, Customs, in consultation with the General Services Administration (GSA), reported that crossings on the US borders with Mexico and Canada needed facility and equipment improvements totaling approximately $784 million. The report was blunt, noting that growing pressures were such that, given the constraints of the present border crossing facilities, if our needs are not met, the ability of the Federal Inspection Service agencies (FIS) to perform their lawful examinations cannot be accomplished. The report recommended that $282 million be provided as a start to improving the most serious infrastructure problems. Within GSA, the President's budget includes $ 17.3 million for 6 border stations, of which there are 5 projects in the design phase and one in actual construction.

Does the Administration endorse the recommendations made in the U.S. Port of Entry Infrastructure Study?

Answer: It is of greatest importance to have the most current information on the condition and infrastructure needs of our ports of entry. This study was a preliminary one in determining the border's infrastructure needs. Therefore, as noted in the study, GSA is performing a more detailed analysis of the situation based upon the preliminary information found in the study. This follow-up information then will be presented to the Border Station Partnership Council (BSPC) for review. The Council is comprised of FIS Agencies. The BSPC will make recommendations to the Administration and based upon these recommendations the Administration will determine the best course of action.

Question: Does the Administration have a strategy for addressing these recommendations, including the approximate $784 million needed for facility and equipment improvements? What is that strategy?

Answer: As stated above, after receipt of the BSPC's recommendations, the Administration will determine the best course of action. However, as shown in the FY 2002 President's Budget, until the BSPC recommendations are complete, the GSA is proceeding with its priority list of Border Station projects. As noted, there is $17.3 million for six border stations in the FY 2002 President's Budget.

Question: For the past two years, the Committee has supported efforts by the Secret Service to reduce their unacceptably high levels of overtime. Currently, agents are working an average of 90 hours of overtime per month. The President's request does not sustain the effort to hire more agents, which was part of a 3-year plan developed jointly by OMB, Treasury and the Secret Service. Often, Secret Service workloads are uncontrollable in that much of their work is dictated by the schedule of their protectees, now at an all time hight, or unanticipated national security events.

Does the Administration support the Secret Service's efforts regarding Workload Retention/Workload Balancing? How will the goals of this initiative be achieved absent additional funding to hire new agents?

Answer: The Administration is acutely aware of the importance of the Secret Service protective operations mission and supports the Secret Service's efforts to address workload and quality of life issues of its invaluable workforce. We share the concerns of the Subcommittee about the workload and overtime trends of recent years and applaud the efforts of the Secret Service and Treasury in addressing this issue. To address the increases in overtime hours, in the last two years, the Secret Service has received funding for 478 agents, a 21-percent increase to its agent population. Even so, the Administration will continue to monitor and evaluate the various and changing factors that contribute to the Secret Service's protective workload in order to respond accordingly. Specifically, we will review:

- the impact this additional hiring has had on workload and quality of life,
- the status of the Service's administrative, workplace and schedule changes to address retention, and
- any new workload assumptions based on the demands of a new President.

Appropriations Restructuring

Question: Why is this language necessary? Specifically what economies of scale can be achieved by merging these appropriations accounts? What additional flexibility does the President need that he does not currently have?

Answer: The proposal is designed to give the President maximum flexibility in allocating resources in support of EOP to those functional areas where the President places the highest priority and requires staff support. In addition, the Administration believes this language is necessary to ensure that the Executive Office of the President has the ability to fulfill the requirements of the Chief Financial Officers Act. A consolidated

appropriation will enable the President to effectively manage and align resources consistent with the Chief Financial Officers Act. The initiative also supports a single, integrated financial management system consistent with the requirements of the Act.

Regarding the achievement of economies of scale, the Administration recognizes that the current financial structure does not allow the Executive Office of the President to maximize buying power by purchasing in bulk. Further, it does not allow for control of the number of service contracts that are needed to support various types of equipment. In addition, the existing financial structure creates an unnecessary amount of procurement actions and paperwork. It is our belief that the consolidated appropriation will allow the Executive Office of the President to achieve these streamlining objectives.

Under the current account structure the President is constrained in his ability to move resources from one appropriation account for an EOP entity to another, in a timely and efficient manner, in order to meet a rapidly emerging need, or respond to an issue of national priority.

Question: What is the advantage to the Congress in enacting a lump sum appropriation as opposed to enacting separate appropriations as we did for fiscal year 2001?

Answer: The proposal offers advantages to the Congress by permitting the Executive Office of the President to demonstrate better performance and results from funds appropriated with no loss of accountability. It also will help foster better coordination among the three different appropriations subcommittees who will continue to maintain policy and program oversight over their programs.

Question: Some of the offices -- such as The Council on Environmental Quality, the National Security Council, and OMB -- have specific statutory responsibilities. How will the President ensure that sufficient resources are provided to carry out those responsibilities?

Answer: The budget formulation process for individual EOP entities will remain unchanged, thus ensuring that each agency (e.g., NSC) has an appropriate opportunity to request and discuss with senior EOP officials its resource needs in fulfilling mission requirements.

Question: Who will decide how to allocate available resources among the various functions and how will these decisions be made?

Answer: As noted in the previous response, we expect that budget formulation for each entity will remain unchanged.

Question: How will the Congress ensure that offices and programs are staffed at a level that meets congressional approval?

Answer: Detail on individual EOP entity resource requirements will be included in the President's Budget Appendix as part of the Executive Office of the President consolidated appropriation request.

Question: Three of the accounts you propose to merge are not under the jurisdiction of the Treasury, Postal Service and General Government Subcommittee. The Council for Environmental Quality and the Office of Science and Technology Policy fall under the jurisdiction of the VA-HUD Subcommittee, and the Office of the US Trade Representative falls under the jurisdiction of the Commerce-Justice-State Subcommittee. Have you discussed this proposal with those Subcommittees? What is their position on giving up jurisdiction for these programs?

Answer: We have thoroughly briefed staff of the affected subcommittees on this proposal.

Question: For the sake of discussion, assuming that this Subcommittee approved this proposal but the other Subcommittees of jurisdiction did not, the language would then exclude three of the EOP accounts. This seems to contradict the underlying goals of the proposal -- both in terms of the President having flexibility to allocate resources among EOP accounts and in achieving economies of scale. If three or even four accounts are excluded from this proposal, how will that effect both the President's flexibility and the economies of scale you propose to achieve? Would there be advantages to combining only those accounts with similar authorities or functions, rather than combining all EOP accounts?

Answer: We believe our proposal is the best approach to providing the President the flexibility he needs in allocating resources throughout the Executive Office of the President.

Question: The proposal states that limitations that are no longer required are deleted. By appropriations account, identify which limitations have been deleted and explain why they are no longer needed.

Answer: There are three limitations that are deleted under this proposal. Under the heading, "Salaries and Expenses," Compensation of the President and the White House Office, the earmark for services authorized by 5 U.S.C. 3109 and 3 U.S.C. 105 is deleted; under the heading, "White House Repair and Restoration," the earmarks for specific kinds of projects are deleted; and under the heading, "Salaries and Expenses," Office of Management and Budget, the earmark relating to chapter 35 of title 44, United States Code, is deleted. Deletion of these provisions is consistent

with the proposal's intent to maximize flexibility to carry out the President's duties.

Question: Is there another way of achieving these economies without merging the appropriations accounts, such as:

- using existing authority under 31 USC, Section 1535, which authorizes the head of an agency to place an order with a major organizational unit within the same agency for goods and services?
- providing the EOP with transfer authority among appropriations accounts?
- Over the past 4 years, under what instances has the Executive Office of the President used the existing authority under 31 USC 1535?
- What are the disadvantages to using this existing authority? Advantages?
- What are the disadvantages to using transfer authority? Advantages?

Answer: The alternative mechanisms cited in the question, the Economy Act and statutory transfer authority, are not perfect substitutes for the Administration's proposal of merging these accounts. Both alternatives involve transactions costs and timing issues which reduce the desired flexibility of utilizing one account. Use of the Economy Act authority, for example, would require increased paperwork resulting from multiple reimbursable agreements. The timing of payments between accounts under such agreements would not be as prompt as using one account. Transfer authority would also create complications, such as being constrained by a statutory cap on maximum amounts which can be transferred. The proposed "one account" solution increases the President's flexibility to a greater extent than would the suggested alternatives.

Question: Sections 105 and 106 of title 3 US Code describe those expenses that may be accounted for solely on the certificate of the President and Vice President, respectively. Most of these expenses correspond to particular accounts. The Comptroller General may inspect documents related to these expenditures, but solely to verify that the expenditures were made for allowed purposes. How will certified expenses be identified for audit within an consolidated account structure?

Answer: There will be no change from current practice. These certified expenses will be identified for audit by the Comptroller General under a consolidated account in the same way that they are now. These expenses now constitute only a small portion of larger accounts and their inclusion in a much larger consolidated account will have no impact on how these expenses will be identified, accounted for, or audited.

Question: The FY 2000 bill included a new provision establishing a Chief Financial Officer in the EOP. Part of your justification for this new appropriation language is it's consistency with the Chief Financial Offers Act of 1990. Specifically, in what ways is it consistent? How will account consolidation help to support an integrated financial management system?

Answer: The proposal is consistent with the intent of the Chief Financial Officers Act (CFO Act) as it will put all financial management activity in the Executive Office of the President under the CFO's exclusive responsibility and make the CFO singularly accountable for results. The current Balkanized structure does not clearly place accountability on any one individual.

Account consolidation will help support a single, integrated financial management system by simplifying the accounting structure, reducing the number and types of financial transactions, particularly in purchasing common items in fewer, but larger quantities.

Question: If this language is not approved, how will it effect the CFO's oversight responsibilities?

Answer: If the proposal is not approved, the new CFO will expend unnecessary resources in trying to patch together the different financial structures currently existing, take time to establish lines of responsibility and accountability among the EOP entity fund managers and the CFO. It will consume resources that otherwise could be put to better programmatic use if current, inefficient purchasing and contracting activity must be continued.

Question: One concern is that this language might be premature. The CFO has not been hired and it will take quite some time for the CFO to complete the financial audits of the EOP accounts that are required under the law. It might be more prudent to wait until after these financial audits are complete –they may discover other vulnerabilities within the EOP's financial structure. What are your thoughts on the pros and cons of waiting until after a CFO is on board and the financial audits are complete?

Answer: It is advantageous to approve this proposed structure now, rather than later, as the time and cost of preparing and auditing eighteen financial statements will far exceed doing that for a single account. It will also permit achievement of this objective much sooner. Another advantage of proceeding now is to ensure that implementation of a new financial accounting system, scheduled to begin in FY 2003, is structured around the consolidated structure from the outset, rather than having to reconfigure the system at a later date.

Question: Under current appropriations structure, the following language appears in the account "Special Assistance to the President, Operating Expenses" -- the Vice President's residence:

> *Provided further, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.*

Why is it necessary to repeat this language for the entire appropriation account for the EOP? What will this language accomplish? Describe the current application of this language as it relates to the account, "Special Assistance to the President, Operating Expenses"

Answer: This provision is substantially comparable to the Economy Act. It has been included in appropriations available to the Vice President to assure that Economy Act type transactions could be accomplished, particularly with respect to the Vice President's Residence. The application of the provision to the entire appropriation will not provide or detract from the Economy Act authority available to other entities within the EOP.

Representation Allowance Account

Question: The President's budget includes an requesting an increase of $5,000 for the establishment of an official representation allowance account within OMB. Why is this account necessary?

Answer: The account will allow the Director and Deputy Director to host a myriad of working events that involve OMB policy officials and personnel outside the Administration.

Question: What specific functions do you anticipate supporting with this account?

Answer: The Director and Deputy Director will often have working lunches and dinners with people who are not part of the Administration and it would be inappropriate for them not to host the event. Also, OMB policy officials might host a luncheon meeting honoring visiting foreign dignitaries, including the head of another country's budget or finance office.

Question: How were the costs associated with official representation for visiting officials paid for in the past? What is the historical amount of these costs?

Answer: The Administration first requested and received an appropriation for "official reception and representation expenses" for the Director of the Office of Management and Budget in FY 1979 ($1,500.00). In FY 1980,

Office of Management and Budget
FTE Allocation History

May 16, 2001

	FY 90 FTE Allocation	FY 91 FTE Allocation	FY 92 FTE Allocation	FY 93 FTE Allocation	FY 94 FTE Allocation	FY 95 FTE Allocation	FY 96 FTE Allocation	FY 97 FTE Allocation	FY 98 FTE Allocation	FY 99 FTE Allocation	FY 00 FTE Allocation	FY 01 FTE Allocation	FY 02 FTE Allocation
NSIA/NSP	69	69	59	56	64	61	59	58	58	58	58	59	68
GGF/GGP	63	63	59	56	73	70	68	67	67	67	67	67	67
NRES/NRP	69	69	69	65	72	69	68	67	67	67	66	67	67
HRVL	63	63	69	--	--	--	--	--	--	--	--	--	--
EIML	--	--	--	39	39	39	38	36	36	36	36	36	--
Health/HRP	--	--	--	29	56	56	56	55	55	55	55	56	81
OIRA	65	65	60	57	52	50	49	47	47	47	47	49	49
OFFM	--	--	--	--	20	20	20	20	20	20	20	22	22
GMD/OFFM	82	82	84	75	--	--	--	--	--	--	--	--	--
OFPP	37	37	34	31	20	20	20	20	20	20	22	22	22
BRD	76	76	75	75	72	71	70	68	68	68	67	67	67
LRD	28	28	28	28	27	27	27	27	27	27	27	27	27
EP	12	12	12	11	9	10	10	9	9	9	9	10	10
OMB Wide Support	50	50	48	43	52	49	44	44	44	44	44	45	47
TOTAL FTE	614	614	597	565	556	542	529	518	518	518	518	527	527

the amount requested by the Administration and approved for "official representation expenses" was increased to $2,500.00 and it remained at that level through FY 1985. Funds were not requested by the Administration, nor were they appropriated by the Congress, for this purpose in the FY 1986 Budget or thereafter. The Administration estimates that $5,000.00 is the appropriate amount for items that might be covered by this fund in FY 2002.

Expenses of this type have come out of the pocket of the policy official in the past several years. Since these expenses were paid out of pocket, no official historical records have been maintained.

FTE by Program Activity

Question: Provide FTE by program activity for FY 1990 --FY 2002 request.

Answer: Please see attached chart.

Regulatory Review, Policy Guidance, and Executive Order 13166 (LEP)

Question: On August 11, 2000, former President Clinton issued Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency. Basically, this Executive Order requires all federal agencies and all grant recipients of federal funds to provide services in any language anyone speaks at all times.

Please clarify the difference between "policy guidance" and "regulation." Please describe OMB's role in the review of agency policy guidance. Regulations.

Answer: "Policy guidance" is often considered to be non-binding agency action, whereas a "regulation" is often considered to be legally binding. Under Executive Order 12866, OMB's Office of Information and Regulatory Affairs ("OIRA") reviews "significant regulatory actions." See Regulatory Planning & Review, Executive Order 12866, 58 Fed. Reg. 51735, 51742 (1993). See "Questions for the Committee - Attachment A." A significant regulatory action is any substantive action by an agency that could result in a final rule or regulation that would (a) have an annual effect on the economy of $100 million or more; (b) be inconsistent with another agency's action; (c) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (d) raise novel issues arising out of legal mandates or the President's priorities. Id. at 51738.

Question: Under what authorities (e.g. Executive Order, Statute, etc.) does OMB review regulations? Provide a copy of all relevant authorities for the record. Under what authorities does OMB review policy guidance? Provide a copy of all relevant authorities for the record.

Answer: As discussed in the first response above, OMB's Office of Information and Regulatory Affairs reviews "significant regulatory actions" pursuant to Executive Order 12866. See Regulatory Planning & Review, Executive Order 12866, 58 Fed. Reg. 51735, 51742 (1993). A copy of that Executive Order is attached. OIRA also has regulatory review responsibilities pursuant to the Paperwork Reduction Act, 44 U.S.C. § 5501 et seq. OMB also has general budgetary and management authorities under which OMB may review drafts of agency issuances.

Question: Has OMB reviewed Executive Order 13166? What is OMB's role in the review of this Executive Order?

Answer: It is my understanding that, in accordance with the procedures for the development and clearance of Executive Orders that is set forth in Executive Order 11030 (Preparation, presentation, filing, and publication of Executive orders and proclamations), OMB was responsible for the interagency legal and policy review and clearance of the draft of Executive Order 13166, prior to its issuance by President Clinton last year.

Question: Has OMB reviewed all of the relevant policy guidance and associated regulations being issued by agencies for implementing this EO to make a determination of potential costs to state, local and federal government? For the costs to the private sector?

Answer: OMB did not review the policy guidance that has been issued by individual agencies pursuant to Executive Order 13166. Executive Order 13166 directed agencies to submit the guidance they developed to the Department of Justice for review and approval, and it did not give OMB a role in this review process. OMB therefore does not have an estimate of the potential costs of implementing the Executive Order.

Question: Government-wide, what is the total cost of implementing this Executive Order? Who prepared these cost estimates and what is the methodology utilized? What is the cost of monitoring compliance with this Executive Order? For the record, provide federal cost by account, agency, and activity (for instance: written translation requirements, oral translation requirements, public notification, complaint processing, technical assistance, etc).

Answer: As discussed in an earlier response, OMB did not review the policy guidance that has been issued pursuant to Executive Order 13166.

Executive Order 13166 directed agencies to submit the guidance they developed to the Department of Justice for review and approval, and it did not give OMB a role in this review process. OMB therefore does not have an estimate of the potential costs of implementing the Executive Order.

The Administration is actively evaluating agency actions that have been taken under Executive Order 13166 and is considering how to assess the costs that may be imposed on recipients of federal financial assistance as a result of that Order. The Administration will ensure that the administrative requirements of our laws have been fully observed.

Question: Government-wide, how many federal agencies have issued policy guidance on this EO? What is the status of that guidance in terms of draft or final? For the record, by agency, provide the status of this guidance.

Answer: The Department of Justice has informed OMB that nine agencies have published in the Federal Register policy guidance that was developed pursuant to Executive Order 13166. Those agencies are the Corporation for National/Community Service (publication date 1/16/01); the Department of Education (guidance issued before issuance of Executive Order 13166); the General Services Administration (publication date 1/17/01); the Department of Health and Human Services (publication date 8/30/00); the Department of Justice (publication date 1/16/01); the Department of Labor (publication date 1/17/01); the National Endowment for the Arts (publication date 1/01); the Department of Transportation (publication date 1/22/01); and the Department of Treasury (publication date 3/7/01). The terms "draft" or "final" are not typically used to describe policy guidance, which, as discussed in response to the first question, are usually considered to be non-binding agency action.

Question: Do you believe that regulations are necessary in order to fully implement Executive Order 13166?

Answer: The Executive Order did not direct agencies to issue regulations. Instead, the Executive Order directed agencies to issue guidance.

Question: How many federal agencies have issued regulations implementing this EO. For the record, by agency, provide the status of regulations related to this Executive Order.

Answer: According to the Department of Justice, no agencies have issued regulations to implement Executive Order 13166. Rather, the agencies that have taken steps to implement the Order have characterized their implementation as policy guidance.

Question: What impact does the April 24, 2001, Supreme Court ruling in *Alexander v*

Sandoval have on agencies moving forward with either policy guidance or regulations to implement this Executive Order?

Answer: I defer to the Department of Justice regarding the effect of the Supreme Court's decision in Alexander v. Sandoval on federal agencies' implementation of Executive Order 13166.

Paperwork Reduction

Question: The Paperwork Reduction Act (PRA) requires OMB to manage government-wide paperwork reduction. In each of the last five years, paperwork has increased, not decreased. On April 24, 2001, a Government Reform Subcommittee held a hearing on OMB's paperwork efforts.

OMB identified no specific paperwork reductions expected for this year. Why? When will OMB identify specific candidates?

Answer: At the time of OMB's testimony before that Subcommittee, OMB had not completed its FY 2001 Information Collection Budget which will identify a number of specific paperwork reduction initiatives planned by agencies. OMB expects this report to be completed shortly and thereby this specific information should be available to the Congress in the near future.

More generally, I would like to explain the respective responsibilities of agencies and OMB, under the Paperwork Reduction Act of 1995. The 1995 PRA explicitly gives agency heads responsibility for agency information collection – including the initiation of specific paperwork reduction initiatives. Agency Chief Information Officers (CIOs) provide agency heads with senior-level support. The 1995 PRA gives OIRA the responsibility to oversee each CIO's management of their agency's collection of information.

Question: IRS accounts for 82 percent of all government-wide paperwork burden. At the April 24th hearing, IRS Commissioner Rossotti testified that, "the potential for greater paperwork and burden reduction is enormous." Currently, OMB has only one person working part-time on IRS paperwork. In comparison, OMB has 4 full-time equivalents staff devoted to HHS and 4 full-time equivalents staff devoted to EPA.

Answer: OMB agrees with Commissioner Rossotti that IRS' costumer-focused reorganization and long-term modernization efforts offer great promise to reduce taxpayer burden. We also share his concern, expressed in his testimony at the April 24th hearing, that "paperwork and burden reduction are often hindered by a very complex and changing tax code."

Question: Will OMB increase its staffing devoted to IRS paperwork reduction? If not, why not? And, if not, how does OMB expect to reduce government-wide paperwork?

Answer: The Senate has not yet confirmed OMB's policy official with principal responsibility for the PRA, OIRA Administrator-Designate John Graham. Although OMB currently has no plans to increase the current staffing level for the review of IRS information collections, the new OIRA Administrator will have an opportunity to assess OIRA's staffing allocation and revisit this issue if necessary.

Regulatory Accounting

Question: In the last five Treasury and General Government Appropriations Acts, Congress included a requirement (now made permanent) for OMB to prepare a regulatory accounting report. This year's report was required to be submitted simultaneously with the President's budget. OMB's May 2, 2001 draft report did not contain any of the three required elements: (1) an estimate of the total annual costs and benefits of Federal rules and paperwork; (2) an analysis of impacts of Federal regulation on State and local governments, small business, etc.; and (3) recommendations for reform. Why? And, will OMB meet the statutory requirements next year, including timely submission with the President's budget?

Answer: We understand the concerns expressed about the estimation of total annual costs and benefits of Federal regulations and information collections, and about how we analyze the impacts of regulations on certain affected entities, including State and local governments and small businesses. We addressed these concerns in our May 2nd draft report. Specifically, we stated that: "Given the concerns with our estimates, the relatively short time that has passed since we issued our last report on June 2, 2000, and new statutory requirements to do this report on an annual basis, we are taking this opportunity to step back and take a more careful look at both the methodologies and assumptions behind the hundred or so individual studies upon which our estimates are based and our approach to aggregating them." (66 FR 22042)

We appreciate your interest in OMB's recommendations for regulatory reform. As we explained in the May 2nd draft report, "With the change in Administrations, we are now in the process of reviewing a variety of existing regulations and regulatory programs in an effort to identify areas where sensible changes will yield greater benefits for the public at lower costs. At this point in the process, we do not have enough information to present a set of recommendations for the reform of specific regulations or regulatory programs. To help us in this effort, we are asking for

recommendations and comments on regulations and regulatory programs that may be of concern to the public." (66 FR 22054)

We expect that the comments we receive on the draft report will help us develop a final report that complies with the statutory requirement. We plan to submit next year's final report with the President's budget.

Question: How do you expect to manage the regulatory process if OMB does not know the total costs imposed by each agency's regulations?

Answer: Under the current and previous executive orders governing OMB's review of agency regulations, we have in place a process to manage agency rulemaking. We intend to continue to manage this process and take steps to work with the agencies earlier in the rulemaking process and work with them to improve their regulatory impact analyses. Although we agree that it is useful to know the total regulatory costs imposed by agencies, we believe that regulatory decisions are more likely to be improved by developing more accurate estimates of the incremental costs and benefits of individual regulations and their provisions. Using the existing process of review draft regulations on a case-by-case basis will allow us to pursue this approach to more accurately estimate the costs and benefits of agency regulations.

Unfunded Intergovernmental Mandates

Question: In 1995, Congress passed the Unfunded Mandates Reform Act (UMRA) which required OMB to issue guidelines for agency implementation. In 1998, GAO reported that UMRA "Has Had Little Effect on Agencies' Rulemaking Actions."

What will OMB do to ensure agency compliance with this Act, especially for early input by State and local governments in Federal policies substantially affecting them? Will OMB return to the agencies any regulatory proposal that does not fully comply with OMB's UMRA guidance?

Answer: We strongly support the principles of UMRA and believe that Federal agencies need to be careful and explicit in their analyses of program impacts on State and local governments. They also need to be consulting early and regularly with our partners in the state and local governments on these impacts.

On February 26, President Bush issued a Memorandum for the Heads of Executive Departments and Agencies, establishing an Interagency Working Group on Federalism. OMB is an active participant in this

Working Group. The President charged this Working Group, inter alia, with drafting a new Executive Order on Federalism, which will require departments and agencies to adhere to principles of Federalism, and with consulting with State and local officials on the issuance of this new Order.

When agencies fail to solicit or consider the views of States and localities, they deny themselves the benefit of State and local innovation and experience. This will not be accepted practice in this Administration. I will require agencies to submit the dates at which stakeholders were contacted. Prior to OIRA's review of any new regulations, if there has not been adequate consultation as called for by the Act, OMB will return regulations to the originating agency for completion of this responsibility.

Agency Guidance Documents

Question: In 1996, Congress passed the Congressional Review Act (CRA). The law requires that, before a Federal agency "rule" can take effect, the agency shall submit the rule to Congress for Congressional review. The CRA defined "rule" broadly to include agency guidance documents with any general applicability and future effect. The 1999 Treasury and General Government Appropriations Act required OMB to issue additional guidance on this Act. OMB's additional guidance was inadequate.

Will OMB issue additional guidance to the agencies to ensure that any agency guidance document intended to be generally applicable be submitted for Congressional review under the CRA?

Answer: On March 30, 1999, OMB issued "Guidance for Implementing the Congressional Review Act" (OMB Memorandum M-99-13). This OMB guidance discussed what was meant by a "rule" that agencies were to be submitted under the CRA. When the OIRA Administrator designate John Graham is confirmed, this will be one item of review that I know will be high on his agenda.

Regulatory Reviews

Question: Since E.O. 12291 of 1981, OMB has been responsible for reviewing agency regulatory proposals. In recent years, OIRA has largely had a passive role and has allowed agency regulatory proposals to present costs and benefits estimates that are incomplete or inadequate. Will OMB return to the agencies any regulatory proposal that does not present costs and benefits estimates that fully conform with OMB's standards?

Answer: We plan to work with the agencies earlier in the rulemaking process to improve both regulations and agencies' analyses of their impact on the public. As part of that process, we intend to make sure that the agencies fully conform with OMB's standards for good analysis, which we have provided in guidance issued to the agencies. Whether or not OMB will return a regulation that has not been adequately analyzed is a decision that will necessarily have to be made on a case-by-case basis.

Questions for the Record
Office of Management and Budget
Submitted by Congressman Steny Hoyer

Pay Parity

Question: For 17 out of the last 20 years, uniformed military and federal civilian employees have received identical pay adjustments. In fact P.L. 90-207 requires that military basic pay to be increased at the same level as federal GS employees.

Does the President support parity between military and civilian employees?

Answer: Our pay policy objective is to set pay at levels that will enable the Federal Government to recruit and retain the skilled and dedicated Federal civilian workforce and military members, consistent with prudent use of taxpayers' dollars.

Question: Will the President support the bipartisan language that is in the Budget conference report calling for parity in pay adjustments between the military and federal civilian workforce?

Answer: While it is essential to recruit and retain the skilled and dedicated Federal civilian workforce necessary to provide high-quality services to the American public, we believe that civilian employees are already benefitting from several recent enhancements to their compensation package. For example, effective January 2001, employee retirement contribution rates have been lowered to pre-1999 levels – 7 percent for employees covered by the Civil Service Retirement System and 0.8 percent for employees covered by the Federal Employees Retirement System. In addition, effective October 2000, Federal employees now pay their annual health insurance premiums for the Federal Employees Health Benefits Program out of pre-tax income. This conversion saves employees over $430 per year on average.

The President's proposal to provide a 3.6 percent pay raise for civilian employees is, we believe, responsible and reasonable.

Question: Will the President's future budgets reflect parity in pay between military and federal civilian employees?

Answer: We are committed to setting pay at levels that will enable the Federal Government to recruit and retain the skilled and dedicated Federal civilian workforce and military members. We are also committed to

meeting this objective, consistent with prudent use of taxpayers' dollars. We do not believe that military pay and civilian pay raises should necessarily be automatically linked. We will continue to review Federal pay policy annually, and evaluate military and civilian pay raise policies on the basis of the particular circumstances applicable to each (e.g. recruiting and retention needs.) In the future, as we develop budgets, we will continue to do our best to find a responsible and reasonable pay policy to help us meet our management objectives.

Deputy Director for Management

Question: What position is Robert O'Neill going to fill at OMB?

Answer: Mr. O'Neill has been assigned to OMB under an Intergovernmental Personnel Act (IPA) agreement with the National Academy of Public Administration. His title at OMB is Counselor to the Director and Deputy Director.

Question: What types of activities will he undertake?

Answer: Mr. O'Neill will provide expert advice and assistance to the OMB Director and Deputy Director in the development and implementation of the Administration's management agenda.

Question: NAPA has claimed that O'Neill will perform "critical and sensitive reviews and evaluations of OMB." What are these reviews?

Answer: Mr. O'Neill will assist in the development of the management agenda and participate in the annual spring review examination of programs to assess management performance and develop measurement criteria.

Question: Will he have OMB staff that report to him?

Answer: There are no OMB staff reporting directly to Mr. O'Neill. However, he is working closely with a number of career and policy officials in OMB who have responsibility for management issues.

Question: How long will he be at OMB?

Answer: The current IPA agreement between OMB and NAPA covers the period May 2001 through August 28, 2001.

Question: When do you expect that a nominee for the Deputy Director for Management will be announced?

Answer: Since the Deputy Director for Management is a key policy position at OMB, we want to ensure that we are recruiting the best possible candidate. We are actively recruiting to fill this important job, and hope to make a selection soon.

Electronic Government

Question: What type of projects are planned for the $20 million Electronic Government (e-gov) fund?

Answer: The e-gov fund will be used for interagency initiatives that will expand the use of the Internet to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The initiatives selected for funding would be projects that don't fit well within a single agency's spending plans, for example a website that would provide information on all public (Federal, state, and local) recreational opportunities in a specific area. This is significant since we intend to use the capital asset planning process to make sure that the agencies' own IT spending plans (totaling $45 billion) go as far as possible toward realizing our Federal e-gov goals, including goals that require collaboration among agencies.

Question: Who would be responsible for determining which projects received funding?

Answer: OMB would make the final determination on the uses of the fund, based largely on advice from the e-gov committees of the CFO, CIO, and Procurement Executive Councils. The recommendations and final decisions will consider critical factors such as security, privacy, good performance measures, and a high level buy-in at the agencies.

Question: Why did you request the money through GSA's budget?

Answer: The President has made the determination that OMB will control the allocation of the e-gov fund. This is a natural extension of OMB's role in coordinating all Federal IT investments. However, OMB does not ordinarily perform the funds disbursement and project oversight activities that go along with managing central funds like the e-gov fund. On the other hand, GSA is experienced in administering the distribution of funds for interagency projects and has the necessary financial management systems and procedures in place to do this.

Question: Are there other examples within GSA's budget where funding under the control of other agencies is requested by you?

Answer: For the past three years, GSA has performed a similar role in managing the distribution of funds collected under the "pass the hat" authority. These funds are disbursed to the agencies which play a lead role in various interagency projects sponsored by the CIO, CFO, and Procurement Executives Councils, all of which are chaired by the OMB Deputy Director for Management. Some of these funds have also been used for e-gov related projects.

Question: This is essentially a new program. What is OMB's statutory authority to run this type of program?

Answer: We do not see this as a new program in the usual sense of that term. Agencies have been funding various e-gov-type IT initiatives for several years. It is, however, a new source of funds that will be targeted on projects that cut across agency lines and fall outside of agencies's own IT spending plans. OMB's role in allocating these funds is the same role that OMB plays in reviewing agencies' budget requests, or the role that OMB plays in allocating funds for emergencies. The agencies that receive funds from this account would run the E-gov projects, not OMB.

Consolidation of the Executive Office of the President (EOP) Budget

Question: What are the benefits to OMB and the other EOP agencies of consolidating?

Answer: A consolidated appropriation will enable the President to effectively manage and align resources consistent with the Chief Financial Officers Act. The initiative will also support a single, integrated financial management system consistent with the requirements of the Act.

Under the current account structure the President is constrained in his ability to move resources from one appropriation account for an EOP entity to another, in a timely and efficient manner, in order to meet a rapidly emerging need, or respond to an issue of national priority. This will permit OMB and other EOP agencies to better serve the President in carrying out their missions.

Question: What oversight would the Congress have over how the consolidated resources are allocated?

Answer: Detail on individual EOP entity resource requirements will be included in the President's Budget Appendix as part of the Executive Office of the President consolidated appropriation request. The Congress may use this information as it carries out its oversight and resource determination processes.

The proposal also offers advantages to the Congress by permitting the Executive Office of the President to demonstrate better performance and results from funds appropriated with no loss of accountability.

Question: What are the savings that you believe would result from centralized procurement? How many dollars? How many people?

Answer: The Administration recognizes that the current financial structure does not allow the Executive Office of the President to maximize buying power by purchasing in bulk. Further, it does not allow for control of the number of service contracts that are needed to support various types of equipment. In addition, the existing financial structure creates an unnecessary amount of procurement actions and paperwork. It is our belief that the consolidated appropriation will allow the Executive Office of the President to achieve these streamlining objectives, realize cost savings, and reduce the labor-intensity of staffing these functions. Although we are optimistic that such savings will occur, it is too premature to estimate their magnitude.

Question: Every major Federal agency has a Chief Financial Officer. However, many agencies also have bureaus that receive direct appropriations. What is different about the Executive Office of the President that would require the CFO to have this much discretion over the budgets of the bureaus of the EOP?

Answer: As in all major Federal agencies, there is but one Chief Financial Officer (CFO) who is ultimately accountable for all financial management activity, irrespective of the number and structure of subordinate CFO organizations. Additionally, the relatively small size of the entire EOP budget ($276 million) makes it impracticable to establish a substructure to manage financial operations. This proposal is consistent with the intent of the Chief Financial Officers Act as it will put all financial management activity in a single system in the Executive Office of the President, under the CFO's exclusive responsibility, and make the CFO singularly accountable for results. The current Balkanized structure does not clearly place accountability on any one individual.

Also, account consolidation will help support this single, integrated financial management system by simplifying the accounting structure. It will reduce the number and types of financial transactions, particularly in purchasing common items in fewer, but larger quantities.

Information Technology (IT) at OMB

Question: Last year, this subcommittee appropriated over $1 million for IT

investments. The 5-year costs were estimated at $8.46 million. These costs have been significantly reduced in your FY 2002 justification. Do these changes reflect changes to OMB's IT architecture?

Answer: The reductions in 5-year costs are not related to changes in OMB's IT architecture. OMB has taken these cost reductions, among others, in order to demonstrate a commitment to fiscal moderation.

Question: If so, will you be submitting the revised architecture to the subcommittee for review? If not, how did OMB arrive at its decision without revising its Strategic Plan?

Answer: As noted above, no revision has been made to OMB's IT architecture. We are updating the IT strategic plan to reflect the moderate approach to spending that is shown in the reduced budget request for IT.

Official Representation Account

Question: What types of activities are funded from an official representation fund?

Answer: These funds would be used for working lunches, dinners, and conferences. For example, the Director, Deputy Director and/or other OMB policy officials might host a luncheon meeting honoring visiting foreign dignitaries, including the head of another country's budget or finance office.

Question: How have these types of activities been funded at OMB in the past?

Answer: Expenses of this type have come out of the pocket of the policy official.

Question: How much of an increase are you requesting for an official representation fund?

Answer: The Administration first requested and received an appropriation for "official reception and representation expenses" for the Director of the Office of Management and Budget in FY 1979 ($1,500.00). In FY 1980, the amount requested by the Administration and approved for "official representation expenses" was increased to $2,500.00 and it remained at that level through FY 1985. Funds were not requested by the Administration, nor were they appropriated by the Congress, for this purpose in the FY 1986 Budget or thereafter. The Administration estimates that $5,000.00 is the appropriate amount for items that might be covered by this fund in FY 2002.

Question: How many EOP agencies have representation funds?

Answer: Excluding OMB, three agencies (the Office of National Drug Control Policy, the Office of Science and Technology Policy, and the United States Trade Representative) have representation funds. In addition, the White House, the Special Assistance to the President, and the Official Residence of the Vice President have official entertainment accounts.

Question: Given the scarcity of resources this year across the Federal government, is it appropriate for OMB to request increased funding (at any amount) for a representation fund?

Answer: These funds would be used for working events that involve OMB policy officials and personnel outside the Administration. In addition, this fund will end the inappropriate practice of having OMB policy official pay for these types of expenses out of their own pocket.

Language Concerns in the Budget

Question: For the last three years, the TPO bill has carried a provision waiving the application of the cost accounting standards to the Federal Employees Health Benefits Plan providers.

What is the impact of repeating this waiver in FY 2002? Why does OMB believe the waiver should be dropped?

Answer: A statutory waiver is unnecessary as Congress has created an administrative process to resolve any issues that exist regarding the application of cost accounting standards. Legislation should be turned to only if the administrative process fails. The Office of Personnel Management (OPM) has been working with affected Federal Employees Health Benefits Program (FEHBP) carriers on this issue for well over a year. This work is leading to a draft set of principles and procedures applicable to the allocation of administrative costs by the carriers to FEHBP contracts. Upon completion, OPM will forward a draft of the procedures to OMB for regulatory review and clearance. The continuation of a statutory waiver in FY 2002 would undermine this progress.

Question: Language ensuring contraceptive coverage through FEHBP has been included in the TPO bill since 1998.

What is the rationale for requesting that this provision be deleted?

Answer: This budget policy is in no way an effort by the Administration to prohibit or eliminate contraceptive coverage in the FEHBP. The President's Budget does not re-propose this requirement because it is unnecessary

and, in general, it is inappropriate to legislate benefit mandates in an appropriations bill. In fact, this mandate was the only FEHBP benefit mandate in the 2001 appropriations bill. Retaining it could invite others to mandate other benefits, which is contrary to the competitive and flexible nature of the FEHBP. The Administration expects that plans will continue to offer coverage of contraceptives. We understand that Blue-Cross Blue-Shield, the program's largest health plan (covering approximately one-half of all policy-holders) has announced that it will continue to provide the same coverage of contraceptives next year as it has done during the past several years under the legislative requirement.

Nearly all FEHBP plans covered some type of contraceptive coverage before the mandate began. Those few plans that did not offer contraceptives coverage prior to the mandate based coverage decisions on deep-seated beliefs; those plans were exempted from complying with the coverage mandate. Even without the statutory requirement, we expect almost all plans to continue to offer contraceptives coverage because of the high demand for this coverage. Because the FEHBP is a competitive program, insurers will offer what they believe will be most beneficial and important to current and potential enrollees at a premium that is affordable.

Federal Activities Inventory Reform (FAIR) Act Review/Outsourcing

Question: Why did OMB request that agencies submit lists of all positions considered inherently governmental in the next round of FAIR Act inventories?

Answer: The Director of OMB has a statutory responsibility under the FAIR Act to review and consult with the head of each executive agency regarding the yearly list of activities that the agency has determined "are not inherently governmental." As part of the 1999 and 2000 FAIR Act inventory reviews, OMB relied on an earlier request for data from agencies (known as the Raines A-76 Inventory) that provided inherently governmental information by agency and function code. OMB's request for a separate and updated report on inherently governmental positions is consistent with OMB's previous request and will be used by the Director of OMB in fulfilling statutory responsibilities of review and consultation under the FAIR Act.

Question: Is this legally required by the FAIR Act?

Answer: The FAIR Act does not prohibit, nor require, the development of listings of inherently governmental FTE.

Question: Will the list of inherently governmental jobs be released to the public this year?

Answer: Since the FAIR Act does not require or prohibit the development of lists of inherently governmental positions, the FAIR Act is silent on whether such lists should be released. When OMB earlier this year directed the agencies to submit a list of inherently governmental positions along with their FAIR Act submissions, we indicated that we would not release their lists. In other words, each agency is free to release its own list, but they will not be centrally released by OMB. After evaluating the experience we gain this year and seeking the views of interested parties, we will determine what approach to follow for next year.

Question: Will it be released publicly in the future?

Answer: OMB will be considering this issue in the coming months as part of our review and consultation process for the 2001 FAIR Act inventories. As noted above, after evaluating the experience we gain this year and seeking the views of interested parties, we will determine what approach to follow for next year.

Question: Does OMB plan to reclassify some jobs as "commercial in nature"?

Answer: OMB in past years has raised concerns with a number of agencies regarding the omission of certain types of positions from their FAIR Act inventories of commercial activities. It is our expectation that the agencies are addressing these concerns (as well as the concerns that have been raised by other interested parties) as the agencies prepare their 2001 inventories, and that the agencies' upcoming FAIR Act submissions to OMB will include additional commercial positions. If these concerns have not already been resolved, we will certainly raise them during the review and consultation process. We would expect that, as a result of these consultations, the agencies will reclassify additional positions as commercial.

Question: Does the Administration support providing Federal employees and their union representatives with standing so that they can contest agency outsourcing and contracting decisions that they regard as arbitrary to the GAO and the Federal Claims Court?

Answer: The Administration has not taken a position on this issue. We expect that this issue will be fully discussed as part of the current GAO Commercial Activities Panel.

Question: It has been reported that personnel ceilings have required agencies to contract out work that could have been performed more efficiently in-

house. What steps will OMB take to ensure that agencies manage by budgets and workloads, rather than personnel ceilings?

Answer: OMB intends to ensure that agencies manage by budgets and workloads, rather than personnel ceilings. We will use the budget review process to ensure this occurs.

Unspecified Management Improvements

Question: The President's budget includes mention, but no details on, future initiatives to "reduce the number of layers in the upper echelon of Government and use work force planning to help agencies to redistribute higher-level positions to front-line, service delivery positions." In addition, during the campaign, the President pledged to eliminate 40,000 federal management positions.

Why does the Administration believe that there is an excessive number of Federal managers?

Answer: The Administration's goal is to make the Government more citizen-centered, which requires each agency to restructure their workforces to streamline organizations, as appropriate, by:

- Deploying resources to direct service delivery positions that interact with citizens; and
- Using workforce planning to flatten the Federal hierarchy, increase the span of control, reduce the time it takes to make decisions, and reduce the number of layers in Government.

Question: When will we see more information on this proposal?

Answer: On May 8th, OMB issued Bulletin 01-07 on Workforce Planning and Restructuring." The Bulletin requires Executive agencies and departments with more than 100 FTE to submit a workforce analysis to OMB by June 29, 2001, which is the initial phase of implementing the President's initiative to have agencies restructure their workforces to streamline organizations; and based on the workforce analysis, agencies will submit a five-year workforce restructuring plan as a part of the FY 2003 budget submission and annual performance plan. Additional information on the status of this initiative will be provided to Congress in the President's FY 2003 Budget.

Question: Does the Administration plan to eliminate 40,000 SES positions?

Answer: No. There have been no specific SES reduction targets established by

the Administration.

Winter Olympics/Honest Budgeting

Question: Why wasn't an increase provided in the budget for Treasury law enforcement activities related to the Winter Olympics?

Answer: At the time the FY 2002 Budget was being prepared, Treasury estimated resource needs of $52.6 million to reimburse its law enforcement bureaus for 2002 Winter Olympics security support. The President's Budget includes additional funding of $45 million for the Counterterrorism Fund. This request, when combined with FY 2001 unobligated balances of $43 million in the Fund, would have resulted in potential FY 2002 resources of $88 million, a significant increase that would have met he needs of Treasury's law enforcement activities related to the Winter Olympic and provides an adequate balance for counterterrorism requirements.

After further consideration within the Administration, and based on input received from the Subcommittee, the President, on June 1, 2001, transmitted a request for $60.6 million in additional FY 2001 funds to address needs associated with the 2002 Winter Olympics. The additional funds requested would be used to reimburse Department of the Treasury bureaus and other Federal agencies providing operational and perimeter security support at the 2002 Winter Olympics in Salt Lake City. The additional funding is for overtime, travel and other related costs, lodging, and equipment.

Question: The Treasury Secretary has proposed to fund the Olympics out of the Counter-terrorism fund, which is supposed to reimburse agencies for unforeseen emergencies. Why would you consider the Olympics an "unforeseen emergency?"

Answer: The Winter Olympics may not be an "unforeseen emergency" as we know it, but the use of the Counterterrorism Fund as originally proposed in the FY 2002 Budget for an event such as the Olympics is consistent with its recent usage. More than half of the original appropriations of $15 million for the Counterterrorism Fund, enacted in the Omnibus Consolidated Appropriations Act of 1997 (P.L. 104-208) was used to reimburse the Secret Service for their counterterrorism support at major events. Further, in January, 2001, $10.1 million was released from the Counterterrorism Fund, to support Treasury for preparation costs related to the Winter Olympics.

Question: How would Treasury enforcement agencies be reimbursed if a real

emergency was to occur and the counterterrorism fund was exhausted?

Answer: At the time of development, the President's Budget assumed that $35 million would be available in the Treasury Counterterrorism Fund for non-Winter Olympics expenses in FY 2002. We believed that this level was reasonable, given the historical spending pattern of the Fund. However, the Administration acknowledges that emergencies are, by nature, unpredictable, and will review and respond to such cases accordingly.

As noted above, on June 1, 2001, the President transmitted a request for $60.6 million in additional FY 2001 funds to address needs associated with the 2002 Winter Olympics. The additional funds requested would be used to reimburse Department of the Treasury bureaus and other Federal agencies providing operational and perimeter security support at the 2002 Winter Olympics in Salt Lake City. The additional funding is for overtime, travel and other related costs, lodging, and equipment.

First Accounts/CDFI

Question: The Community Development Financial Institutions Fund (CDFI) promotes access to capital and local economic growth by investing in community development financial institutions and by expanding financial services within underserved markets. The FY 2002 request is $67.9 million, $49.9 million less than in the FY 2001 level. [Note: Although this is a Treasury program, it is funded in the VA/HUD appropriations bill.]

Why didn't the Administration request additional funds for First Accounts in FY 2002?

Answer: The Administration supports efforts to assist low- and moderate-income individuals to establish bank and savings accounts. As we were putting together our FY 2002 Budget, we looked across the government to ensure that limited resources were being focused on this and other important issues. We discovered that Treasury already has an active program that promotes the Electronic Transfer Account (ETA), which allows Federal beneficiaries to receive their payments electronically. As of March 1, 2001, nearly 600 financial institutions with more than 9,800 branch locations nationwide were certified to offer the ETA and over 8,300 ETA accounts had been issued. State efforts in this area include the Electronic Benefits Transfer (EBT) program, which is available in over 40 states, and has been successful in establishing over 14 million bank accounts and debit cards.

The President's 2002 Budget also provides incentives to encourage savings and asset accumulation by low-income households through the

Individual Development Accounts (IDA) initiative. This new program will improve access to savings institutions by creating a mechanism to subsidize the savings of eligible participants. Financial institutions would be allowed a tax credit in exchange for matching contributions to participants' deposits. Individuals would then be able to withdraw their contributions and matching funds, along with earnings, for qualified purposes, such as education expenses, first-time home purchases, and business start-up expenses, which help facilitate entrance into the country's economic mainstream. Given these multiple efforts to encourage access to our financial institutions by low and moderate income households who do not presently maintain bank and savings accounts, we do not believe it is desirable to support the creation of the First Account program, which promotes that same objective. Consequently, the 2002 Budget does not seek further funding for Treasury's First Accounts program.

Question: Given the reduction in First Accounts and CDFI, how does the Bush Administration plan to bring low-income people in distressed areas in the financial mainstream?

Answer: In addition to the programs discussed above, the Administration believes that the CDFI Fund will continue to play an important role in helping bring low-income people into the financial mainstream. In 1999, CDFI's credit union and community development bank awardees serviced more than 150,000 checking and savings accounts with balances of more than $484 million. Seventy-seven percent of these accounts were held by low income individuals. For the most part, these awardees are self-sustaining financial institutions that will continue to serve low income communities. Though award levels will be lower than in past years, this year's Core, Technical Assistance, and Bank Enterprise awards will continue to facilitate access to the financial mainstream.

Treasury vs. Justice Law Enforcement

Question: How did the Budget Review Board make determinations about the appropriate funding levels for Federal law enforcement?

Answer: In developing the FY 2002 Budget, we sought to moderate the recent rapid growth in spending while funding national priorities, paying down the debt and providing tax relief. Domestic agencies, on average, were directed to hold funding increases to four percent. Within Treasury and Justice, law enforcement competed with other program priorities for funding increases. The President's Budget provides $4.4 billion for Treasury law enforcement, three percent above FY 2001 enacted. In the last two years, Treasury law enforcement has received a 25-percent

increase in funding. The President's Budget provides $9.5 billion for Justice law enforcement, 3.7 percent above FY 2001 enacted. In the last two years, Justice law enforcement has received a 12.4-percent increase in funding.

Question: How did the Board determine how law enforcement funding would be allocated between Justice and Treasury agencies?

Answer: As indicated above, the Administration set overall budget priorities and spending levels. Law enforcement programs in both Treasury and Justice then competed for funding based on the merits of each program (program effectiveness and performance given program goals) and were provided the resources necessary to ensure that every program will play the proper, unique, and valuable role in achieving Administration objectives.

OMB Reorganziation

Question: What is your opinion on the best way for OMB to conduct its management and budget functions?

Answer: OMB's mission statement envisions an integrated management and budget function: OMB serves the President by preparing the annual budget and carrying out other statutory requirements, developing integrated fiscal, budget, program, and management policies, leading government-wide coordination in policy making, and ensuring, through management oversight, government-wide effectiveness and consistency in policy implementation, in accordance with Presidential priorities.

The President is much better served by integrating management and budget functions so that decisions about resources are logically connected to performance and results. Budget decisions reflect program priorities and policies while management is the process for carrying out those decisions. Good management enables good budget decisions. OMB operates in a complex and different environment, and I believe that the budget and management integration deserves to be examined to be certain we are carrying out our role effectively. A factor contributing to any shortfall in this integration has stemmed from the chronic absence of a confirmed Deputy Director for Management. The integration between budget and management requires leadership and direction from both OMB Deputies, and I am searching for the right person to complement our leadership team and build a seamless relationship between management and budget.

OMB accomplishes a great deal with a small staff of dedicated, energetic

individuals who provide leadership, direction, and oversight, but rely heavily on the agencies themselves. Much of the work required to respond to the issues posed–budget formulation and execution, correcting systemic problems, improving management practices, and implementing various statutes--has to occur within the agencies. OMB's role is to provide leadership and expertise, to convene appropriate parties to develop solutions, and to oversee plans and ensure actions are carried out. OMB also acts as a catalyst for change by leveraging resources throughout OMB and throughout agencies – working with statutory councils and interagency groups – as well as with the support of the GAO, to achieve systemic improvements. OMB's effectiveness to the President is enhanced when we have the ability to recommend resource options, and then to ensure that the President's decisions are implemented and managed toward the intended results.

Question: Do you support an independent "Office of Management?"

Answer: No. OMB's activities are part of a comprehensive whole -- from policy development through program implementation. These important responsibilities should be carried out in as integrated a manner as possible, not through fragmented organizations. Management is not an end in itself, but rather one aspect of government strategy that is designed to support sound fiscal policy, improve service to the public, rationalize the distribution of tasks between the private and public sectors, and lower the cost of government. In fact, management efforts are likely to fail if such considerations are seen in opposition to budgetary policies. Management and budget efforts will be most successful when are undertaken together and seen as mutually reinforcing. Indeed, important aspects of many management agendas are inherently budgetary in nature. These include controlling the costs of direct government operations, providing financial flexibility to permit resources to be used more effectively, financing necessary training, reallocating tasks to private or voluntary sector, and assessing performance.

Question: Do you plan on revisiting the organizational changes made at OMB?

Answer: Yes. I plan to review the effectiveness of OMB's organizational structure periodically to ensure that OMB is as effective as possible.

Regulatory Review

Question: At the beginning of the Administration, Chief of Staff Andy Card instructed agency heads to withdraw from the Office of Federal Register rules that had been approved but were not yet printed, and to postpone by 60 days the effective date of new rules.

Has OMB completed its review of these regulations?

Answer: The Card memorandum instructed agency heads to (1) withdraw from the Federal Register those pending rules that had not been published as of January 20, 2001, and (2) postpone by 60 days the effective date of rules had been published after January 20, 2001, but were not yet effective. The withdrawal and delay of regulations were subject to certain exceptions (e.g., emergencies relating to health and safety). The Card memorandum did not discuss the formal submission of these regulations to OMB's Office of Information and Regulatory Affairs ("OIRA") for review under Executive Order 12866, Regulatory Planning & Review (58 Fed. Reg. 51735, 51742 (1993)). OIRA estimates that agencies withdrew a total of 124 regulations from the Federal Register as of February 2, 2001. See "Congressman Hoyer - Attachment A" for a listing of these regulations.

The Card memorandum directed the President's appointees in the agencies to review and approve these regulations internally. It should be noted that OIRA reviews only "significant regulatory actions" (as defined by Regulatory Planning & Review, Executive Order 12866, 58 Fed. Reg. 51735 (1993) (§ 6(a)(3)(A)). Most of the 124 regulations withdrawn from the Federal Register were not "significant regulatory actions." OIRA would therefore not have reviewed non-significant regulations, either prior to January 20, 2001, or after they were withdrawn from the Federal Register.

Some of the regulations withdrawn from the Federal Register have been subsequently resubmitted to OIRA for review. OIRA has reviewed and cleared four "significant" regulations that agencies had withdrawn from the Federal Register and subsequently resubmitted to OIRA. As a general matter, however, reviewing regulations under Executive Order 12866 since January 20, 2001, OIRA has not distinguished those rules that have been withdrawn from the Federal Register from those that have not been withdrawn. We therefore do not have complete records indicating the status of the 124 regulations withdrawn from the Federal Register.

Question: How many regulations are still under review?

Answer: As discussed above, OMB believes that, as of February 2, 2001, agencies had withdrawn a total of 124 unpublished regulations from the Federal Register. Attached is listing of these regulations. OIRA does not maintain records that would show the current status of agencies' review of these regulations.

Question: How many regulations were withdrawn? Please submit a list of these

regulations for the record.

Answer: As discussed above, OMB believes that, as of February 2, 2001, agencies had withdrawn a total of 124 unpublished regulations from the Federal Register.

Question: How many regulations were resubmitted?

Answer: As discussed above, OMB does not maintain records that would show either the number of regulations that were resubmitted to OMB for review or the number of regulations that agencies have resubmitted to the Federal Register.

Question: How many rules or regulations have been withdrawn from OMB's Office of Information and Regulatory Affairs (OIRA)?

Answer: According to our records, agencies withdrew 130 regulations from OIRA review between January 20, 2001, and May 18, 2001. Attached is a listing of these regulations - see "Congressman Hoyer - Attachment B".

Question: How many new regulations has OIRA cleared during this Administration?

Answer: According to our records, between January 20, 2001, and May 18, 2001, OIRA cleared a total of 86 regulations. Of these, 59 were "new" regulations that agencies submitted to OIRA for the first time after January 20, 2001 (OIRA had previously reviewed some of these regulations, but at different stages in the rulemakings); 14 were regulations that agencies withdrew from OIRA and subsequently resubmitted to OIRA for review; four were regulations that agencies withdrew from the Federal Register and subsequently resubmitted to OIRA for review; and nine were regulations that agencies submitted to OIRA prior to January 20, 2001. Attached is a listing of these regulations see - "Congressman Hoyer - Attachment C".

Question: How does this compare to the rate in previous Administrations?

Answer: Our records indicate that, between January 20, 2001, and May 18, 2001, OIRA cleared a total of 86 regulations. For the same time periods in 1981, 1989, and 1993, OIRA cleared 594, 787, and 432 regulations, respectively. However, these regulatory reviews were performed under the Executive Orders that preceded Executive Order 12866. These earlier Executive Orders directed OIRA to review a greater number of regulations than does Executive Order 12866, which limits OIRA's review to "significant regulatory actions." See Regulatory Planning & Review, Executive Order 12866, 58 Fed. Reg. 51735, 51742 (1993) (§ 6(a)(3)(A)).

Question: Does the Administration support providing Federal employees and their union representatives with standing so that they can contest agency outsourcing and contracting decisions that they regard as arbitrary to the GAO and the Federal Claims Court?

Answer: The Administration has not taken a position on this issue. We expect that this issue will be fully discussed as part of the current GAO Commercial Activities Panel.

Question: It has been reported that personnel ceilings have required agencies to contract out work that could have been performed more efficiently in-house. What steps will OMB take to ensure that agencies manage by budgets and workloads, rather than personnel ceilings?

Answer: OMB intends to ensure that agencies manage by budgets and workloads, rather than personnel ceilings.

Questions for the Record
Office of Management and Budget
Representative Todd Tiahrt
May 10, 2001

Question: Mr. Director, I want to commend you for the active role OMB has assumed in the evaluation and scoring of federal leases for office space. In particular, I want you to know that I support your efforts to enforce budget discipline in the budget scoring process as it applies to both the DOT and SEC leases. In that regard, I would like to ask you to also review and rescore the lease for the U.S. Patent and Trademark Office. The PTO lease is the largest lease for office space in U.S. government history and the failure to properly evaluate and score that lease could establish a precedent that hinders your efforts to apply budget discipline to the scoring of other government real estate transactions. There have been questions raised about whether the PTO lease should be scored as a capital lease or an operating lease. I do not know which is correct, however I would take comfort in knowing that you have independently scored the PTO lease and reached your own conclusions. Could I have your commitment that you will instruct OMB staff to independently review the PTO lease and that you will report your findings for the subcommittee hearing record?

Answer: By way of background, the Omnibus Budget and Reconciliation Act of 1990 established budget scoring rules for capital leases and lease purchases. Simply put, the rules roughly follow the Financial Accounting Standards Board (FASB) definitions of operating and capital leases and direct that all capital leases (including lease purchases) and new construction be treated the same in terms of budget authority (i.e., the full cost of these transactions be appropriated as budget authority in the year they are authorized). This ensures that agencies select the lowest cost option for acquiring capital assets. Operating leases are budgeted the annual cost plus an amount for possible contract terminations. These rules were most recently updated and revised in the Budget Enforcement Act of 1997. The Budget Enforcement Act of 1997 and OMB Circular A-11 outline six criteria that a lease must meet in order to be defined an operating lease.

OMB normally reviews agency and GSA leases when they are proposed to the Congress in the form of prospectuses. Since OMB is not involved in the actual procurement, the requirement to ensure that leases are scored properly at the time of award is the responsibility of the agency making the procurement. The agencies have the "procurement sensitive" information necessary to ensure a thorough analysis.

The PTO lease prospectus was submitted to Congress on July 18, 1995,

by the previous Administration. The prospectus requested authorization to enter into a 20-year operating lease for approximately 2.4 million rentable square feet. OMB reviewed the document and determined that it met the scoring criteria for an operating lease. Since the prospectus includes assumptions about the lease rate, term, fair market value, and other economic variables, it was GSA's responsibility to analyze, at the time of award, the actual transaction to make sure it was an operating lease. It is our understanding that GSA awarded the lease on June 1, 2000, and that following the scoring criteria in Circular A-11, its scoring analysis verified that it was an operating lease. We also understand that, at the request of Congress, GAO has reviewed GSA's scoring of the lease and determined that it was scored correctly. Given that the lease has been awarded and GAO has independently verified GSA's scoring analysis, we believe that there would be little value in OMB reviewing this matter further.

Question: I understand that your staff has raised concerns about the scoring of both the DOT and SEC leases and I also understand that at least one other GSA lease was improperly scored by that agency. Could you please explain the nature of your concerns about the scoring of the DOT and SEC leases? Is there a larger, more general problem arising affecting the scoring of federal leases for office space? Are you concerned about a trend developing of attempts to score leases as "operating" when they are in fact "capital" leases?

Answer: As discussed above, OMB normally reviews leases at the prospectus stage and requires the agencies to ensure that the actual leases awarded meet the requirements of an operating lease. However, with regard to the DOT headquarters leases, Congress directed OMB to review GSA's lease at the time of award. Section 410 of the 1999 Treasury, Postal, and General Government Appropriations Act directed GSA to enter into an operating lease for the Department of Transportation headquarters, as determined by the Director of OMB.

The Omnibus Budget and Reconciliation Act of 1990 established budget scoring rules for capital leases and lease purchases. Simply put, the rules roughly follow the Financial Accounting Standards Board (FASB) definitions of operating and capital leases and direct that all capital leases (including lease purchases) and new construction be treated the same in terms of budget authority (i.e., the full cost of these transactions be appropriated as budget authority in the year they are authorized). This ensures that agencies select the lowest cost option for acquiring capital assets. Operating leases are budgeted the annual cost plus an amount for possible contract terminations. These rules were most recently updated and revised in the Budget Enforcement Act of 1997. The Budget Enforcement Act of 1997 and OMB Circular A-11 outline six

criteria that a lease must meet in order to be defined an operating lease. We are reviewing the DOT lease to ensure it meets the six criteria.

With respect to the SEC lease, the SEC requested that OMB assist them in reviewing its proposed lease to ensure that it met the requirements of an operating lease. While OMB is not required to review the lease, OMB did consult with SEC on this lease at the request of the SEC. OMB worked closely with SEC over a period of months to ensure that the criteria in OMB Circular A-11 were applied as appropriate. Based on these consultations, SEC revised its lease to meet the criteria for an operating lease. OMB recently informed SEC that, based on the information provided, the proposed lease would be scored as an operating lease.

As currently defined, OMB does not believe there is a trend of scoring leases as "operating" leases when they are in fact "capital" leases. Our experience is that the larger, build-to-suit, acquisitions of space face the "operating" versus "capital" lease issue more often than "routine," or smaller leases. OMB will continue to work to ensure established scorekeeping principles regarding capital and operating leases are enforced.

QUESTION FOR OMB DIRECTOR DANIELS FROM CONGRESSMAN STEVEN R. ROTHMAN

Contraceptive Coverage for Federal Employees

Question: Since 1998, Congress has required Federal employee health plance that cover prescription drugs to include coverage for prescription contraception. This requirement, which Rep. Nita Lowey first offered as an amendment to the FY 1999 Treasury-Postal appropriation legislation, was designed to end a form of discrimination against women - one that placed our Federal workers and their dependants at risk of unintended pregnancy and abortion.

Now I have a letter from the Office of Personnel Management, dated January 2001, that says that implementation of the contraceptive coverage requirement "occurred smoothly and without incident" and that "there was no cost increase due to contraceptive coverage."

So I was extremely surprised to see that the President's budget proposed to eliminate this coverage. Could you shed some light on why the Administration is seeking to eliminate coverage of a provision that not only is popular among Federal workers, but helps them to avoid unintended pregnancy and abortion?

Answer: This budget policy is in no way an effort by the Administration to prohibit or eliminate contraceptive coverage in the FEHBP. The President's Budget does not re-propose this requirement because it is unnecessary and, in general, it is inappropriate to legislate benefit mandates in an appropriations bill. In fact, this mandate was the only FEHBP benefit mandate in the 2001 appropriations bill. Retaining it could invite others to mandate other benefits, which is contrary to the competitive and flexible nature of the FEHBP. The Administration expects that plans will continue to offer coverage of contraceptives. We understand that Blue-Cross Blue-Shield, the program's largest health plan (covering approximately one-half of all policy-holders) has announced that it will continue to provide the same coverage of contraceptives next year as it has done during the past several years under the legislative requirement.

Nearly all FEHBP plans covered some type of contraceptive coverage before the mandate began. Those few plans that did not offer contraceptives coverage prior to the mandate based coverage decisions on deep-seated beliefs; those plans were exempted from complying with the coverage mandate. Even without the statutory requirement, we expect almost all plans to continue to offer contraceptives coverage because of the high demand for this coverage. Because the FEHBP is a competitive program, insurers will offer what they believe will be most beneficial and important to current and potential enrollees at a premium that is affordable.

Office of Management and Budget
Questions for the Record
May 10, 2001
Representative Anne Meager Northup

Public Sector Competing with Private Sector

Question: During my tenure in Congress, I have been an ardent advocate of government institutions not competing with services that are already provided by the private sector. Most recently, I have talked with a constituent who provides bank consulting services on compliance with Office of the Comptroller of the Currency (OCC) regulations. He has indicated to me that OCC is providing this service now, and he is faced with a conflict: businesses can't say no to the OCC education seminars but businesses aren't really getting what they need.

In another case, the Department of Defense has insisted on performing evaluations of overpayments made to private hospitals by TRICARE, after receiving an unsolicited proposal from the private sector to do so for the agency. Basically, the government has usurped the private individual's idea without any recourse.

Can you tell me what guidances are in place to agencies to prohibit this type of activity?

Answer: OMB Circular A-76 and the Supplemental Handbook to A-76 both emphasize that, as a matter of policy, the Government should acquire non-recurring commercial activities through contracts with the private sector. Congress has provided the Department of Defense (DoD) with even more specific guidance. DoD, at 10 U.S.C. 2461, 10 U.S.C. 2462 and at section 8014 of the Department of Defense Appropriation Act, is directed to obtain supplies and services from the private sector, rather than from in-house, as long as to do so is cheaper.

Question: Is the Administration considering any type of reform in this area?

Answer: This Administration is putting new emphasis on ensuring greater competition for commercial activities currently carried out by the Federal Government. OMB plans to work with agencies, GAO, and others to make this process work more effectively.

As a follow-up to the specific concerns raised by Congressswoman Northup, I asked my staff to gather additional general facts about training provided by Office of the Comptroller of the Currency (OCC) and about DoD's evaluation of overpayments:

Training Offered by the Comptroller of the Currency. In November, OCC began holding telephone seminars (conference calls) in which senior OCC officials discuss particular regulations and answer questions posed by the attendees. The support work for these seminars is outsourced. A vendor provides the on-phone facilitator, manages the sign-ups, bills the participants, and publicizes the seminars to national banks and others who might be interested (OCC notifies national banks as well). The charges -- $99 per hookup for national banks, $125 per hookup for others -- also covers materials that are mailed in advance of the seminar, the telephone hookup, and the use of the telephone line during the seminar. OCC put no limit on number of people who can listen to each speakerphone conference and OCC makes no effort to monitor/contemplate who, specifically, has not attended. There have been three seminars. The OCC officials started the seminars in an effort to better serve the smaller and community banks among the OCC regulated community. The program seems to be an efficient way for regulators to make themselves available to the public rather than a consulting service competing with the constituent.

TRICARE Overpayments. The first question, when applied to TRICARE overpayments, seems to ask whether DoD usurped the private individual's idea without recourse regarding Capital and Direct Medical Education (CDME) audits. The second question, when applied to TRICARE, asks whether there is a need for reform of subpart 15.6 of the Federal Acquisition Regulation in order to prevent usurpation of private ideas.

Evaluation of overpayments is not a new idea for DoD. A private contractor, Profit Recovery Group, Inc., for example, has a contract with Defense Logistic Agency and will soon have contracts with Army, Navy, and with the Defense Commissary Agency. The contractor is given access to payment records and is paid a percentage of all overpayments collected.

Identifying CDME over or underpayments is a requirement in some of the TRICARE Management Activity contracts. The identification of over or underpayments is supposed to be performed by the managed care support contractors. The Defense Contract Audit Agency (DCAA) independently developed a proposal to help TRICARE meet this requirement and, in the fall of 1999, developed a proposal to conduct these audits. TRICARE received an unsolicited proposal from Tichenor and Associates in January 2000, requesting the award of a sole-source contract to provide recovery of CDME overpayments. TRICARE reviewed the Tichenor and Associates unsolicited proposal and concluded that the unsolicited proposal did not meet the Federal Acquisition Regulation (FAR) criteria of "unique and innovative" for

award. DCAA developed a government-owned database, independent of the one developed by Tichenor & Associates, to identify over and underpayments. The Tichenor and Associates database has not been shared with, nor usurped by, the government.

The Federal Acquisition Regulation (FAR) favors competition in contracting and limits the circumstances in which a sole-source award of a contract can be made on an unsolicited proposal. Among other requirements, the unsolicited proposal must be "unique and innovative."

TRICARE states that it has followed the process for evaluating unsolicited proposals prescribed by the FAR. It received two unsolicited proposals from private firms to identify CDME overpayments in 1992 and 1996 and the similar DCAA proposal in the fall of 1999. Because of the earlier proposals, TRICARE determined that the unsolicited proposal did not meet the FAR criteria for "unique and innovative."

The FAR is specific about how agencies are to handle unsolicited proposals, and failure to follow the rules is quite serious. If there has been a violation of those regulations, the violation should be reported to the Department of Defense Inspector General.

"Burrowing" of Employees from Last Administration

Question: Another article I have warns of "burrowing" problems that are encountered with a change of administration. As I understand it, appointees who knew there jobs were at risk made a transfer over to civil service positions -- thereby guaranteeing the safety of their jobs. Obviously, this is a cause for concern, as civil servants are expected to be above the political fray.

Does your office have any estimate of the frequency of this act during the last change of administration? How does this compare to previous administration changes?

Answer: Last month, the General Accounting Office issued a report on this subject. In a report to Senator Bond dated April 6, 2001 ("Career Appointments Granted to Political Appointees"), GAO summarized information that it had collected from 45 agencies regarding cases in which political appointees converted to career positions in the Executive Branch from October 1, 1998, and March 31, 2001. According to the report, "86 former political appointees and legislative branch employees were converted to career positions during October 1, 1998, through March 31, 2001. Seventy-five of the 86 conversions were former executive branch political appointees; the other 11 were former legislative

branch employees." A copy of the GAO report is attached - see "Congresswoman Northup - Attachment A". The GAO report did not provide the conversion figures for comparable time periods for changes in previous Administrations.

Question: Let's suppose that an appointee, now in a civil servant position, makes some judgement calls that are purely political. What type of procedures are in place to evaluate this employee or remove this type of obviously biased employee from the workforce?

Answer: Although some civil servants may, in the course of their employment, make decisions with policy implications, the Administration has put in place oversight mechanisms to ensure that civil servants act appropriately. The Chief of Staff's memoranda of January 20th on regulations and hiring and OMB's implementing memoranda describe some of the steps the Administration has taken to guard against inappropriate conduct by civil servants. A copy of these documents is attached - see "Congresswoman Northup - Attachment B."

Office of Management and Budget
Questions for the Record
May 10, 2001
Representative David Price

Question: At my request, report language accompanying the FY 2001 Treasury, Postal Service and General Government Operations (TPO) appropriation's bill directed the Office of National Drug Control Policy (ONDCP) to develop a plan to address drug interdiction in our national forests.

It is my understanding that ONDCP has submitted a draft plan to OMB for review. When will this report be cleared by OMB and provided to the subcommittee?

Answer: OMB provided comments on the draft report to ONDCP in mid-April. In addition, OMB and Justice Department staff have had extensive discussions with ONDCP staff concerning the draft report. ONDCP staff are preparing a revised version based on those comments and discussions.

Equally important, since the Committee requested legislative and funding recommendations to address any problems found during the study, we believe the report should not go forward until it has been approved by the new ONDCP Director. A report issued without the approval of the new Director may be inconsistent with the approach that Director would propose.

Question: One specific grants program that comes before this subcommittee for funding consideration is the National Archives and Record Administration's National Historical Publications and Records Commission (NHPRC) grants budget. The Administration proposes a NHPRC grants budget of $4.436M - a 31 percent cut from the FY 2001 appropriation of $6.436 million.

It is my understanding that Archives requested $10 million for NHPRC in its budget submission, but OMB reduced the request to $4.4 million. Given the grant applications for this program ($18M), last year's funding level ($6.4 M) and Archive's recommendation ($10M), how did OMB arrive at the $4.4 million budget request for FY 2002?

Answer: The National Archives and Records Administration (NARA) budget was determined in light of the overall requirements and priorities of the Government, according to the guidelines issued by the President. Individual line items within NARA's budget funded important, but

competing priorities. As a result, funding for some programs was reduced in order to fund higher priority activities within NARA. For example, the Operating Expenses account in NARA received a sizeable increase for an important initiative for our future, the Electronic Records Archive. Thus, while the President's budget was able to sustain some funding for the NHPRC, a reduction from the FY2001 level was necessary.

QUESTIONS FOR THE RECORD OF
U.S. REP. CARRIE P. MEEK FOR
MITCHELL E. DANIELS, JR.
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

Question: It is tremendously disappointing to see that the Administration proposes to eliminate all FY 2002 funding for my First Accounts program, the equal access to financial services initiative that I sponsored. We should be increasing the funding for this program, not eliminating it!

The First Accounts Initiative is a demonstration program. It is designed to help end check cashing ripoffs by improving the access of low and moderate income Americans to basic financial services that most of us take for granted --such as bank accounts and ATMs. It is one of the few programs in the Treasury Postal bill that is specifically geared to helping low-income Americans.

It is truly astonishing, indeed mind-boggling to me, that the Administration would propose to eliminate this modest program before even testing whether it is able to achieve its intended objective of increasing the access of low and moderate income persons to basic financial services. What's wrong with providing the "unbanked" with an alternative to the check-cashing services and payday lenders? Please explain to me your rationale for proposing to eliminate this program.

Answer: The Administration supports efforts to assist low- and moderate-income individuals to establish bank and savings accounts. As we were putting together our FY 2002 Budget, we looked across the government to ensure that limited resources were being focused on this and other important issues. We discovered that Treasury already has an active program that promotes the Electronic Transfer Account (ETA), which allows Federal beneficiaries to receive their payments electronically. As of March 1, 2001, nearly 600 financial institutions with more than 9,800 branch locations nationwide were certified to offer the ETA and over 8,300 ETA accounts had been issued. State efforts in this area include the Electronic Benefits Transfer (EBT) program, which is available in over 40 states, and has been successful in establishing over 14 million bank accounts and debit cards.

The President's 2002 Budget also provides incentives to encourage savings and asset accumulation by low-income households through the Individual Development Accounts (IDA) initiative. This new program will improve access to savings institutions by creating a mechanism to subsidize the savings of eligible participants. Financial institutions would be allowed a tax credit in exchange for matching contributions to

participants' deposits. Individuals would then be able to withdraw their contributions and matching funds, along with earnings, for qualified purposes, such as education expenses, first-time home purchases, and business start-up expenses, which help facilitate entrance into the country's economic mainstream. Given these multiple efforts to encourage access to our financial institutions by low and moderate income households who do not presently maintain bank and savings accounts, we do not believe it is desirable to support the creation of the First Account program, which promotes that same objective. Consequently, the 2002 Budget does not seek further funding for Treasury's First Accounts program.

Question: As you know, the mission of the CDFI Fund, is to promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs). The CDFI Fund's performance is measured by the degree of its success in increasing access to capital and financial services provided by financial institutions to economically distressed communities and underserved markets.

The CDFI Fund is indispensable to the community development efforts to rebuild broken and distressed communities. Particularly, in the face of a softening economy where traditional sources of credit dry up and investors shy away from riskier deals, it is inconceivable to me that we would cut our support for the CDFI Fund. Without continued support from the CDFI Fund, the effort to link underserved Americans to the economic mainstream will surely falter.

I believe an increase in the CDFI Fund appropriation to $125 million is appropriate. How can you justify any cut to the CDFI Fund, let alone the drastic, 42.3%, almost $40 million dollar cut that you have proposed? Incredibly, the Treasury budget justification appears to assert that Treasury will improve a wide variety of performance measures and outcomes in the CDFI Fund despite cutting resources by almost $40 million. Just how do you propose to do that?

Answer: The Administration recognizes that CDFI has leveraged private resources to support community development and we expect CDFI to continue this important work. Furthermore, we expect CDFI Fund staff to play a critical role in implementing a new community development resource: New Markets Tax Credit. This credit is expected to stimulate $15 billion in new private capital investment in CDFIs and other qualified entities over the next 10 years.

We believe, however, that some of the Fund's activities overlap with other Federal programs, including those in the Department of Housing and Urban Development, the Small Business Administration, the National

Credit Union Administration, and others. The Administration is committed to providing resources to the most efficient Federal efforts to revitalize distressed communities. While some progress has been made, it is difficult to measure the Fund's impact relative to other programs. Furthermore, it is appropriate to be asking a difficult question about the Fund's overall effectiveness: whether some of investment decisions that Fund awardees are making would be made without the Fund's support.

We believe that the recommended level for the CDFI Fund is appropriate at this time as part of a balanced strategy that relies on public and private efforts -- as well as individual initiative -- to help bring prosperity to all of our Nation's citizens. We will continue to carefully review and evaluate the effectiveness of the CDFI Fund as part of our overall analysis of performance government-wide and base future funding decisions on that review.

We believe that the Treasury budget justification fairly represents the proposed budget for the CDFI Fund. Certain performance measures may be improving because of more efficient operations at the Fund or because outcomes are cumulative over time. For example, the Fund aims to increase the number of certified CDFIs to 500 by the end of the FY 2002. This progress is a function of better information about the industry, outreach efforts, and application processing; it is not necessarily tied to budgetary resources. However, the budget justification straightforwardly addresses the fact that the FY 2002 request is below the FY 2001 level. For example, the justification clearly states that in the Core Program, the Fund expects that the number of CDFI's receiving financial assistance will decrease from 58 in FY 2001 to 41 in FY 2002. For the Bank Enterprise Awards program, the Fund's awards target decreases from $32 million in FY 2001 to $18 million in FY 2002.

Question: You testified that you that you propose to change the ways that OMB reviews budgets. How, if at all, will these changes affect the nature of the passback to the agencies?

Answer: In general, to achieve the President's goals, we will work to link the performance of Federal programs with the Federal spending on those programs -- the constructive integration of performance into the budget will be a priority for OMB. For selected programs in each agency, we will ask that FY 2003 budget requests be supported by more detailed information on the objective or outcome to be achieved, output targets for related outputs, and for these programs cost estimates. We will pass back output targets for these programs to the agencies. Throughout the FY 2003 budget process, we will be looking closely at steps being taken to improve program performance, and how agencies will measure those improvements.

Question: What is the status of the legislative proposal that you say will permit you to assign certain "unallocated" costs and present these in the budget? What are the unallocated costs that you are talking about? Will this become a vehicle for you to ask the agencies to "eat" more costs?

Answer: Legislation is being drafted that would require agencies to pay the full accrual charge, less employee contributions, for the cost of retirement benefits for employees covered by the Civil Service Retirement System (CSRS). This would make the treatment of the cost for CSRS employees consistent with the manner in which costs are already budgeted for Federal Employees Retirement System (FERS) employees. While this change would not affect the budget totals, it would require an adjustment in the discretionary caps to hold the appropriations committees and the agencies harmless, avoiding the need to ask the agencies to "eat" the costs. The change in treatment is linked to a proposed change in OMB Circular A-76 that would expand competition, but substitute a simpler cost comparison measure that is based on budgeted amounts. Instructions to the agencies for the FY 2003 *Budget* will specify that agencies are to include these CSRS retirement costs in their budget submissions.

We are also drafting more comprehensive "Budgeting for Results" legislation that will include a change in treatment of retiree health costs, restructure capital planning within major agencies, and propose other changes that would support better integration of budgeting and performance.

There will be a decision soon related to transmittal of these legislative proposals.

Question: How can a President who you say is so "committed" to E-Government initiatives have such an inadequate White House Web Site? Why is the White House Web Site so poor? There's little information and what is there is not presented in a user-friendly format. What you have up right now is barely even a placeholder and there is far too much white space. No doubt, you have seen the April 30 Washington Post which had an extensive article on this issue.

The taxpayers have made sizeable investments in technology for the White House web site. When will the Bush administration resume giving them a return on that investment? Are there any technological or other obstacles that have prevented this from occurring by now? What are the problems and what, if anything, does the Subcommittee need to do to help?

Answer: You are correct in your assessment that the current White House Web Site is just a placeholder. As you know, it is still very early in this Administration, and although providing timely information to the public is important to us, we want to ensure it is accurate, informative, and most important, easy to access. The Office of Administration is working diligently to produce the final version of the White House Web site that will be compliant with the OMB Section 508 Disability Standard. They anticipate the new web site will be launched shortly.

Question: In his testimony before our Subcommittee, Mr. Larsen of the Office of Administration stated that the new Administration has a focus on "hiring payroll individuals rather than relying on non-reimbursable detailees or internship programs." Is this a fair characterization of Administration policy? Is there some policy rationale for the decision not to rely upon detailees or interns? Please explain your reasoning.

Answer: The testimony was in reference to a media story on the National Security Council (NSC.) OMB understands that there is no policy rationale for NSC's changes in hiring. While at the beginning of this Administration, NSC noted that there was a slight decrease in detailees, that trend has shifted in response to on-going changes in current events.

Most detailees do not currently impact the NSC's budget. The agency selects highly qualified individuals, both within and outside the government, who are experts in specific areas of national security and foreign policy. As the National Security Advisor responds to critical issues each day, she or he must have the flexibility to engage skilled, subject-matter professionals, regardless of their personnel classification as hires on the NSC payroll or detailees.

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Presidential Documents

Title 3—

The President

Executive Order 12866 of September 30, 1993

Regulatory Planning and Review

The American people deserve a regulatory system that works for them, not against them: a regulatory system that protects and improves their health, safety, environment, and well-being and improves the performance of the economy without imposing unacceptable or unreasonable costs on society; regulatory policies that recognize that the private sector and private markets are the best engine for economic growth; regulatory approaches that respect the role of State, local, and tribal governments; and regulations that are effective, consistent, sensible, and understandable. We do not have such a regulatory system today.

With this Executive order, the Federal Government begins a program to reform and make more efficient the regulatory process. The objectives of this Executive order are to enhance planning and coordination with respect to both new and existing regulations; to reaffirm the primacy of Federal agencies in the regulatory decision-making process; to restore the integrity and legitimacy of regulatory review and oversight; and to make the process more accessible and open to the public. In pursuing these objectives, the regulatory process shall be conducted so as to meet applicable statutory requirements and with due regard to the discretion that has been entrusted to the Federal agencies.

Accordingly, by the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. *Statement of Regulatory Philosophy and Principles.* (a) *The Regulatory Philosophy.* Federal agencies should promulgate only such regulations as are required by law, are necessary to interpret the law, or are made necessary by compelling public need, such as material failures of private markets to protect or improve the health and safety of the public, the environment, or the well-being of the American people. In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.

(b) *The Principles of Regulation.* To ensure that the agencies' regulatory programs are consistent with the philosophy set forth above, agencies should adhere to the following principles, to the extent permitted by law and where applicable:

(1) Each agency shall identify the problem that it intends to address (including, where applicable, the failures of private markets or public institutions that warrant new agency action) as well as assess the significance of that problem.

(2) Each agency shall examine whether existing regulations (or other law) have created, or contributed to, the problem that a new regulation

is intended to correct and whether those regulations (or other law) should be modified to achieve the intended goal of regulation more effectively.

(3) Each agency shall identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public.

(4) In setting regulatory priorities, each agency shall consider, to the extent reasonable, the degree and nature of the risks posed by various substances or activities within its jurisdiction.

(5) When an agency determines that a regulation is the best available method of achieving the regulatory objective, it shall design its regulations in the most cost-effective manner to achieve the regulatory objective. In doing so, each agency shall consider incentives for innovation, consistency, predictability, the costs of enforcement and compliance (to the government, regulated entities, and the public), flexibility, distributive impacts, and equity.

(6) Each agency shall assess both the costs and the benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs.

(7) Each agency shall base its decisions on the best reasonably obtainable scientific, technical, economic, and other information concerning the need for, and consequences of, the intended regulation.

(8) Each agency shall identify and assess alternative forms of regulation and shall, to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt.

(9) Wherever feasible, agencies shall seek views of appropriate State, local, and tribal officials before imposing regulatory requirements that might significantly or uniquely affect those governmental entities. Each agency shall assess the effects of Federal regulations on State, local, and tribal governments, including specifically the availability of resources to carry out those mandates, and seek to minimize those burdens that uniquely or significantly affect such governmental entities, consistent with achieving regulatory objectives. In addition, as appropriate, agencies shall seek to harmonize Federal regulatory actions with related State, local, and tribal regulatory and other governmental functions.

(10) Each agency shall avoid regulations that are inconsistent, incompatible, or duplicative with its other regulations or those of other Federal agencies.

(11) Each agency shall tailor its regulations to impose the least burden on society, including individuals, businesses of differing sizes, and other entities (including small communities and governmental entities), consistent with obtaining the regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations.

(12) Each agency shall draft its regulations to be simple and easy to understand, with the goal of minimizing the potential for uncertainty and litigation arising from such uncertainty.

Sec. 2. *Organization.* An efficient regulatory planning and review process is vital to ensure that the Federal Government's regulatory system best serves the American people.

(a) *The Agencies.* Because Federal agencies are the repositories of significant substantive expertise and experience, they are responsible for developing regulations and assuring that the regulations are consistent with applicable law, the President's priorities, and the principles set forth in this Executive order.

(b) *The Office of Management and Budget.* Coordinated review of agency rulemaking is necessary to ensure that regulations are consistent with applicable law, the President's priorities, and the principles set forth in this Executive order, and that decisions made by one agency do not conflict with the policies or actions taken or planned by another agency. The Office of Management and Budget (OMB) shall carry out that review function. Within OMB, the Office of Information and Regulatory Affairs (OIRA) is the repository of expertise concerning regulatory issues, including methodologies and procedures that affect more than one agency, this Executive order, and the President's regulatory policies. To the extent permitted by law, OMB shall provide guidance to agencies and assist the President, the Vice President, and other regulatory policy advisors to the President in regulatory planning and shall be the entity that reviews individual regulations, as provided by this Executive order.

(c) *The Vice President.* The Vice President is the principal advisor to the President on, and shall coordinate the development and presentation of recommendations concerning, regulatory policy, planning, and review, as set forth in this Executive order. In fulfilling their responsibilities under this Executive order, the President and the Vice President shall be assisted by the regulatory policy advisors within the Executive Office of the President and by such agency officials and personnel as the President and the Vice President may, from time to time, consult.

Sec. 3. *Definitions.* For purposes of this Executive order: (a) "Advisors" refers to such regulatory policy advisors to the President as the President and Vice President may from time to time consult, including, among others: (1) the Director of OMB; (2) the Chair (or another member) of the Council of Economic Advisers; (3) the Assistant to the President for Economic Policy; (4) the Assistant to the President for Domestic Policy; (5) the Assistant to the President for National Security Affairs; (6) the Assistant to the President for Science and Technology; (7) the Assistant to the President for Intergovernmental Affairs; (8) the Assistant to the President and Staff Secretary; (9) the Assistant to the President and Chief of Staff to the Vice President; (10) the Assistant to the President and Counsel to the President; (11) the Deputy Assistant to the President and Director of the White House Office on Environmental Policy; and (12) the Administrator of OIRA, who also shall coordinate communications relating to this Executive order among the agencies, OMB, the other Advisors, and the Office of the Vice President.

(b) "Agency," unless otherwise indicated, means any authority of the United States that is an "agency" under 44 U.S.C. 3502(1), other than those considered to be independent regulatory agencies, as defined in 44 U.S.C. 3502(10).

(c) "Director" means the Director of OMB.

(d) "Regulation" or "rule" means an agency statement of general applicability and future effect, which the agency intends to have the force and effect of law, that is designed to implement, interpret, or prescribe law or policy or to describe the procedure or practice requirements of an agency. It does not, however, include:

(1) Regulations or rules issued in accordance with the formal rulemaking provisions of 5 U.S.C. 556, 557;

(2) Regulations or rules that pertain to a military or foreign affairs function of the United States, other than procurement regulations and regulations involving the import or export of non-defense articles and services;

(3) Regulations or rules that are limited to agency organization, management, or personnel matters; or

(4) Any other category of regulations exempted by the Administrator of OIRA.

(e) "Regulatory action" means any substantive action by an agency (normally published in the **Federal Register**) that promulgates or is expected

to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking.

(f) "Significant regulatory action" means any regulatory action that is likely to result in a rule that may:

(1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive order.

Sec. 4. *Planning Mechanism.* In order to have an effective regulatory program, to provide for coordination of regulations, to maximize consultation and the resolution of potential conflicts at an early stage, to involve the public and its State, local, and tribal officials in regulatory planning, and to ensure that new or revised regulations promote the President's priorities and the principles set forth in this Executive order, these procedures shall be followed, to the extent permitted by law: (a) *Agencies' Policy Meeting.* Early in each year's planning cycle, the Vice President shall convene a meeting of the Advisors and the heads of agencies to seek a common understanding of priorities and to coordinate regulatory efforts to be accomplished in the upcoming year.

(b) *Unified Regulatory Agenda.* For purposes of this subsection, the term "agency" or "agencies" shall also include those considered to be independent regulatory agencies, as defined in 44 U.S.C. 3502(10). Each agency shall prepare an agenda of all regulations under development or review, at a time and in a manner specified by the Administrator of OIRA. The description of each regulatory action shall contain, at a minimum, a regulation identifier number, a brief summary of the action, the legal authority for the action, any legal deadline for the action, and the name and telephone number of a knowledgeable agency official. Agencies may incorporate the information required under 5 U.S.C. 602 and 41 U.S.C. 402 into these agendas.

(c) *The Regulatory Plan.* For purposes of this subsection, the term "agency" or "agencies" shall also include those considered to be independent regulatory agencies, as defined in 44 U.S.C. 3502(10). (1) As part of the Unified Regulatory Agenda, beginning in 1994, each agency shall prepare a Regulatory Plan (Plan) of the most important significant regulatory actions that the agency reasonably expects to issue in proposed or final form in that fiscal year or thereafter. The Plan shall be approved personally by the agency head and shall contain at a minimum:

(A) A statement of the agency's regulatory objectives and priorities and how they relate to the President's priorities;

(B) A summary of each planned significant regulatory action including, to the extent possible, alternatives to be considered and preliminary estimates of the anticipated costs and benefits;

(C) A summary of the legal basis for each such action, including whether any aspect of the action is required by statute or court order;

(D) A statement of the need for each such action and, if applicable, how the action will reduce risks to public health, safety, or the environment, as well as how the magnitude of the risk addressed by the action relates to other risks within the jurisdiction of the agency;

(E) The agency's schedule for action, including a statement of any applicable statutory or judicial deadlines; and

(F) The name, address, and telephone number of a person the public may contact for additional information about the planned regulatory action.

(2) Each agency shall forward its Plan to OIRA by June 1st of each year.

(3) Within 10 calendar days after OIRA has received an agency's Plan, OIRA shall circulate it to other affected agencies, the Advisors, and the Vice President.

(4) An agency head who believes that a planned regulatory action of another agency may conflict with its own policy or action taken or planned shall promptly notify, in writing, the Administrator of OIRA, who shall forward that communication to the issuing agency, the Advisors, and the Vice President.

(5) If the Administrator of OIRA believes that a planned regulatory action of an agency may be inconsistent with the President's priorities or the principles set forth in this Executive order or may be in conflict with any policy or action taken or planned by another agency, the Administrator of OIRA shall promptly notify, in writing, the affected agencies, the Advisors, and the Vice President.

(6) The Vice President, with the Advisors' assistance, may consult with the heads of agencies with respect to their Plans and, in appropriate instances, request further consideration or inter-agency coordination.

(7) The Plans developed by the issuing agency shall be published annually in the October publication of the Unified Regulatory Agenda. This publication shall be made available to the Congress; State, local, and tribal governments; and the public. Any views on any aspect of any agency Plan, including whether any planned regulatory action might conflict with any other planned or existing regulation, impose any unintended consequences on the public, or confer any unclaimed benefits on the public, should be directed to the issuing agency, with a copy to OIRA.

(d) *Regulatory Working Group.* Within 30 days of the date of this Executive order, the Administrator of OIRA shall convene a Regulatory Working Group ("Working Group"), which shall consist of representatives of the heads of each agency that the Administrator determines to have significant domestic regulatory responsibility, the Advisors, and the Vice President. The Administrator of OIRA shall chair the Working Group and shall periodically advise the Vice President on the activities of the Working Group. The Working Group shall serve as a forum to assist agencies in identifying and analyzing important regulatory issues (including, among others (1) the development of innovative regulatory techniques, (2) the methods, efficacy, and utility of comparative risk assessment in regulatory decision-making, and (3) the development of short forms and other streamlined regulatory approaches for small businesses and other entities). The Working Group shall meet at least quarterly and may meet as a whole or in subgroups of agencies with an interest in particular issues or subject areas. To inform its discussions, the Working Group may commission analytical studies and reports by OIRA, the Administrative Conference of the United States, or any other agency.

(e) *Conferences.* The Administrator of OIRA shall meet quarterly with representatives of State, local, and tribal governments to identify both existing and proposed regulations that may uniquely or significantly affect those governmental entities. The Administrator of OIRA shall also convene, from time to time, conferences with representatives of businesses, nongovernmental organizations, and the public to discuss regulatory issues of common concern.

Sec. 5. *Existing Regulations.* In order to reduce the regulatory burden on the American people, their families, their communities, their State, local, and tribal governments, and their industries; to determine whether regula-

tions promulgated by the executive branch of the Federal Government have become unjustified or unnecessary as a result of changed circumstances; to confirm that regulations are both compatible with each other and not duplicative or inappropriately burdensome in the aggregate; to ensure that all regulations are consistent with the President's priorities and the principles set forth in this Executive order, within applicable law; and to otherwise improve the effectiveness of existing regulations: (a) Within 90 days of the date of this Executive order, each agency shall submit to OIRA a program, consistent with its resources and regulatory priorities, under which the agency will periodically review its existing significant regulations to determine whether any such regulations should be modified or eliminated so as to make the agency's regulatory program more effective in achieving the regulatory objectives, less burdensome, or in greater alignment with the President's priorities and the principles set forth in this Executive order. Any significant regulations selected for review shall be included in the agency's annual Plan. The agency shall also identify any legislative mandates that require the agency to promulgate or continue to impose regulations that the agency believes are unnecessary or outdated by reason of changed circumstances.

(b) The Administrator of OIRA shall work with the Regulatory Working Group and other interested entities to pursue the objectives of this section. State, local, and tribal governments are specifically encouraged to assist in the identification of regulations that impose significant or unique burdens on those governmental entities and that appear to have outlived their justification or be otherwise inconsistent with the public interest.

(c) The Vice President, in consultation with the Advisors, may identify for review by the appropriate agency or agencies other existing regulations of an agency or groups of regulations of more than one agency that affect a particular group, industry, or sector of the economy, or may identify legislative mandates that may be appropriate for reconsideration by the Congress.

Sec. 6. *Centralized Review of Regulations.* The guidelines set forth below shall apply to all regulatory actions, for both new and existing regulations, by agencies other than those agencies specifically exempted by the Administrator of OIRA:

(a) *Agency Responsibilities.* (1) Each agency shall (consistent with its own rules, regulations, or procedures) provide the public with meaningful participation in the regulatory process. In particular, before issuing a notice of proposed rulemaking, each agency should, where appropriate, seek the involvement of those who are intended to benefit from and those expected to be burdened by any regulation (including, specifically, State, local, and tribal officials). In addition, each agency should afford the public a meaningful opportunity to comment on any proposed regulation, which in most cases should include a comment period of not less than 60 days. Each agency also is directed to explore and, where appropriate, use consensual mechanisms for developing regulations, including negotiated rulemaking.

(2) Within 60 days of the date of this Executive order, each agency head shall designate a Regulatory Policy Officer who shall report to the agency head. The Regulatory Policy Officer shall be involved at each stage of the regulatory process to foster the development of effective, innovative, and least burdensome regulations and to further the principles set forth in this Executive order.

(3) In addition to adhering to its own rules and procedures and to the requirements of the Administrative Procedure Act, the Regulatory Flexibility Act, the Paperwork Reduction Act, and other applicable law, each agency shall develop its regulatory actions in a timely fashion and adhere to the following procedures with respect to a regulatory action:

(A) Each agency shall provide OIRA, at such times and in the manner specified by the Administrator of OIRA, with a list of its planned regulatory actions, indicating those which the agency believes are significant regulatory

actions within the meaning of this Executive order. Absent a material change in the development of the planned regulatory action, those not designated as significant will not be subject to review under this section unless, within 10 working days of receipt of the list, the Administrator of OIRA notifies the agency that OIRA has determined that a planned regulation is a significant regulatory action within the meaning of this Executive order. The Administrator of OIRA may waive review of any planned regulatory action designated by the agency as significant, in which case the agency need not further comply with subsection (a)(3)(B) or subsection (a)(3)(C) of this section.

(B) For each matter identified as, or determined by the Administrator of OIRA to be, a significant regulatory action, the issuing agency shall provide to OIRA:

(i) The text of the draft regulatory action, together with a reasonably detailed description of the need for the regulatory action and an explanation of how the regulatory action will meet that need; and

(ii) An assessment of the potential costs and benefits of the regulatory action, including an explanation of the manner in which the regulatory action is consistent with a statutory mandate and, to the extent permitted by law, promotes the President's priorities and avoids undue interference with State, local, and tribal governments in the exercise of their governmental functions.

(C) For those matters identified as, or determined by the Administrator of OIRA to be, a significant regulatory action within the scope of section 3(f)(1), the agency shall also provide to OIRA the following additional information developed as part of the agency's decision-making process (unless prohibited by law):

(i) An assessment, including the underlying analysis, of benefits anticipated from the regulatory action (such as, but not limited to, the promotion of the efficient functioning of the economy and private markets, the enhancement of health and safety, the protection of the natural environment, and the elimination or reduction of discrimination or bias) together with, to the extent feasible, a quantification of those benefits;

(ii) An assessment, including the underlying analysis, of costs anticipated from the regulatory action (such as, but not limited to, the direct cost both to the government in administering the regulation and to businesses and others in complying with the regulation, and any adverse effects on the efficient functioning of the economy, private markets (including productivity, employment, and competitiveness), health, safety, and the natural environment), together with, to the extent feasible, a quantification of those costs; and

(iii) An assessment, including the underlying analysis, of costs and benefits of potentially effective and reasonably feasible alternatives to the planned regulation, identified by the agencies or the public (including improving the current regulation and reasonably viable nonregulatory actions), and an explanation why the planned regulatory action is preferable to the identified potential alternatives.

(D) In emergency situations or when an agency is obligated by law to act more quickly than normal review procedures allow, the agency shall notify OIRA as soon as possible and, to the extent practicable, comply with subsections (a)(3)(B) and (C) of this section. For those regulatory actions that are governed by a statutory or court-imposed deadline, the agency shall, to the extent practicable, schedule rulemaking proceedings so as to permit sufficient time for OIRA to conduct its review, as set forth below in subsection (b)(2) through (4) of this section.

(E) After the regulatory action has been published in the Federal Register or otherwise issued to the public, the agency shall:

(i) Make available to the public the information set forth in subsections (a)(3)(B) and (C);

(ii) Identify for the public, in a complete, clear, and simple manner, the substantive changes between the draft submitted to OIRA for review and the action subsequently announced; and

(iii) Identify for the public those changes in the regulatory action that were made at the suggestion or recommendation of OIRA.

(F) All information provided to the public by the agency shall be in plain, understandable language.

(b) *OIRA Responsibilities.* The Administrator of OIRA shall provide meaningful guidance and oversight so that each agency's regulatory actions are consistent with applicable law, the President's priorities, and the principles set forth in this Executive order and do not conflict with the policies or actions of another agency. OIRA shall, to the extent permitted by law, adhere to the following guidelines:

(1) OIRA may review only actions identified by the agency or by OIRA as significant regulatory actions under subsection (a)(3)(A) of this section.

(2) OIRA shall waive review or notify the agency in writing of the results of its review within the following time periods:

(A) For any notices of inquiry, advance notices of proposed rulemaking, or other preliminary regulatory actions prior to a Notice of Proposed Rulemaking, within 10 working days after the date of submission of the draft action to OIRA;

(B) For all other regulatory actions, within 90 calendar days after the date of submission of the information set forth in subsections (a)(3)(B) and (C) of this section, unless OIRA has previously reviewed this information and, since that review, there has been no material change in the facts and circumstances upon which the regulatory action is based, in which case, OIRA shall complete its review within 45 days; and

(C) The review process may be extended (1) once by no more than 30 calendar days upon the written approval of the Director and (2) at the request of the agency head.

(3) For each regulatory action that the Administrator of OIRA returns to an agency for further consideration of some or all of its provisions, the Administrator of OIRA shall provide the issuing agency a written explanation for such return, setting forth the pertinent provision of this Executive order on which OIRA is relying. If the agency head disagrees with some or all of the bases for the return, the agency head shall so inform the Administrator of OIRA in writing.

(4) Except as otherwise provided by law or required by a Court, in order to ensure greater openness, accessibility, and accountability in the regulatory review process, OIRA shall be governed by the following disclosure requirements:

(A) Only the Administrator of OIRA (or a particular designee) shall receive oral communications initiated by persons not employed by the executive branch of the Federal Government regarding the substance of a regulatory action under OIRA review;

(B) All substantive communications between OIRA personnel and persons not employed by the executive branch of the Federal Government regarding a regulatory action under review shall be governed by the following guidelines: (i) A representative from the issuing agency shall be invited to any meeting between OIRA personnel and such person(s);

(ii) OIRA shall forward to the issuing agency, within 10 working days of receipt of the communication(s), all written communications, regardless of format, between OIRA personnel and any person who is not employed by the executive branch of the Federal Government, and the dates and names of individuals involved in all substantive oral communications (including meetings to which an agency representative was invited, but did

not attend, and telephone conversations between OIRA personnel and any such persons); and

(iii) OIRA shall publicly disclose relevant information about such communication(s), as set forth below in subsection (b)(4)(C) of this section.

(C) OIRA shall maintain a publicly available log that shall contain, at a minimum, the following information pertinent to regulatory actions under review:

(i) The status of all regulatory actions, including if (and if so, when and by whom) Vice Presidential and Presidential consideration was requested;

(ii) A notation of all written communications forwarded to an issuing agency under subsection (b)(4)(B)(ii) of this section; and

(iii) The dates and names of individuals involved in all substantive oral communications, including meetings and telephone conversations, between OIRA personnel and any person not employed by the executive branch of the Federal Government, and the subject matter discussed during such communications.

(D) After the regulatory action has been published in the Federal Register or otherwise issued to the public, or after the agency has announced its decision not to publish or issue the regulatory action, OIRA shall make available to the public all documents exchanged between OIRA and the agency during the review by OIRA under this section.

(5) All information provided to the public by OIRA shall be in plain, understandable language.

Sec. 7. *Resolution of Conflicts.* To the extent permitted by law, disagreements or conflicts between or among agency heads or between OMB and any agency that cannot be resolved by the Administrator of OIRA shall be resolved by the President, or by the Vice President acting at the request of the President, with the relevant agency head (and, as appropriate, other interested government officials). Vice Presidential and Presidential consideration of such disagreements may be initiated only by the Director, by the head of the issuing agency, or by the head of an agency that has a significant interest in the regulatory action at issue. Such review will not be undertaken at the request of other persons, entities, or their agents.

Resolution of such conflicts shall be informed by recommendations developed by the Vice President, after consultation with the Advisors (and other executive branch officials or personnel whose responsibilities to the President include the subject matter at issue). The development of these recommendations shall be concluded within 60 days after review has been requested.

During the Vice Presidential and Presidential review period, communications with any person not employed by the Federal Government relating to the substance of the regulatory action under review and directed to the Advisors or their staffs or to the staff of the Vice President shall be in writing and shall be forwarded by the recipient to the affected agency(ies) for inclusion in the public docket(s). When the communication is not in writing, such Advisors or staff members shall inform the outside party that the matter is under review and that any comments should be submitted in writing.

At the end of this review process, the President, or the Vice President acting at the request of the President, shall notify the affected agency and the Administrator of OIRA of the President's decision with respect to the matter.

Sec. 8. *Publication.* Except to the extent required by law, an agency shall not publish in the Federal Register or otherwise issue to the public any regulatory action that is subject to review under section 6 of this Executive order until (1) the Administrator of OIRA notifies the agency that OIRA has waived its review of the action or has completed its review without

any requests for further consideration, or (2) the applicable time period in section 6(b)(2) expires without OIRA having notified the agency that it is returning the regulatory action for further consideration under section 6(b)(3), whichever occurs first. If the terms of the preceding sentence have not been satisfied and an agency wants to publish or otherwise issue a regulatory action, the head of that agency may request Presidential consideration through the Vice President, as provided under section 7 of this order. Upon receipt of this request, the Vice President shall notify OIRA and the Advisors. The guidelines and time period set forth in section 7 shall apply to the publication of regulatory actions for which Presidential consideration has been sought.

Sec. 9. *Agency Authority.* Nothing in this order shall be construed as displacing the agencies' authority or responsibilities, as authorized by law.

Sec. 10. *Judicial Review.* Nothing in this Executive order shall affect any otherwise available judicial review of agency action. This Executive order is intended only to improve the internal management of the Federal Government and does not create any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 11. *Revocations.* Executive Orders Nos. 12291 and 12498; all amendments to those Executive orders; all guidelines issued under those orders; and any exemptions from those orders heretofore granted for any category of rule are revoked.

William J. Clinton

THE WHITE HOUSE,
September 30, 1993.

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Editorial note: For the President's remarks on signing this Executive order, see issue 39 of the *Weekly Compilation of Presidential Documents.*

Congressman Hoyer - Attachment A

RULES WITHDRAWN FROM THE FEDERAL REGISTER (as of 2/2/01)		
Agency	Title	Stage
USDA	Senior Executive Service	Notice
USDA	Water and Waste Disposal Program Guaranteed Loans	Final
USDA/AMS	Discontinuance of Grading for Imported Carcasses	NPRM
USDA/APHIS	Commercial Transportation of Equines to Slaughter	Final
USDA/CSREES	Grants and Agreements: Community Food Projects Program	Notice
USDA/FS	Correction to Roadless Rule (covered roadless areas)	Final
USDA/FS	Meeting - Nat. Urban & Community Forestry Council	Notice
USDA/FS	Habitat Management for American Peregrine Falcon	Notice
USDA/FS	EIS to allow timber salvage sale in Santa Fe National Forest	Notice
USDA/FS	Environmental Impact Notice of Intent SouthWestern Region	Notice
USDA/FS	EIS - South Elk Vegetation Project	Notice
USDA/FSIS	RTE Meat and Poultry Products (Listeria)	NPRM
USDA/NRCS	Notice of Field Office Technical Guide Changes: Georgia	Notice
USDA/NRCS	No Significant Impact: Bayou L'Ours Ridge Hydrolic Project	Finding
USDA/NRCS	Proposed Changes to Field Office Technical Guide in MD	Notice
USDA/OSEC	Delegation of Authority	Notice
USDA/RUS	Policy on Audit of RUS Borrowers (GAGAS)	Direct
USDA/RUS	Policy on Audit of RUS Borrowers (GAGAS)	NPRM
USDA/RUS	Policy on Audit of RUS Borrowers; Management Letter	Direct
USDA/RUS	Policy on Audit of RUS Borrowers; Management Letter	NPRM
DOC/NOAA	Prohibition of Fishing/Possession of Horseshoe Crabs	Final
DOC/NOAA	Surf Clam and Ocean Quahog 2001 Harvest Specs	Final
DoD	CHAMPUS Revisions to Coverage Criteria	Final
DoD	CHAMPUS Methodology for NIH Trials	Final
DoD	Defense Logistics Agency Reg, Privacy Act implementation	Final
DoD	Army Reg 340-21, Privacy Act implementation	NPRM
DoD	NRO, Privacy Act; implementation	Final
DoD	Federal Acquisition Regulation (FAR Case 2000-009)	NPRM
DoD	Acquisition regs (CFR 48-232)	Notice
DoD	Acquisition regs (CFR 48-226, 252) - DFARS 2000-D024	Interim
DoD	Acquisition regs (CFR 48-202, 211) Technical amendments	Final
DoD	Acquisition regs (CFR 48-213) - DFARS 2000-D019	Final
DoD	Acquisition regs (CFR 48-215) - DFARS 2000-D026	Final
DoD	Acquisition regs (CFR 48-225, 252) - DFARS 2000-D020	NPRM
DoD	Acquisition regs (48-244) - DFARS 2000-D028	NPRM
DoD	Small disadvantaged businesses; price evaluation	Notice
DoD/DFARS	2000D-020 - Balance of Payments Program	NPRM
DoD/DFARS	2000D-028 - Subcontract Commerciality Determinations	NPRM
DoD/DFARS	2000D-024 - Indian Organizations and Economic Enterprises	Interim
DoD/DFARS	2000D-019 - Purch.Cards, Humanit. or Peacekeeping Ops	Final

Agency	Title	Stage
DoD/DFARS	2000D-026 - Cost or Pricing Data Threshold	Final
DOE	Acquisition Regulation - safeguarding classified information	NPRM
HHS	Nondiscrimination on the Basis of Race, etc. (Cureton)	Final
HHS/HCFA	Responsibilities of Medicare Hospitals (Patient Dumping)	NPRM
HUD/GSE	Information collections for Fannie Mae and Freddie Mac	Notice
HUD/CPD	Draft Environmental Impact Statement	Notice
HUD/FHEO	Updating of EEO Policies and Procedures	Final
HUD/FHEO	Prohibition Against National Origin Discrimination	Notice
HUD/GNMA	Payments to GNMA Security Holders	NPRM
HUD/OH	SEMAP Lease Up Indicator	Interim
HUD/OS	Physical Condition Scoring Process	Correction
HUD/OS	"Super" Notice of Funding Availability	Notice
HUD/PIH	Quality Housing and Work Responsibility Act Implementatio	Notice
HUD/PIH	One-Strike Screening and Eviction for Drug Use	Final
HUD/PIH	Section 8 - Procedures for determining baseline unit allocatio	Notice
DOI/ASPMB	Hazardous substances; natural resource damages assessment	NPRM
DOI	Mandatory Conditions for Hydropower Licensing	Notice
DOI/BIA	Notice of Availability of Contract Support Funds ($130 m.+)	Notice
DOI/BLM	Public Land Orders	Notice
DOI/BLM	Reality Action in Nevada (mining activity)	Notice
DOJ	24 Departmental Organization Rules (Changes to Part 0)	
DOJ	Foreign Agent's Registration Act	Final
DOJ	Nondiscrimination on the Basis of Race, etc. (Cureton)	Final
DOJ/INS	Mass Influx of Aliens	Final
State	Visas; immigrant documentation (CFR 22-42)	Final
DOT/FAA	Repair Stations	Final
DOT/FAA	Aircraft operator security	Final
DOT/FAA	Airport security	Final
DOT/FAA	Drug and alcohol testing conforming rule	NPRM
DOT/FAA	National Parks Overflight Management	NPRM
DOT/FMCSA	Drug and alcohol testing conforming rule	NPRM
DOT/FRA	Rail operations; locational requirements for dispatching	Interim
DOT/FRA	Drug and alcohol testing conforming rule	NPRM
DOT/FTA	Drug and alcohol testing conforming rule	NPRM
DOT/NHTSA	Exemption from Make Inoperative Prohibition	Final
DOT/NHTSA	Meetings	Notice
DOT/RSPA	Drug and alcohol testing conforming rule	NPRM
DOT/RSPA	Haz. Liquid Pipeline Accident Reporting (CFR 49-195)	NPRM
DOT/RSPA	Pipeline Integrity Management (CFR 49-195)	NPRM
DOT/USCG	Drug and alcohol testing conforming rule	NPRM
DOT/USCG	Vessel Identification System	Final

Agency	Title	Stage
Treas/BATF	Organizations, functions, and authority delegations	Final
EPA	Water Pollution Control (CFR 40-131)	NPRM
EPA	Reports and guidance documents; availability , etc	Notice
EPA	CERCLA Guidance - Section 101(10)(H)	Notice
EPA	Pesticide programs (CFR 40-152, 174)	Final
EPA	Pesticide programs (CFR 40-174)	Final
EPA	Pesticide programs (CFR 40-174)	Final
EPA	Pesticide programs (CFR 40-174)	NPRM
EPA	Toxic substances (CFR 40-761)	Final
EPA	Sanitary Sewer Overflows	NPRM
EPA	Hazardous Waste Manifest System	NPRM
EPA	Partial Deletion of CA Gulch Superfund Site in CO	Direct
EPA	Partial Deletion of CA Gulch Superfund Site in CO	NPRM
EPA	Interstate Ozone Transport: 3/3/00 Court Decision	NPRM
EPA	NY and CT Petitions Re: Sources in Michigan	NPRM
EPA	Acquisition Reg: Type of Contracts	Interim
EPA	Allowance System for Controlling HCFC Production	NPRM
EPA	Hazardous Waste Manifest System - BMW Petition to Delist	NPRM
EPA	Oil Pollution Prevention Reg Revisions	Final
EPA	Best Available Retrofit Technology (BART)	NPRM
EPA	Reclassification of PCB and PCB-Contaminated Equipment	Final
EPA	Amendments to State and Federal Operating Permits	Direct
EPA	Amendments to State and Federal Operating Permits	NPRM
EPA	CAFO Revisions Meeting	Notice
EPA	MOA - EPA/Fish Wildlife/NOAA Under CWA and ESA	Notice
EPA	Radation Protection Programs - Waste Characterization	Notice
EPA	Water Quality Standards for Tribes	NPRM
EPA	Ocean Discharge Criteria Revisions	NPRM
EPA	Motor Vehicles Amendments to Tier 2/Sulfur Rules	Direct
EPA	Motor Vehicles Amendments to Tier 2/Sulfur Rules	NPRM
EPA	Site-Specific Rule for Georgia-Pacific Corp's Facility	Direct
EPA	Site-Specific Rule for Georgia-Pacific Corp's Facility	NPRM
CFTC	Reporting requirements	
GSA	Federal Acquisition Regulation (FAR)	NPRM
GSA	Federal Management Regulation (CFR 41-101-20, etc)	Final
GSA	Federal Management Regulation (CFR 41-101-6, 102-3)	Final
GSA	Federal Advisory Committee Management	Final
GSA	Pricing Policy for Occupancy in GSA Space	Interim
NASA	Federal Acquisition Regulation (FAR)	NPRM
SBA	Pre-Disaster Mitigation Loans	Final
SBA	Military Reservist Economic Injury Disaster Loans	Final

Agency	Title	Stage
SSA	Revision to Medical Vocational Guidelines	Final
SSA	Use of Vocational Exports	Final

Congressman Hoyer - Attachment B

OFFICE OF INFORMATION AND REGULATORY AFFAIRS
REVIEWS WITHDRAWN 01/20/2001 - 05/18/2001

21 MAY 2001
PAGE: 1

TOTAL WITHDRAWN: 130

Department of Agriculture - 13 WITHDRAWN

USDA-FAS
Export Sales Reporting Requirements Regulation To Add Muscle Cuts of Fresh, Chilled, or Forzen Beef to 7 CFR Part 20
STAGE: Final Rule
RECEIVED: 12/18/2000
WITHDRAWN: 02/05/2001

USDA-FSA
Producion Flexibility Contracts for Wheat, Feed Grains, Rice, and Upland Cotton
STAGE: Final Rule
RECEIVED: 02/20/2001
WITHDRAWN: 02/23/2001

USDA-FCIC
General Administrative Regulations; Civil Rights Data Collection (Proposed Rule)
STAGE: Proposed Rule
RECEIVED: 02/23/2000
WITHDRAWN: 02/06/2001

USDA-NRCS
Categorical Minimal Effects Exemption; Wetland Conservation -- 7 CFR Part 12
STAGE: Proposed Rule
RECEIVED: 08/01/2000
WITHDRAWN: 02/05/2001

USDA-NRCS
Conservation of Private Grazing Land
STAGE: Proposed Rule
RECEIVED: 10/05/2000
WITHDRAWN: 02/05/2001

USDA-APHIS
Plant Pest Regulations: Update of Current Provisions -- APHIS Docket Number 95-095-2
STAGE: Proposed Rule
RECEIVED: 05/05/2000
WITHDRAWN: 02/07/2001

USDA-APHIS
Importation of Unshu Oranges -- APHIS Docket Number 99-099-1
STAGE: Proposed Rule
RECEIVED: 11/15/2000
WITHDRAWN: 02/07/2001

USDA-APHIS
Phytosanitary Certificates for Imported Fruits and Vegetables -- APHIS Docket Number 00-014-1
STAGE: Proposed Rule
RECEIVED: 11/28/2000
WITHDRAWN: 02/07/2001

USDA-GIPSA
Livestock Purchase or Sale; Prohibit Non-Reporting of Price
STAGE: Proposed Rule
RECEIVED: 09/14/2000
WITHDRAWN: 02/02/2001

USDA-GIPSA
Regulations to Ensure Equitable Competition in the Livestock and Meat Packing Industries; Prohibition of Conditional or String Purchases or Sales of Livestock
STAGE: Proposed Rule
RECEIVED: 01/16/2001
WITHDRAWN: 02/02/2001

USDA-FNS
Standards for Approval and Operations of Food Stamp Electronic Benefit Transfer (EBT) System
STAGE: Proposed Rule
RECEIVED: 07/26/2000
WITHDRAWN: 02/02/2001

USDA-FNS
National School Lunch Program and School Breakfast Program: Alternatives to Standard Application and Meal Counting Procedures
STAGE: Final Rule
RECEIVED: 11/06/2000
WITHDRAWN: 02/02/2001

USDA-FNS
Work Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and Food Stamp Provisions of the Balanced Budget Act of 1997
STAGE: Final Rule
RECEIVED: 12/06/2000
WITHDRAWN: 02/02/2001

Department of Commerce - 5 WITHDRAWN

DOC-NOAA
Natural Resource Damage Assessments Pursuant to Section 1006(e)(1) of the Oil Pollution Act of 1990
STAGE: Proposed Rule
RECEIVED: 08/07/2000
WITHDRAWN: 02/01/2001

DOC-NOAA
Taking Marine Mammals Incidental to U.S. Navy Operations of Surveillance Towed Arrauy Sensor System Low Frequency Active Sonar
STAGE: Proposed Rule
RECEIVED: 10/10/2000
WITHDRAWN: 01/31/2001

DOC-NOAA
Implementing the Essential Fish Habitat Provisions of the Magnuson-Stevens Fishery Conservation and Management Act
STAGE: Final Rule (N/C)
RECEIVED: 01/11/2001
WITHDRAWN: 01/31/2001

DOC-PTO
Trademark Application Electronic Filing for Registration and Other Documents
STAGE: Proposed Rule
RECEIVED: 01/24/2001
WITHDRAWN: 01/31/2001

DOC-PTO
Notice and Request for Comments on Development of a Plan to Remove the Patent and Trademark Classified Paper Files from the Public Search Facilities
STAGE: Notice
RECEIVED: 01/24/2001
WITHDRAWN: 01/31/2001

Department of Defense - 2 WITHDRAWN

DOD-OS
Transactions Other Than Contracts, Grants, or Cooperative Agreements for Prototype Projects
STAGE: Final Rule
RECEIVED: 01/10/2001
WITHDRAWN: 02/15/2001

DOD-OS
Revitalizing Base Closure Communities, Base Closure Community Assistance
STAGE: Interim Final Rule
RECEIVED: 01/31/2001
WITHDRAWN: 02/02/2001

Department of Education - 1 WITHDRAWN

ED-OSERS
Early Interview Program for Infants and Toddlers with Disabilities
STAGE: Final Rule
RECEIVED: 01/16/2001
WITHDRAWN: 01/29/2001

Department of Health and Human Services - 13 WITHDRAWN

HHS-FDA
Exports: Notification and Recordkeeping Requirements
STAGE: Final Rule
RECEIVED: 08/29/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Records and Reports Concerning Experience with Approved New Animal Drugs
STAGE: Final Rule
RECEIVED: 08/29/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Additional Criteria and Procedures for Classfying Over-the-Counter Drugs as Generally Recognized as Safe and Effective and Not Misbranded (Final Rule)
STAGE: Final Rule (N/C)
RECEIVED: 09/19/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Foreign Establishment Registration and Listing
STAGE: Final Rule
RECEIVED: 09/27/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Safety Reporting Requirements for Human Drug and Biological Products
STAGE: Proposed Rule
RECEIVED: 10/24/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Current Good Manufacturing, Packing, or Holding Dietary Ingredients and Dietary Supplements
STAGE: Proposed Rule
RECEIVED: 11/08/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Medical Devices; Hearing Aid Requirements; Request for Comments and Information
STAGE: Proposed Rule
RECEIVED: 12/26/2000
WITHDRAWN: 02/01/2001

HHS-FDA
Control of Salmonella Enteriditis in Shell Eggs During Production and At Retail
STAGE: Proposed Rule
RECEIVED: 01/16/2001
WITHDRAWN: 02/01/2001

HHS-HCFA
Medicare Program: Adjustments to Cost Limits for Skilled Nursing Facility Inpatient Routine Service Costs
STAGE: Notice
RECEIVED: 03/30/2000
WITHDRAWN: 02/01/2001

HHS-HCFA
Requirements for Establishing and Maintaining Medicare Billing Privileges
STAGE: Proposed Rule
RECEIVED: 10/19/2000
WITHDRAWN: 02/01/2001

HHS-HCFA
Medicare and Medicaid Programs: Fire Safety Requirements for Religious Nonmedical Health Care Institutions, Ambulatory Surgery Centers, Hospices, PACE, Hospitals, and Long-Term Care Facilities
STAGE: Proposed Rule
RECEIVED: 01/12/2001
WITHDRAWN: 02/01/2001

HHS-ACF
Accounting for the Amounts in Reserve Funds Established in the Assets for Independence Program
STAGE: Final Rule (N/C)
RECEIVED: 11/16/2000
WITHDRAWN: 02/01/2001

HHS-ACF
High Performance Bonus Awards under the TANF Program
STAGE: Interim Final Rule
RECEIVED: 01/11/2001
WITHDRAWN: 02/01/2001

Department of Housing and Urban Development - 11 WITHDRAWN

HUD-OH
Section 223(f) Mortgage Insurance for the Refinancing of Debt of Existing Hospitals (Interim Rule)
STAGE: Interim Final Rule
RECEIVED: 10/02/2000
WITHDRAWN: 02/02/2001

HUD-OH
Renewal of Expiring Section 8 Project-Based Assistance Contracts -- FR-4551-F-01
STAGE: Final Rule
RECEIVED: 10/04/2000
WITHDRAWN: 02/02/2001

HUD-OH
Credit Watch Termination Initiative; Limitation on the Establishment of New Branches for Origination of FHA-Insured Mortgages in Lending Areas for Lenders Who Receive Proposed Termination Notice
STAGE: Proposed Rule
RECEIVED: 10/20/2000
WITHDRAWN: 02/02/2001

HUD-OH
Single Family Mortgage Insurance; Section 203(k) Consultant Placement and Removal Procedures -- FR-4592-P-01
STAGE: Proposed Rule
RECEIVED: 10/20/2000
WITHDRAWN: 02/02/2001

HUD-OH
Strengthening the Title I Property Improvement and Manufactured Home Loan Insurance Programs and Title I Lender/Title II Mortgagee Approval Requirements -- FR-4246-F-02
STAGE: Final Rule
RECEIVED: 01/09/2001

WITHDRAWN: 02/02/2001

HUD-OH
Multifamily Housing Rehabiliation Loan Program for Capital Repairs Section 236(s) (Notice)
STAGE: Notice
RECEIVED: 01/18/2001
WITHDRAWN: 02/02/2001

HUD-CPD
Modification of the Community Development Block Grant Definition for Metropolitan City -- FR-4624
STAGE: Interim Final Rule
RECEIVED: 10/20/2000
WITHDRAWN: 02/02/2001

HUD-PIH
Voluntary Conversion of Developments from Public Housing Stock -- FR-4476
STAGE: Final Rule
RECEIVED: 08/23/2000
WITHDRAWN: 02/02/2001

HUD-PIH
Loan Guarantee for Indian Housing; Direct Guarantee Processing -- FR-4241-F-02
STAGE: Final Rule
RECEIVED: 09/20/2000
WITHDRAWN: 02/02/2001

UD-PIH
Allocation of Operating Subsidies under the Operating Fund Formula -- FR-4425-I-12
AGE: Interim Final Rule
CEIVED: 12/12/2000
THDRAWN: 02/02/2001

-PIH
Revision to Cost Limits for Native American Housing -- FR-4517-F-02
GE: Final Rule
IVED: 12/15/2000
DRAWN: 02/02/2001

Department of the Interior - 3 WITHDRAWN

DOI-BLM
Onshore Oil and Gas Leasing and Operations
STAGE: Final Rule
RECEIVED: 01/02/2001
WITHDRAWN: 01/30/2001

DOI-FWS
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
STAGE: Final Rule
RECEIVED: 12/08/2000
WITHDRAWN: 01/30/2001

DOI-NPS
Conservation in National Park System
STAGE: Proposed Rule
RECEIVED: 11/08/2000
WITHDRAWN: 01/30/2001

Department of Justice - 13 WITHDRAWN

DOJ-FBI
Implementation of Section 104 and 109 of the Communications Assistance for Law Enforcement Act: Definitions of "Replaced" and Significantly Upgraded or Otherwise Undergoes Major Modification
STAGE: Proposed Rule
RECEIVED: 11/28/2000
WITHDRAWN: 01/31/2001

DOJ-INS
Extending the Period of Duration of Status for Certain F and J Nonimmigrant Aliens
STAGE: Final Rule
RECEIVED: 09/08/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Inadmissibility To Enter the United States for Former U.S. Citizens Who Renounced Citizenship To Avoid Taxation
STAGE: Proposed Rule
RECEIVED: 09/28/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Additional Petitioning Requirementss for the H-1B NonImmigrant Classification under Public Law 105-277
STAGE: Proposed Rule
RECEIVED: 09/14/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Adjustment of Fees for Services at Land Border Ports-of-Entry
STAGE: Proposed Rule
RECEIVED: 11/14/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Adjustment of Fees for Dedicated Commuter Loans and Secure Electronic Network for Traveler Rapid Inspection (SENTRI) Program at Land Border Ports of Entry
STAGE: Proposed Rule
RECEIVED: 11/14/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Elimination of Immigration and Naturalization Service-Issued Mexican and Canadian Crossing Cards and Consent to Reapply for Admission After Removal
STAGE: Interim Final Rule
RECEIVED: 11/28/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Petitioning Requirements for the H-1C Nonimmigrant Classification under Public Law 106-95
STAGE: Interim Final Rule
RECEIVED: 12/07/2000
WITHDRAWN: 02/01/2001

DOJ-INS
Use of Classified Information in Proceedings Before the Executive Office for Immigration Review and the Immigration and Naturalization Service
STAGE: Proposed Rule
RECEIVED: 01/10/2001
WITHDRAWN: 02/06/2001

DOJ-DEA
Comprehensive Methamphetamine Control Act of 1996; Regulation of Pseudoephedrine, Phenylpropanolmine, Combination Ephedrine Drug Products & Reports of Certain Transactions to Nonregulated Person
STAGE: Final Rule
RECEIVED: 10/23/2000
WITHDRAWN: 01/31/2001

DOJ-DEA
Exemption from Control of Certain Industrial Products and Material Derived from the Cannabis Plant -- Interpretation of Listing of Tetrahydrocannabinols in Schedule I
STAGE: Interim Final Rule
RECEIVED: 11/06/2000
WITHDRAWN: 01/31/2001

DOJ-DEA
Exemption from Control of Certain Industrial Products and Materials Derived from the Cannabis Plant
STAGE: Interim Final Rule
RECEIVED: 11/09/2000
WITHDRAWN: 01/31/2001

DOJ-DEA
Exemption from Control of Certain Industrial Products & Material Derived from the Cannabis Plant --Clarification of Listing of Tetrahydrocannabinols in Schedule I
STAGE: Proposed Rule
RECEIVED: 11/06/2000
WITHDRAWN: 01/31/2001

Department of Labor - 2 WITHDRAWN

DOL-MSHA
Verification of Underground Coal Mine Operators' Dust Control Plans and Compliance Sampling for Respirable Dust
STAGE: Final Rule
RECEIVED: 12/18/2000
WITHDRAWN: 01/31/2001

DOL-MSHA
Determination of Concentration of Respirable Coal Mine Dust
STAGE: Final Rule
RECEIVED: 12/18/2000
WITHDRAWN: 01/31/2001

Department of Transportation - 12 WITHDRAWN

DOT-FAA
National Air Tour Safety Standards
STAGE: Proposed Rule
RECEIVED: 09/08/2000
WITHDRAWN: 02/02/2001

DOT-FAA
Revisions to Digital Flight Data Recorder Regulations for Boeing 737 Airplanes and for Part 125 Operators
STAGE: Final Rule
RECEIVED: 12/26/2000
WITHDRAWN: 02/02/2001

DOT-FAA
Traffic Alert and Collision Avoidance Systems
STAGE: Proposed Rule
RECEIVED: 12/26/2000
WITHDRAWN: 02/02/2001

DOT-FAA
Corrosion Prevention and Control Program
STAGE: Proposed Rule
RECEIVED: 01/10/2001
WITHDRAWN: 02/02/2001

DOT-FAA
Transport Airplane Fleet Fuel Tank Ignition Source Review; Flammability Reduction and Maintenance and Inspection
STAGE: Final Rule
RECEIVED: 01/12/2001
WITHDRAWN: 02/02/2001

DOT-FAA
Part 145 Review Repair Stations
STAGE: Final Rule
RECEIVED: 01/17/2001
WITHDRAWN: 02/02/2001

DOT-FHWA
Statewide Transportation Planning; Metropolitan Transportation Planning
STAGE: Final Rule
RECEIVED: 01/10/2001
WITHDRAWN: 02/02/2001

DOT-NHTSA
Safety Incentive Grants for Use of Seat Belts; Allocations Based on State Seat Belt Use Rates
STAGE: Final Rule
RECEIVED: 11/30/2000
WITHDRAWN: 02/02/2001

DOT-FRA
Application of Random Testing and Other Requirements to Employees of a Foreign Railroad Who Are Based Outside the U.S. and Perform Train or Dispatching Service in the U.S.
STAGE: Proposed Rule
RECEIVED: 10/26/2000
WITHDRAWN: 02/05/2001

DOT-FTA
Statewide Transportation Planning; Metropolitan Transportation Planning
STAGE: Final Rule
RECEIVED: 01/10/2001
WITHDRAWN: 02/09/2001

DOT-MARAD
Cargo Preference Regulations; Carriage of Agricultural Exports
STAGE: Proposed Rule
RECEIVED: 05/16/2000
WITHDRAWN: 02/02/2001

DOT-RSPA
Harardous Materials: Safety Requirements for External Product Piping on Cargo Tanks Transporting Flammable Liquids
STAGE: Proposed Rule
RECEIVED: 12/04/2000
WITHDRAWN: 02/05/2001

Department of Veterans Affairs - 18 WITHDRAWN

VA
Exclusions from Income
STAGE: Final Rule
RECEIVED: 02/24/2000
WITHDRAWN: 02/01/2001

VA
VA Acquisition Regulations: Simplified Acquisition Procedures for Health Care Resources
STAGE: Proposed Rule
RECEIVED: 05/05/2000
WITHDRAWN: 02/01/2001

VA
Release of Information from Department of Veterans Affairs Records
STAGE: Final Rule
RECEIVED: 06/13/2000
WITHDRAWN: 02/01/2001

VA
Evidence of Permanent and Total Disability
STAGE: Proposed Rule
RECEIVED: 09/11/2000
WITHDRAWN: 02/01/2001

VA
Medical Care and Treatment For Which VA Will Not Seek Reimbursement
STAGE: Proposed Rule
RECEIVED: 10/11/2000
WITHDRAWN: 02/01/2001

VA
Payment or Reimbursement for Emergency Treatment Furnished at Non-VA Facilities
STAGE: Proposed Rule
RECEIVED: 11/24/2000
WITHDRAWN: 02/01/2001

VA
Provision of Hospital and Outpatient Care to Veterans
STAGE: Final Rule
RECEIVED: 11/24/2000
WITHDRAWN: 02/01/2001

VA
Revised Criteria for Monetary Allowance for a Child Born with Spina Bifida Who Is a Child of a Vietnam Veteran
STAGE: Final Rule
RECEIVED: 12/06/2000
WITHDRAWN: 02/01/2001

VA
Compensated Work Therapy/Transitional Residences Program
STAGE: Proposed Rule
RECEIVED: 12/13/2000
WITHDRAWN: 02/01/2001

VA
Appeals Regulations: Title for Members of the Board of Veterans' Appeals Rescission
STAGE: Final Rule
RECEIVED: 12/13/2000
WITHDRAWN: 02/01/2001

VA
Appeals Regulations: Title for Members of the Board of Veterans' Appeal
STAGE: Proposed Rule
RECEIVED: 12/13/2000
WITHDRAWN: 02/01/2001

VA
Signature by Mark
STAGE: Final Rule
RECEIVED: 12/26/2000
WITHDRAWN: 02/01/2001

VA
Diseases Specific to Radiation-Exposed Veterans
STAGE: Proposed Rule
RECEIVED: 01/03/2001
WITHDRAWN: 02/01/2001

VA
Review of Benefit Claims Decisions
STAGE: Final Rule
RECEIVED: 01/12/2001
WITHDRAWN: 02/01/2001

VA
Writen and Oral Information or Statement Affecting Entitlement to Benefits
STAGE: Proposed Rule
RECEIVED: 01/12/2001
WITHDRAWN: 02/01/2001

VA
Certification of Evidence for Proof of Service
STAGE: Final Rule
RECEIVED: 01/17/2001
WITHDRAWN: 02/01/2001

VA
Presumptive Service Connection for Hepatitis C Infection
STAGE: Proposed Rule
RECEIVED: 01/19/2001
WITHDRAWN: 02/01/2001

VA
Medical Benefits Package
STAGE: Final Rule
RECEIVED: 01/22/2001
WITHDRAWN: 02/01/2001

Environmental Protection Agency - 21 WITHDRAWN

EPA-ROSEATTLE
Federal Implementation Plans under the Clean Air Act for Indian Reservations in Idaho, Oregon, and Washington
STAGE: Proposed Rule
RECEIVED: 12/22/2000
WITHDRAWN: 02/14/2001

EPA-WATER
National Secondary Drinking Water Regulation; Methyl Tertiary Butyl Ether (MTBE) (Proposed Rule)
STAGE: Proposed Rule
RECEIVED: 01/11/2001
WITHDRAWN: 02/16/2001

EPA-WATER
Long-Term 1 Enhanced Surface Water Treatment Rule
STAGE: Final Rule
RECEIVED: 01/11/2001
WITHDRAWN: 02/16/2001

EPA-WATER
National Primary Drinking Water Regulations: Radon-222
STAGE: Final Rule
RECEIVED: 01/19/2001
WITHDRAWN: 02/16/2001

EPA-SWER
Standardized Permit for RCRA Hazardous Waste Management Facilities
STAGE: Proposed Rule
RECEIVED: 08/08/2000
WITHDRAWN: 02/15/2001

EPA-SWER
Hazardous Waste Identification Rule (HWIR): Identification and Listing of Hazardous Wastes
STAGE: Final Rule
RECEIVED: 01/24/2001
WITHDRAWN: 03/22/2001

EPA-AR
Protection of Stratospheric Ozone: Process for Exempting Quarantine and Preshipment Methyl Bromide and Trade Ban with Non-Parties to the Montreal Protocol (Proposed Rule)
STAGE: Proposed Rule
RECEIVED: 07/25/2000
WITHDRAWN: 02/14/2001

EPA-AR
Proposed National Emission Standards for Hazardous Air Pollutants for Stationary Combustion Turbines
STAGE: Proposed Rule
RECEIVED: 08/10/2000
WITHDRAWN: 02/14/2001

EPA-AR
National Emission Standards for Hazardous Air Pollutants: Miscellaneous Organic Chemical Manufacturing and Miscellaneous Coating Manufacturing
STAGE: Proposed Rule
RECEIVED: 08/25/2000
WITHDRAWN: 02/14/2001

EPA-AR
National Emission Standards for Hazardous Air Pollutants; Surface Coating of Metal Furniture
STAGE: Proposed Rule
RECEIVED: 08/25/2000
WITHDRAWN: 02/14/2001

EPA-AR
National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines
STAGE: Proposed Rule
RECEIVED: 08/30/2000
WITHDRAWN: 02/14/2001

EPA-AR
National Emission Standards for Hazardous Air Pollutants: Plywood and Composite Wood Products
STAGE: Proposed Rule
RECEIVED: 10/17/2000
WITHDRAWN: 02/20/2001

EPA-AR
Revisions to the Part 97 Federal NOx Budget Trading Program Allocation Method and the Part 75 Output and Emissions Monitoring Provisions
STAGE: Prerule
RECEIVED: 10/17/2000
WITHDRAWN: 02/14/2001

EPA-AR
National Emission Standards for Hazardous Air Pollutants (NESHAP), Organic Liquids Distribution (Non-Gasoline)
STAGE: Proposed Rule
RECEIVED: 01/05/2001
WITHDRAWN: 02/14/2001

EPA-AR
Consolidated Emissions Reporting Rule
STAGE: Final Rule
RECEIVED: 01/12/2001
WITHDRAWN: 02/14/2001

EPA-AR
NESHAP: Petroleum Refineries; Catalytic Cracking Units, Catalytic Reforming Units, and Sulfur Recovery Units
STAGE: Final Rule
RECEIVED: 01/18/2001
WITHDRAWN: 02/14/2001

EPA-AR
Control of Methyl Tertiary Butyl Ether (MTBE) as a Gasoline Additive; Prohibition on Manufacture, Import, Sale, Storage, and Transportation
STAGE: Proposed Rule
RECEIVED: 01/19/2001
WITHDRAWN: 02/14/2001

EPA-AR
Regulation of Fuels and Fuel Additives: Reformulated Gasoline Adjustment
STAGE: Final Rule
RECEIVED: 01/19/2001
WITHDRAWN: 02/14/2001

EPA-OPPTS
Toxic Substances Control Act (TSCA) Inventory Update Rule Amendments
STAGE: Final Rule
RECEIVED: 09/07/2000
WITHDRAWN: 02/14/2001

EPA-OPPTS
Ground Water Pesticide Management Plan Rule
STAGE: Final Rule (N/C)
RECEIVED: 09/13/2000
WITHDRAWN: 02/14/2001

EPA-AdmO
National Environmental Achievement Track Program
STAGE: Proposed Rule
RECEIVED: 10/17/2000
WITHDRAWN: 02/15/2001

Federal Emergency Management Agency - 1 WITHDRAWN

FEMA
Supplemental Property Acquisition and Elevation Assistance
STAGE: Final Rule
RECEIVED: 12/04/2000
WITHDRAWN: 01/31/2001

General Services Administration - 1 WITHDRAWN

GSA
Annual Real Property Inventories
STAGE: Interim Final Rule
RECEIVED: 09/19/2000
WITHDRAWN: 01/24/2001

Institute of Museum and Library Services - 1 WITHDRAWN

IMLS
Governmentwide Debarment and Suspension (Nonprocurement)
STAGE: Proposed Rule
RECEIVED: 12/14/2000
WITHDRAWN: 02/01/2001

Office of Personnel Management - 6 WITHDRAWN

OPM
Debarments and Suspension of Health Care Providers from the Federal Employees Health Benefits Program
STAGE: Proposed Rule
RECEIVED: 08/16/2000
WITHDRAWN: 02/06/2001

OPM
Excepted Service Schedule; An Authority for Nontemporary, Part-Time, or Intermittent Positions
STAGE: Proposed Rule
RECEIVED: 10/11/2000
WITHDRAWN: 02/06/2001

OPM
Investigations
STAGE: Proposed Rule
RECEIVED: 10/11/2000
WITHDRAWN: 02/06/2001

OPM
Federal Employees Health Benefits Acquisition Regulation:
Effective Date of Regulatory Changes and Miscellaneous Changes
STAGE: Proposed Rule
RECEIVED: 11/29/2000
WITHDRAWN: 02/06/2001

OPM
Career Transition Assistance for Surplus and Displaced Employees
STAGE: Interim Final Rule
RECEIVED: 01/11/2001
WITHDRAWN: 02/06/2001

OPM
Federal Employees' Health Benefits Acquisition Regulation
(FEHBAR) Large Provider Agreements, Subcontracts, and
Miscellaneous Changes
STAGE: Proposed Rule
RECEIVED: 01/17/2001
WITHDRAWN: 02/06/2001

Small Business Administration - 3 WITHDRAWN

SBA
Governmentwide Debarment and Suspension (Non-Procurement) and
Governmentwide Requiremements for a Drug-Free WorkPlace (Grants)
STAGE: Proposed Rule
RECEIVED: 12/04/2000
WITHDRAWN: 01/30/2001

SBA
Prime Act Grants
STAGE: Final Rule
RECEIVED: 01/08/2001
WITHDRAWN: 01/31/2001

SBA
8(a) Business Development/Small Disadvantaged Business Status
Determinations; Rules of Procedure Governing Cases Before the
Office of Hearings and Appeals
STAGE: Proposed Rule
RECEIVED: 01/26/2001
WITHDRAWN: 02/06/2001

Social Security Administration - 2 WITHDRAWN

SSA
Revised Medical Criteria for Determination of Disability,
Musculoskeletal System and Related Criteria
STAGE: Final Rule
RECEIVED: 07/14/2000
WITHDRAWN: 02/02/2001

SSA
Exclusion of One Automobile from Resources under the Supplemental
Security Income Program
STAGE: Proposed Rule
RECEIVED: 11/15/2000
WITHDRAWN: 01/30/2001

DOD/GSA/NASA (FAR) - 2 WITHDRAWN

FAR
Hazardous Material Safety Data -- FAR Case 1998-020
STAGE: Proposed Rule
RECEIVED: 09/13/2000
WITHDRAWN: 02/15/2001

FAR
Subcontracts (Labor Standards)
STAGE: Proposed Rule
RECEIVED: 11/24/2000
WITHDRAWN: 02/15/2001

Congressman Hoyer - Attachment

OFFICE OF INFORMATION AND REGULATORY AFFAIRS — 23 MAY 2001
REGULATIONS CLEARED 01/20/2001 - 05/18/2001 — PAGE: 1

TOTAL CLEARED: 86

Department of Agriculture - 11 CLEARED

USDA-FSA
Livestock Indemnity Program and Livestock Indemnity Program for Contract Growers
STAGE: Proposed Rule
RECEIVED: 02/12/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/07/2001

USDA-FSA
Wool, Mohair, and Apples
STAGE: Final Rule
RECEIVED: 02/12/2001
CLEARED: 02/23/2001 Consistent w/no change
PUBLISHED: 03/08/2001

USDA-FSA
Dairy, Honey, and Cranberry Market Loss Assistance and Sugar Programs
STAGE: Final Rule
RECEIVED: 02/12/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/15/2001

USDA-FSA
Livestock Assistance, American Indian Livestock Feed, Pasture Recovery, and Dairy Price Support Programs
STAGE: Interim Final Rule
RECEIVED: 02/13/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/19/2001

USDA-FSA
Grazing Payments for 2001 Wheat, Barley, or Oats
STAGE: Final Rule
RECEIVED: 02/14/2001
CLEARED: 02/22/2001 Consistent w/no change
PUBLISHED: 03/06/2001

USDA-FSA
Limited California Cooperative Insolvency Payment Program
STAGE: Final Rule
RECEIVED: 02/20/2001
CLEARED: 03/02/2001 Consistent with change
PUBLISHED: 03/13/2001

USDA-FSA
2000 Crop Disaster Program -v 7 CFR Part 1480 (Final Rule)
STAGE: Final Rule
RECEIVED: 03/02/2001
CLEARED: 03/15/2001 Consistent with change
PUBLISHED: 03/21/2001

USDA-FSA
Conservation of Farmable Wetlands
STAGE: Final Rule
RECEIVED: 03/08/2001
CLEARED: 03/23/2001 Consistent with change
PUBLISHED: 05/02/2001

USDA-APHIS
Importation of Unshu Oranges
STAGE: Proposed Rule
RECEIVED: 11/15/2000
CLEARED: 02/07/2001 Proposed Rule Withdrawn by agency
RECEIVED: 03/21/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/18/2001

USDA-FSIS
Performance Standards for the Production of Processed Meat and Poultry Products
STAGE: Proposed Rule
RECEIVED: 01/11/2001
CLEARED: 01/18/2001 Proposed Rule Consistent with change
RECEIVED: 02/02/2001
CLEARED: 02/16/2001 Consistent with change
PUBLISHED: 02/27/2001

USDA-FSIS
Mandatory Inspection of Ratites and Squabs
STAGE: Interim Final Rule
RECEIVED: 04/23/2001
CLEARED: 04/25/2001 Consistent with change
PUBLISHED: 05/01/2001

Department of Commerce - 3 CLEARED

DOC-NOAA
Rulemaking for the Incidental Taking of Marine Mammals During Worldwide Deployment of the U.S. Navy's Low Frequency Active Sonar
STAGE: Proposed Rule
RECEIVED: 10/10/2000
CLEARED: 01/31/2001 Proposed Rule Withdrawn by agency
RECEIVED: 02/23/2001

CLEARED: 03/08/2001 Consistent w/no change
PUBLISHED: 04/16/2001

DOC-NOAA
Fishers Off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Groundfish Observer Program
STAGE: Final Rule
RECEIVED: 08/15/2000
CLEARED: 08/18/2000 Proposed Rule Consistent w/no change
RECEIVED: 03/23/2001
CLEARED: 03/27/2001 Consistent w/no change
PUBLISHED: 04/24/2001

DOC-NOAA
Annual Framework Adjustment (Framework 14) for the Atlantic Sea Scallop Fishery Management Plan for Fishing Year 2001
STAGE: Final Rule
RECEIVED: 04/16/2001
CLEARED: 04/25/2001 Consistent w/no change
PUBLISHED: 05/01/2001

Department of Defense - 1 CLEARED

DOD-DODOASHA
TRICARE; Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Implements NDAA for FY2001 and Pharmacy Benefits Program
STAGE: Interim Final Rule
RECEIVED: 12/14/2000
CLEARED: 01/25/2001 Consistent with change
PUBLISHED: 02/15/2001

Department of Health and Human Services - 7 CLEARED

HHS-HRSA
Children's Hospitals Graduate Medical Education (CHGM) Payment Program: Final Eligibility and Funding Criteria and List of Eligible Hospitals and Proposed Methodology for Determining FTE..
STAGE: Notice
RECEIVED: 12/27/2000
CLEARED: 02/05/2001 Consistent with change
PUBLISHED: 03/01/2001

HHS-FDA
Additional Safeguards for Children in Clinical Investigations of FDA Regulated Products
STAGE: Interim Final Rule
RECEIVED: 03/08/2001
CLEARED: 04/17/2001 Consistent with change

PUBLISHED: 04/24/2001

HHS-IHS
Rates for Calendar Year 2001
STAGE: Notice
RECEIVED: 01/11/2001
CLEARED: 01/25/2001 Consistent with change
PUBLISHED:

HHS-HCFA
Modification of the Medicaid Upper Payment Limit Transition Period for Inpatient and Outpatient Hospital Services, Nursing Facility Services, Intermediate Care Facility for the Mentally...
STAGE: Proposed Rule
RECEIVED: 03/27/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/03/2001

HHS-HCFA
Medicare Program: Revision of Payment Rates for End-Stage Renal Disease (ESRD) Patients Enrolled in Medicare+Choice Plans
STAGE: Proposed Rule
RECEIVED: 04/12/2001
CLEARED: 04/26/2001 Consistent with change
PUBLISHED:

HHS-HCFA
Medicare Programs: Changes to the Hospital Inpatients Prospective Payment System for Fiscal Year 2002 Rates -- HCFA-1158-P
STAGE: Proposed Rule
RECEIVED: 04/24/2001
CLEARED: 04/27/2001 Consistent with change
PUBLISHED: 05/04/2001

HHS-ACF
High Performance Bonus Awards Under the TANF Program
STAGE: Interim Final Rule
RECEIVED: 01/11/2001
CLEARED: 02/01/2001 Interim Final Rule Withdrawn by agency
RECEIVED: 04/11/2001
CLEARED: 05/03/2001 Consistent w/no change
PUBLISHED: 05/10/2001

Department of Housing and Urban Development - 6 CLEARED

HUD-HUDSEC
Screening and Eviction for Drug Abuse and Other Criminal Activity
STAGE: Final Rule
RECEIVED: 06/04/1999
CLEARED: 07/16/1999 Proposed Rule Consistent with change
RECEIVED: 05/18/2000
CLEARED: 12/18/2000 Final Rule Consistent with change
RECEIVED: 04/03/2001
CLEARED: 05/14/2001 Consistent with change
PUBLISHED:

HUD-OH
Home Equity Conversion Mortgage (HECM) Program; Insurance for Mortgages to Refinance Existing HECMs -- FR-4667-P-01
STAGE: Proposed Rule
RECEIVED: 04/13/2001
CLEARED: 05/08/2001 Consistent w/no change
PUBLISHED:

HUD-CPD
Designation of Round III Empowerment Zones and Renewal Communities -- FR-4663
STAGE: Interim Final Rule
RECEIVED: 03/07/2001
CLEARED: 04/12/2001 Consistent with change
PUBLISHED:

HUD-PIH
Allocation of Operating Subsidies under the Operating Fund Formula -- FR-4425-I-12
STAGE: Interim Final Rule
RECEIVED: 03/23/2000
CLEARED: 06/15/2000 Proposed Rule Consistent with change
RECEIVED: 12/12/2000
CLEARED: 02/02/2001 Interim Final Rule Withdrawn by agency
RECEIVED: 02/16/2001
CLEARED: 02/23/2001 Consistent w/no change
PUBLISHED: 03/29/2001

HUD-PIH
Section 8 Homeowndership Program; Pilot Program for Homeownership Assistance for Disabled Families -- FR-4661-I-01
STAGE: Interim Final Rule
RECEIVED: 02/27/2001
CLEARED: 03/14/2001 Consistent with change
PUBLISHED:

DOI-FWS
Endangered and Threatened Wildlife and Plants; Final Designation of Critical Habitat for the Morro Shoulderband Snail (Helminthoglypta walkeriana)
STAGE: Final Rule
RECEIVED: 07/05/2000
CLEARED: 07/05/2000 Proposed Rule Consistent w/no change
RECEIVED: 02/02/2001
CLEARED: 02/06/2001 Consistent w/no change
PUBLISHED: 02/07/2001

DOI-FWS
Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Zayantee Bandwinged Grasshopper
STAGE: Final Rule
RECEIVED: 07/05/2000
CLEARED: 07/13/2000 Proposed Rule Consistent w/no change
RECEIVED: 02/02/2001
CLEARED: 02/06/2001 Consistent w/no change
PUBLISHED: 02/07/2001

DOI-FWS
Endangered and Threatened Wildlife and Plants; Proposed Designation for a Mollusk, the Appalachian Elktoe
STAGE: Proposed Rule
RECEIVED: 02/02/2001
CLEARED: 02/06/2001 Consistent w/no change
PUBLISHED: 02/08/2001

DOI-FWS
Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the California Red-Legged Frog
STAGE: Final Rule
RECEIVED: 03/01/2001
CLEARED: 03/05/2001 Consistent with change
PUBLISHED: 03/13/2001

DOI-FWS
Endangered and Threatened Widlife and Plants; Final Designation of Critical Habitat for the Arkansas River Basin Population of the Arkansas River Shiner
STAGE: Final Rule
RECEIVED: 06/23/2000
CLEARED: 06/26/2000 Proposed Rule Consistent w/no change
RECEIVED: 03/29/2001
CLEARED: 03/29/2001 Consistent w/no change
PUBLISHED: 04/04/2001

DOI-FWS
Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Bay Checkerspot Butterfly
STAGE: Final Rule
RECEIVED: 10/11/2000
CLEARED: 10/17/2000 Proposed Rule Consistent w/no change
RECEIVED: 04/23/2001
CLEARED: 04/25/2001 Consistent w/no change
PUBLISHED: 04/30/2001

DOI-FWS
Migratory Bird Hunting; Proposed 2001-2002 Migratory Game Bird Hunting Regulations (Preliminary) With Requests for Indian Tribal Proposals
STAGE: Proposed Rule
RECEIVED: 04/23/2001
CLEARED: 04/30/2001 Consistent w/no change
PUBLISHED: 04/30/2001

DOI-FWS
Endangered and Threatened Wildlife and Plants; Final Determination of Critical Habitat for the Piping Plover in Breeding Habitat
STAGE: Final Rule
RECEIVED: 07/05/2000
CLEARED: 07/10/2000 Proposed Rule Consistent w/no change
RECEIVED: 05/01/2001
CLEARED: 05/01/2001 Consistent w/no change
PUBLISHED: 05/07/2001

DOI-NPS
Concession Contracts -- 36 CFR Part 51
STAGE: Final Rule
RECEIVED: 03/21/2001
CLEARED: 05/08/2001 Consistent with change
PUBLISHED:

Department of Justice - 3 CLEARED

DOJ-INS
Children Born Outside the United States; Applications for Certificate of Citizenship
STAGE: Interim Final Rule
RECEIVED: 04/13/2001
CLEARED: ********** Interim Final Rule
RECEIVED: 02/09/2001
CLEARED: 02/22/2001 Consistent with change
PUBLISHED:

DOJ-INS
Adjustment of Status to That of Person Admitted for Lawful Permanent Residence; Temporary Removal of Certain Restrictions of Eligibility
STAGE: Interim Final Rule
RECEIVED: 02/21/2001
CLEARED: 03/12/2001 Consistent with change
PUBLISHED: 03/26/2001

DOJ-EOIR
Motions to Reopen for Suspension of Deportation and Special Rule Cancellation of Removal Pursuant to Section 1505(c) of the LIFE Act Amendments
STAGE: Interim Final Rule
RECEIVED: 03/08/2001
CLEARED: 05/11/2001 Consistent with change
PUBLISHED:

Department of Transportation - 6 CLEARED

DOT-FAA
Transport Airplane Fleet Fuel Tank Ignition Source Review; Flammability Reduction, and Maintenance and Inspection Requirements
STAGE: Final Rule
RECEIVED: 08/05/1999
CLEARED: 10/05/1999 Proposed Rule Consistent w/no change
RECEIVED: 01/12/2001
CLEARED: 02/02/2001 Final Rule Withdrawn by agency
RECEIVED: 03/02/2001
CLEARED: 04/11/2001 Consistent w/no change
PUBLISHED: 05/07/2001

DOT-FAA
Emergency Medical Kits
STAGE: Final Rule
RECEIVED: 03/01/2000
CLEARED: 05/18/2000 Proposed Rule Consistent with change
RECEIVED: 03/02/2001
CLEARED: 03/28/2001 Consistent with change
PUBLISHED: 04/12/2001

DOT-FAA
Overflights of Units of the National Park System
STAGE: Proposed Rule
RECEIVED: 12/26/2000
CLEARED: 01/10/2001 Proposed Rule Consistent w/no change
RECEIVED: 03/02/2001
CLEARED: 04/04/2001 Consistent with change
PUBLISHED:

DOT-FMCSA
Revision of Regulations and Application Form for
Mexican-Domiciled Motor Carriers To Operate in U.S.
Municipalities and Commercial Zones on the U.S. Mexico Border
STAGE: Proposed Rule
RECEIVED: 04/02/2001
CLEARED: 04/27/2001 Consistent with change
PUBLISHED: 05/03/2001

DOT-FMCSA
Application by Certain Mexican Motor Carriers To Implement the
North American Free Trade Agreement
STAGE: Proposed Rule
RECEIVED: 04/02/2001
CLEARED: 04/27/2001 Consistent with change
PUBLISHED: 05/03/2001

DOT-FMCSA
Safety Monitoring System and Compliance Initiative for Mexican
Motor Carriers Operating in the United States
STAGE: Proposed Rule
RECEIVED: 04/02/2001
CLEARED: 04/27/2001 Consistent with change
PUBLISHED: 05/03/2001

Department of Veterans Affairs - 15 CLEARED

VA
Claims Based on the Effects of Tabacco Products
STAGE: Final Rule (N/C)
RECEIVED: 02/12/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/06/2001

VA
Rules of Practice; Jurisdiction
STAGE: Proposed Rule
RECEIVED: 02/20/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/04/2001

VA
Change in Benefits Based on Oral and Written Information
Affecting Entitlements to Benefits
STAGE: Proposed Rule
RECEIVED: 01/12/2001
CLEARED: 02/01/2001 Proposed Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 04/11/2001 Consistent with change

PUBLISHED: 04/20/2001

VA
Signature by Mark
STAGE: Final Rule
RECEIVED: 12/26/2000
CLEARED: 02/01/2001 Final Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/06/2001

VA
Review of Benefit Claims Decisions
STAGE: Final Rule
RECEIVED: 01/12/2001
CLEARED: 02/01/2001 Final Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 04/23/2001 Consistent with change
PUBLISHED: 05/02/2001

VA
Certification of Evidence for Proof of Service
STAGE: Final Rule
RECEIVED: 01/17/2001
CLEARED: 02/01/2001 Final Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 04/09/2001 Consistent with change
PUBLISHED: 04/18/2001

VA
Revised Criteria for Monetary Allowance for a Child Born with Spina Bifida Who Is a Child of a Vietnam Veteran
STAGE: Final Rule
RECEIVED: 11/29/1999
CLEARED: 03/01/2000 Proposed Rule Consistent w/no change
RECEIVED: 12/06/2000
CLEARED: 02/01/2001 Final Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/06/2001

VA
Loan Guaranty: Title Evidence Requirements and Occupancy Requirements for Conveyance of Properties to VA
STAGE: Proposed Rule
RECEIVED: 04/11/1990
CLEARED: 07/27/1990 Proposed Rule Consistent with change
RECEIVED: 02/21/2001
CLEARED: 05/03/2001 Consistent w/no change
PUBLISHED: 05/10/2001

VA
Acceptance of Partial Payment; Indemnification of Default
STAGE: Proposed Rule
RECEIVED: 11/26/1993
CLEARED: 02/22/1994 Proposed Rule Consistent with change
RECEIVED: 02/21/2001
CLEARED: 05/03/2001 Consistent w/no change
PUBLISHED: 05/10/2001

VA
Compensated Work Therapy/Transitional Residences Program
STAGE: Proposed Rule
RECEIVED: 12/13/2000
CLEARED: 02/01/2001 Proposed Rule Withdrawn by agency
RECEIVED: 02/21/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/06/2001

VA
Appeals Regulations: Title for Members of the Board of Veterans' Appeals-Rescission
STAGE: Final Rule
RECEIVED: 12/13/2000
CLEARED: 02/01/2001 Final Rule Withdrawn by agency
RECEIVED: 02/22/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/06/2001

VA
Appeals Regulations: Title for Members of the Board of Veterans' Appeals
STAGE: Proposed Rule
RECEIVED: 12/13/2000
CLEARED: 02/01/2001 Proposed Rule Withdrawn by agency
RECEIVED: 02/22/2001
CLEARED: 02/27/2001 Consistent w/no change
PUBLISHED: 03/06/2001

VA
Duty to Assist
STAGE: Proposed Rule
RECEIVED: 03/06/2001
CLEARED: 03/29/2001 Consistent with change
PUBLISHED: 04/04/2001

VA
Reasonable Charges for Medical Care or Services
STAGE: Interim Final Rule
RECEIVED: 04/05/2001
CLEARED: 04/26/2001 Consistent with change
PUBLISHED: 05/08/2001

VA
Disease Associated with Exposure to Certain Herbicide Agents: Type 2 Diabetes
STAGE: Final Rule
RECEIVED: 12/11/2000
CLEARED: 01/05/2001 Proposed Rule Consistent with change
RECEIVED: 04/20/2001
CLEARED: 05/02/2001 Consistent w/no change
PUBLISHED: 05/08/2001

Environmental Protection Agency - 7 CLEARED

EPA-SWER
Paint Manufacturing Wastes Listing: Hazaradous Waste Management System; Identification and Listing of Hazardous Waste
STAGE: Proposed Rule
RECEIVED: 12/19/2000
CLEARED: 01/24/2001 Consistent with change
PUBLISHED: 02/13/2001

EPA-SWER
NESHAPS: Standards for Hazardous Air Pollutants for Hazardous Waste Combustors, Phase 1 Clarifications and Proposed Changes
STAGE: Proposed Rule
RECEIVED: 01/18/2001
CLEARED: 05/08/2001 Consistent with change
PUBLISHED:

EPA-SWER
Hazardous Waste Indentification Rule; Identification and Listing of Hazardous Wastes: Revisions to the Mixture and Derived From Rules
STAGE: Final Rule
RECEIVED: 06/20/1995
CLEARED: 11/13/1995 Proposed Rule Consistent with change
RECEIVED: 09/29/1999
CLEARED: 10/27/1999 Prerule Consistent with change
RECEIVED: 03/02/2001
CLEARED: 04/26/2001 Consistent with change
PUBLISHED: 05/16/2001

EPA-SWER
Treatment, Transportation, and Disposal of Mixed Waste
STAGE: Final Rule
RECEIVED: 01/25/1999
CLEARED: 02/09/1999 Prerule Consistent with change
RECEIVED: 08/02/1999
CLEARED: 10/27/1999 Proposed Rule Consistent with change
RECEIVED: 03/02/2001

CLEARED: 04/26/2001 Consistent with change
PUBLISHED: 05/16/2001

EPA-SWER
Hazardous Waste Manifest Regulation
STAGE: Proposed Rule
RECEIVED: 07/17/2000
CLEARED: 01/02/2001 Proposed Rule Consistent with change
RECEIVED: 04/04/2001
CLEARED: 04/18/2001 Consistent w/no change
PUBLISHED:

EPA-AR
National Emission Standards for Hazardous Air Pollutants:
Reinforced Plastic Composites Production
STAGE: Proposed Rule
RECEIVED: 10/05/2000
CLEARED: 04/18/2001 Consistent with change
PUBLISHED:

EPA-AR
Revisions to the Part 97 Federal NOx Budget Trading Program
Allowance and the Part 75 Emissions and Part 78 Appeal Procedures
STAGE: Proposed Rule
RECEIVED: 03/02/2001
CLEARED: 04/18/2001 Consistent with change
PUBLISHED:

Federal Emergency Management Agency - 2 CLEARED

FEMA
Disaster Assistance: Cerro Grande Fire Assistance
STAGE: Final Rule
RECEIVED: 08/22/2000
CLEARED: 08/23/2000 Interim Final Rule Consistent with change
RECEIVED: 02/22/2001
CLEARED: 03/14/2001 Consistent with change
PUBLISHED: 03/21/2001

FEMA
Assistance to Firefighters Grant Program
STAGE: Interim Final Rule
RECEIVED: 03/13/2001
CLEARED: 03/16/2001 Consistent with change
PUBLISHED: 03/21/2001

Office of Personnel Management - 2 CLEARED

OPM
Repayment of Student Loans
STAGE: Proposed Rule
RECEIVED: 01/11/2001
CLEARED: 03/08/2001 Consistent w/no change
PUBLISHED: 03/16/2001

OPM
Correction of Retirement Coverage Errors under the Federal Erroneous Retirement Coverage Corrections Act
STAGE: Interim Final Rule
RECEIVED: 03/08/2001
CLEARED: 03/14/2001 Consistent with change
PUBLISHED: 03/19/2001

Small Business Administration - 4 CLEARED

SBA
New Markets Venture Capital Program
STAGE: Proposed Rule
RECEIVED: 01/12/2001
CLEARED: 01/16/2001 Interim Final Rule Consistent with change
RECEIVED: 04/13/2001
CLEARED: 04/16/2001 Consistent with change
PUBLISHED: 04/23/2001

SBA
Small Business Innovation Research (SBIR) Program Policy Directive
STAGE: Other
RECEIVED: 04/23/2001
CLEARED: 05/07/2001 Consistent with change
PUBLISHED:

SBA
PRIME Act Grants
STAGE: Final Rule
RECEIVED: 03/30/2000
CLEARED: 05/11/2000 Proposed Rule Withdrawn by agency
RECEIVED: 05/26/2000
CLEARED: 09/15/2000 Proposed Rule Consistent with change
RECEIVED: 01/08/2001
CLEARED: 01/31/2001 Final Rule Withdrawn by agency
RECEIVED: 04/25/2001
CLEARED: 05/16/2001 Consistent with change
PUBLISHED:

SBA
New Market Venture Capital Program
STAGE: Final Rule
RECEIVED: 01/12/2001
CLEARED: 01/16/2001 Interim Final Rule Consistent with change
RECEIVED: 04/13/2001
CLEARED: 04/16/2001 Proposed Rule Consistent with change
RECEIVED: 05/09/2001
CLEARED: 05/09/2001 Consistent w/no change
PUBLISHED:

Social Security Administration - 2 CLEARED

SSA
Remove Clothing from the Definition of Income and from the Definition of In-Kind Support and Maintenance under the Supplemental Security Income Program
STAGE: Proposed Rule
RECEIVED: 11/14/2000
CLEARED: 01/30/2001 Consistent w/no change
PUBLISHED:

SSA
Determining Resources under the Supplemental Security Income Program; Exclusion of Household Goods and Personal Effects
STAGE: Proposed Rule
RECEIVED: 11/14/2000
CLEARED: 01/30/2001 Consistent w/no change
PUBLISHED:

DOD/GSA/NASA (FAR) - 4 CLEARED

FAR
Contractor Responsibility, Labor Relations Costs, and Costs Relating to Legal and Other Proceedings -- FAR Case 1999-010
STAGE: Interim Final Rule
RECEIVED: 03/28/2001
CLEARED: 03/28/2001 Consistent w/no change
PUBLISHED: 04/03/2001

FAR
Contractor Responsibility, Labor Relations Costs, and Costs Relating to Legal and Other Proceedings; Revocation -- FAR Case 2001-014
STAGE: Proposed Rule
RECEIVED: 03/28/2001
CLEARED: 03/28/2001 Consistent w/no change
PUBLISHED: 04/03/2001

FAR
Electronic Commerce in Federal Procurement -- FAR Case 1997-304
STAGE: Interim Final Rule
RECEIVED: 04/11/2001
CLEARED: 05/10/2001 Consistent w/no change
PUBLISHED: 05/16/2001

FAR
Electronic and Information Technology Accessibility -- FAR Case 1999-607
STAGE: Final Rule
RECEIVED: 10/26/2000
CLEARED: 01/10/2001 Proposed Rule Deadline case
RECEIVED: 04/20/2001
CLEARED: 04/23/2001 Consistent w/no change
PUBLISHED: 04/25/2001

Congresswoman Northup - Attachment A

GAO
Accountability * Integrity * Reliability
United States General Accounting Office
Washington, DC 20548

April 6, 2001

The Honorable Christopher S. Bond
Chairman, Committee on Small Business
United States Senate

Subject: Career Appointments Granted to Political Appointees

Dear Mr. Chairman:

You recently asked us for information on the conversion of political appointees to career positions in the executive branch. This document responds to your request. It contains information provided by agencies on the political appointees who converted to career service positions between October 1, 1998, and March 31, 2001, as well as information regarding the political positions they held and the career positions to which they converted. Forty-five federal agencies provided data on the number of conversions and related positions. We did not verify the information reported to us by agencies, nor did we make judgments regarding the qualifications of former political appointees and legislative branch employees for the career positions to which they were appointed. As agreed with your office, we will report at a later date on all conversions through April 30, 2001 and other issues related to those conversions.

We defined political appointees as those individuals who received an appointment to the following positions after April 1, 1997:

- Schedule C;
- Noncareer SES, including limited-term SES and limited emergency SES; and
- Presidential appointees, including Executive Level, and noncareer Ambassadors.

Also included in our definition are those individuals who were employees in the Executive Office of the President and who were first hired after January 20, 1993. Agencies were also asked to report on the appointment of former legislative branch employees to career positions in the executive branch.

In summary, the 45 agencies surveyed reported that 86 former political appointees and legislative branch employees were converted to career positions during October 1, 1998, through March 31, 2001. Seventy-five of the 86 conversions were former executive branch political appointees; the other 11 were former legislative branch employees.

The 86 appointments were made by 20 of the 45 agencies. The other 25 agencies reported that they did not convert any political appointees or former legislative branch employees to career positions. Agencies reporting the most appointments included the Departments of Justice (19), Energy (9), Labor (8), Commerce (7), and Defense (6).

Please contact Richard Caradine (202) 512-8109 or me on (202) 512-9490 if you have any questions.

Sincerely yours,

George H. Stalcup

George H. Stalcup
Director, Strategic Issues

GAO

Preliminary Results: Career Appointments Granted Political Appointees

Briefing for the Committee on Small Business

GAO Objectives

- To monitor the number of appointments of political appointees to career positions in the executive branch ("conversions") at selected agencies during the period October 1, 1998, through April 30, 2001.
- To determine selected characteristics of the political and career positions for conversions that occurred during this period.

GAO Scope and Methodology

- We asked 45 agencies to complete and return to us a data collection instrument (DCI) for each conversion occurring during the period October 1, 1998, through April 30, 2001. The conversions listed on the attached table represent those reported by agencies as of March 31, 2001.
- We did not verify the reported information.

GAO Scope and Methodology

- For purposes of the DCI, we defined political appointees as those individuals who received an appointment to the following positions after April 1, 1997:
  - Schedule C;
  - noncareer SES, including limited-term SES and limited emergency SES; and
  - presidential appointees, including Executive Level, and noncareer Ambassadors.

GAO Scope and Methodology

- We included in our definition individuals who were employees in the Executive Office of the President and who were first hired after January 20, 1993. We also asked agencies to report on the appointment of former legislative branch employees to career positions in the executive branch.

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Department of Agriculture				
Program Analyst National Resource Conservation Service Outreach Division	GS-0343-13/03 $64,949	06/04/00	Confidential Assistant to the Chief Natural Resources Conservation Service Department of Agriculture	Schedule C GS-0301-13/02 $59,961
Assistant Administrator for Public Liaison[b] Cooperative State Research Education and Extension Service	GS-0301-15/10 $110,028	07/02/00	Confidential Assistant to the Administrator Agricultural Research Service Department of Agriculture	Schedule C GS-0301-15/10 $110,028
Director Conservation Communications Staff Natural Resources Conservation Service	GS-1035-15/10 $114,224	01/14/01	Special Assistant to the Secretary and White House Department of the Interior	Schedule C GS-0301-15/10 $110,028
Department of Commerce				
Government Liaison[b] Bureau of the Census	GS-0301-14/10 $85,978	11/22/98	Congressional Affairs Officer Bureau of the Census Department of Commerce	Schedule C GM-0301-15/00 $90,767
Intergovernmental/Partnership Specialist[b] Office of the Secretary	GS-0301-13/02 $59,961	01/31/99	Legislative Affairs Specialist Office of the Secretary Department of Commerce	Schedule C GS-0301-13/02 $59,961
Outreach Program Specialist[b] National Oceanic & Atmospheric Administration	ZA-0301-04/02 $82,000	05/17/99	Senior Legislative Assistant U.S. Senate	Legislative Branch Employee $72,000

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Supervisory International Trade Specialist International Trade Administration	GS-1140-14/02 $70,855	09/27/99	Special Assistant Office of the Deputy Assistant Secretary for Technology and Aerospace Industries Department of Commerce	Schedule C GS-0301-14/02 $66,707
Program Analyst[b] Office of the Director, National Institute of Standards and Technology	ZA-0343-III/01 $48,000	10/10/99	Legislative Affairs Specialist Office of the Secretary Department of Commerce	Schedule C GS-0301-11 $40,714
Regional Director Economic Development Administration Denver Regional Office	ES-0301-00/01 $111,671	12/19/99	State Director Rural Development Department of Agriculture	Schedule C GM-0301-15/09 $92, 354
Deputy Under Secretary for Economic Affairs Economic & Statistics Administration	ES-0301-00/06 $130,200	06/04/00	Chief Economist Economic & Statistics Administration Department of Commerce	Noncareer SES ES-0110-00/05 $120,886
Department of Defense				
Program Analyst[b] Defense Security Cooperation Agency	GS-0343-14/01 $68,570	05/09/99	Program Analyst Defense Security Cooperation Agency Department of Defense	Schedule C GS-0343-13/04 $63,829

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Family Support Liaison[b] Defense, Prisoner of War/Missing, Personnel Office	GS-0301-15/10 $104,851	11/21/99	Special Assistant for Family Advocacy & External Relations Defense, Prisoner of War/Missing, Personnel Office Department of Defense	Schedule C GS-0301-15/10 $104,851
Program Analyst[b] Deputy Under Secretary of Defense	NH-0343-III/00 $60,830	01/16/00	Staff Specialist Deputy Under Secretary of Defense Department of Defense	Schedule C GS-0301-12/04 $56,324
Foreign Affairs Specialist[b] Threat Reduction Nonproliferation Policy	GS-0130-15/02 $87,459	05/21/00	Defense Fellow Washington Headquarters Services Department of Defense	Schedule C GS-0301-15/02 $87,459
Director of Defense Procurement, Acquisition & Technology Office of the Under Secretary of Defense	ES-1102-00/06 $133,477	06/04/00	Administrator, Office of Federal Procurement Policy Office of Management and Budget	Presidential Appointee EX-0301-03/00 $133,477
Writer-Editor[b] Executive Secretariat	GS-1082-11/07 $53,221	01/14/01	Staff Assistant Office of the Secretary of Defense Department of Defense	Schedule C GS-0301-12/01 $53,156

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Department of Education				
Management & Program Analyst[b] Office of Intergovernmental, Interagency Affairs	GS-0343-14/04 $75,427	05/23/99	Special Assistant Office of Intergovernmental, Interagency Affairs Department of Education	Schedule C GS-0301-14/04 $75,427
Management Analyst[b] Office of the Chief Information Officer	GS-0343-13/01 $60,890	05/21/00	Special Assistant Office of Elementary & Secondary Education Department of Education	Schedule C GS-0301-13/01 $60,890
Education Program Analyst[b] Office of Elementary & Secondary Education	GS-1720-14/01 $71,954	06/04/00	Special Assistant Office of Elementary & Secondary Education Department of Education	Schedule C GS-0301-14/01 $71,954
Department of Energy				
Foreign Affairs Specialist[b] Office of Nonproliferation & National Security	GS-0130-12/02 $48,635	11/22/98	Staff Assistant Office of Intelligence Department of Energy	Schedule C GS-0301-12/02 $48,635
Deputy Director[b] Office of Counterintelligence	ES-0340-00/01 $110,351	07/04/99	Professional Staff Member House Permanent Select Committee on Intelligence House of Representatives	Legislative Branch Employee $80,000

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Director Office of Planning & Analysis	ES-0301-00/01 $110,351	10/01/99	Senior Staff Advisor Office of Science Department of Energy	Schedule C GS-0301-15/05 $91,410
Budget Analyst Office of Chief Financial Officer	GS-0560-15/02 $83,346	12/19/99	Staff Assistant Office of Chief Financial Officer Department of Energy	Schedule C GS-0301-15/02 $83,346
Program Specialist[b] Office of Intelligence	GS-0301-13/09 $77,126	02/13/00	Senior Program Analyst Office of Intelligence Department of Energy	Schedule C GS-0301-14/03 $75,750
Associate Chief Financial Officer for National Nuclear Security Administration Office of Chief Financial Officer	ES-0301-00/02 $121,264	6/18/00	Associate Chief Financial Officer Budget, Planning & Financial Management Department of Energy	Schedule C GS-0505-15/10 $110,028
Attorney Advisor Immediate Office of the General Counsel	GS-0905-13/05 $69,008	02/27/00	Special Assistant to the General Counsel (Attorney-Advisor) Office of the General Counsel Department of Energy	Schedule C GS-0905-15/01 $84,638

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Senior Advisor for Organizational Systems Development Strategic Planning and Implementation[b] National Nuclear Security Administration	ES-0301-00/06 $133,700	01/19/01	Principal Deputy Assistant Secretary for Operations National Nuclear Security Administration Department of Energy	Noncareer SES ES-0301-00/06 $133,700
Contract Management Specialist[b] Assistant Secretary for Environmental Management	GS-0301-12/05 $60, 242	01/14/01	Confidential Assistant Assistant Secretary for Environmental Management Department of Energy	Schedule C GS-0301-12/05 $60,242
Department of Health and Human Services				
Supervisory Tribal Child Support Program Specialist Child Support Enforcement	GS-0101-15/10 $110,028	05/21/00	Commissioner, Administration for Native Americans, Administration for Children and Families Department of Health and Human Services	Presidential Appointee EX-0301-V/00 $114,500
Health Insurance Specialist[b] Office of the Administrator, Office of Legislation, Congressional Affairs Group	GS-107-09/01 $35,310	01/02/01	Legislative Correspondent United States Senate	Legislative Branch Employee $25,950
Department of Housing and Urban Development				
Reform Issues Manager[b] Administration	GS-0301-15/08 $99,474	02/28/99	Director Executive Secretariat Department of Housing and Urban Development	Schedule C GS-0301-15/08 $99,474

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Department of the Interior				
Director of Diversity and Human Resources Reclamation Service Center Diversity & Human Resources Office	ES-0340-00/04 $125,900	06/06/99	Deputy Assistant Secretary Assistant Secretary Policy, Management & Budget Department of the Interior	Noncareer SES ES-0301-00/04 $125,900
Special Assistant to the Director[b] Office of the Director U.S. Fish and Wildlife Service	GS-0301-15/10 $110,028	04/09/00	Special Assistant Special Assistant to the Commissioner Bureau of Reclamation Department of the Interior	Noncareer SES ES-0301-00/04 $130,200
Attorney-Advisor (General) Southwest Region	GS-0905-15/10 $111,581	01/14/01	Associate Solicitor - Land and Water Resources Division of Land Water Resources Department of the Interior	Noncareer SES ES-0905-00/04 $133,700
Communications Officer Office of Surface Mining	GS-0301-15/10 $114,224	01/21/01	Director of Communications Office of the Secretary Department of the Interior	Noncareer SES ES-0301-00/06 $133,700

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Department of Justice				
Assistant U.S. Attorney U. S Attorney's Office/Central Division, California	AD-0905-21/00 $67,234	10/25/98	Deputy Director Violence Against Women Office Office of the Assistant Attorney General Department of Justice	Schedule C GS-0905-15/02 $80,391
Secretary Office of Automation, U.S. Attorney's Office, South Dakota	GS-0318-09/04 $35,088	11/22/98	Secretary Office of Automation, U.S. Attorney's Office, South Dakota Department of Justice	Schedule C GS-0318-09/04 $35,088
Immigration Judge Executive Office of Immigration Review, Office of the Chief Immigration Judge	IJ-0905-00/04 $122,065	12/06/98	Assistant U.S. Attorney, Northern District of California Executive Office of U.S. Attorneys Department of Justice	Presidential Appointee AD-0905 -01/00 $118,300
Web Manager[b] Office of the Assistant Attorney General	GS-0301-14/08 $84,570	07/18/99	Special Assistant to the Administrator Bureau of Justice Statistics, Office of Justice Programs Department of Justice	Schedule C GS-0301-15/02 $83,346

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Assistant U.S. Attorney District of New Mexico	AD-0905-24/00 $59,287	03/22/99	Legislative Assistant United States Senate	Legislative Branch Employee $46,500
Assistant U.S. Attorney U.S. Attorney's Office–Eastern Division, New York	AD-0905-29/00 $109,113	07/18/99	Deputy Assistant Attorney General Office of the Assistant Attorney General Department of Justice	Noncareer SES ES-0905-00/04 $125,900
Executive Resources Program Manager[b] Director, Executive Office for U.S. Attorney	GS-0301-15/02 $83,346	08/01/99	Special Assistant to Secretary for Scheduling Office of Management and Administration Department of Energy	Schedule C GS-0301-15/02 $83,346
Policy Analyst[b] Office of the Director Community Relations Service	GS-0301-14/01 $68,570	11/07/99	Special Assistant to the Director Community Relations Service Department of Justice	Schedule C GS-0301-14/01 $68,570
Senior Advisor to the Director[b] Executive Office for Immigration Review Office of the Director	GS-0905-15/10 $110,028	03/26/00	Professional Staff Member Committee on Appropriations House of Representatives	Legislative Branch Employee $124,000

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Legal Secretary U.S. Attorney's Office, Western District of Louisiana	GS-0986-07/10 $36,741	02/13/00	Secretary U.S. Attorney's Office, Western District of Louisiana Department of Justice	Schedule C GS-0318-10/05 $43,154
Paralegal Assistant U.S. Attorney's Office, Eastern District, Wisconsin	GS-0986-08/10 $41,092	02/13/00	Secretary to the U.S. Attorney U.S. Attorney's Office, Eastern Division, Wisconsin Department of Justice	Schedule C GS-0318-10/05 $43,578
Assistant U.S. Attorney U. S. Attorney's Office, Northern California	AD-0905-21/00 $71,996	04/23/00	Assistant to the Attorney General Office of the Attorney General Department of Justice	Schedule C GS-0905-14/01 $71,954
Assistant Director Communications Division Office of Community Oriented Policing Service	GS-0301-15/01 $84,638	06/18/00	Chief of Staff Office of Boards and Divisions Office of Community Oriented Policing Service Department of Justice	Schedule C GS-0301-15/01 $84,638
Assistant United States Attorney U.S. Attorneys Office/Southern District of Florida	AD-0905-29/00 $112,490	08/13/00	Deputy Chief of Staff Office of the Attorney General Department of Justice	Noncareer SES ES-0905-00/01 $115,811

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Public Affairs Specialist[b] U.S. Attorney's Office	GS-1035-11/07 $51,269	12/17/00	Secretary U.S. Attorney's Office Department of Justice	Schedule C GS-0318-10/10 $50,554
Assistant U.S. Attorney U.S. Attorney's Office	AD-0905-29/00 $116,017	01/14/01	Associate Deputy Attorney General Office of the Deputy Attorney General Department of Justice	Noncareer SES ES-0905-00/04 $133,700
Assistant U.S. Attorney U.S. Attorney's Office	AD-0905-29/00 $116,017	01/14/01	Associate Deputy Attorney General Office of the Deputy Attorney General Department of Justice	Noncareer SES ES-0905-00/04 $133,700
Assistant U.S. Attorney U.S. Attorney's Office	AD-0905-21/00 $77,216	01/14/01	Counsel to the Attorney General Office of the Attorney General Department of Justice	Schedule C GS-0905-14/02 $77,187
Assistant U.S. Attorney U.S. Attorney's Office	AD-0905-29/00 $116,017	01/22/01	Deputy Assistant Attorney General Criminal Division Department of Justice	Noncareer SES ES-0905-00/04 $133,700

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Department of Labor				
General Attorney Office of the Solicitor, Division of Civil Rights	GS-0905-12/01 $48,796	10/24/99	Special Assistant to the Assistant Secretary Pension & Welfare Benefits Administration Department of Labor	Schedule C GS-0301-12/01 $48,796
Management Analyst Office of Small Business Programs	GS-0343-14/07 $82,284	12/19/99	Special Assistant Office of the Assistant Secretary for Administration & Management Department of Labor	Schedule C GS-0301-14/07 $82,284
Lead Program Analyst[b] Occupational, Safety, & Health Administration	GS-0343-14/04 $75,427	12/05/99	Legislative Director House of Representatives	Legislative Branch Employee $45,000
Program Analyst Occupational Health and Safety Administration Directorate of Federal/State Operations, Office of Cooperative Programs	GS-0343-11/01 $42,724	3/12/00	Counsel Committee on Budget House of Representatives	Legislative Branch Employee $72,100

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Manpower Analyst[b] Employment and Training Administration, Office of the Assistant Secretary	GS-0140-15/10 $110,028	04/09/00	Special Assistant to the President for Economic Policy Office of Policy Development, National Economic Council Executive Office of the President	Executive Office of the President AD-0301-00/00 $97,500
Directorate, Administration and Management Mine Safety and Health Administration	ES-0341-00/01 $115,811	09/24/00	Legislative Assistant Appropriations Committee U.S. Senate	Legislative Branch Employee $123,074
Lead Apprenticeship and Training Representative[b] Employment and Training Administration	GS-0243-14 $93,537	07/30/00	Special Assistant to the Assistant Secretary Occupational Safety and Health Administration Department of Labor	Schedule C GS-0301-15/05 $95, 923

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Member Benefits Review Board Office of the Secretary of Labor Office of the Deputy Secretary	SL-0905-00/00 $121,264	12/31/00	Assistant Secretary for Mine, Safety and Health Administration Office of the Assistant Secretary Department of Labor	Presidential Appointee EX-0340-04/00 $122,400
Department of State				
Program Analyst Bureau of Population, Refugees, and Migration/Office of Multilateral and External Relations	GS-0343-13/03 $61,895	09/26/99	Special Assistant Office of the Assistant Secretary Department of State	Schedule C GS-0301-13/03 $61,895
Secretary-Steno Bureau of Educational and Cultural Affairs	GS-0318-09/10 $43,743	10/10/99	Staff Assistant Bureau of Arms Control Department of State	Schedule C GS-0303-10/07 $44,467
Program Analysis Office of Europe/Bureau of International Narcotics and Matter/Multilateral Programs	GS-0343-11/10 $55,541	02/13/00	Foreign Affairs Officer (Special Assistant) Office of Assistant Secretary Department of State	Schedule C GS-0130-12/03 $54,618
Department of Transportation				
Executive & Legislative Assistant[b] Office of the Chairman, Surface Transportation Board	GS-0301-12/07 $58,556	04/11/99	Confidential Assistant to the Chairman Office of the Chairman, Surface Transportation Board Department of the Treasury	Schedule C GS-0301-12/07 $58,556

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Departmental Director of Human Management Office of the Secretary	ES-0340-00/04 $133,259	08/13/00	Deputy Assistant Secretary for Human Resources Department of the Interior	Noncareer SES ES-0301-00/04 $130,200
Department of the Treasury				
Secretary (Typing) Bank Supervision (Policy), Core Policy: Capital Policy Division	OC-0318-08/00 $33,074	09/26/99	Secretary (Typing) Office of National Drug Control Policy Executive Office of the President	Executive Office of the President GS-0318-08/05 $34,525
Assistant Director[b] Federal Law Enforcement Training Center	ES-0301-00/03 $124,185	03/19/00	Assistant to the Attorney General Immediate Office of Attorney General Department of Justice	Noncareer SES ES-0340-00/05 $130,200
Domestic Counter-Money Laundering Advisor to the Assistant Secretary Under Secretary (Enforcement)	GS-0301-15/10 $114,224	01/14/01	Senior Policy Advisor Departmental Offices Under Secretary (Enforcement) Department of the Treasury	Schedule C GS-0301-15/10 $104,851
Department of Veterans Affairs				
Staff Director[b] Office of the Deputy Under Secretary for Memorial Activities	GS-0301-15/07 $101,565	05/07/00	Special Assistant VA Central Office, Office of the Secretary Department of Veterans Affairs	Schedule C GS-0301-15/07 $101,565

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Chief Information Officer VA Central Office, Veterans Health Administration Office of Chief Information Officer	ES-0301-00/05 $130,200	07/30/00	Senior Advisor for Reserve Components FRCS Health Protection Office of the Secretary of Defense	Noncareer SES ES-0301-00/05 $133,477
Chief Communications Officer Veterans Health Administration VA Central Office	ES-0301/00/04 $130,200	11/05/00	Deputy Assistant Secretary for Public Affairs VA Central Office Department of Veterans Affairs	Noncareer SES ES-1035-00/03 $126, 825
Environmental Protection Agency				
Director Office of Environmental Justice Office of Enforcement & Compliance Assurance	ES-0905-00/05 $125,900	11/22/98	Associate Solicitor Division of Conservation & Wildlife Department of the Interior	Noncareer SES ES-0905-00/05 $125,900
Supervisory Environmental Protection Specialist Office of Solid Waste and Emergency Response	GS-0028-15/00 $126,825	06/18/00	Deputy Assistant Administrator Office of Solid Waste and Emergency Response, Office of the Assistant Administrator Environmental Protection Agency	Noncareer SES ES-0340-00/03 $126,825

Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
Attorney Advisor[b] Administrator for Prevention, Pesticides and Toxic Substances, Office of the Assistant Administrator, Immediate Office	GS-0905-15/02 $87,459	06/18/00	Congressional Liaison Specialist Associate Administrator for Congressional and Intergovernmental Relations, Office of Congressional Affairs Environmental Protection Agency	Schedule C GS-0301-15/02 $87,459
Attorney-Advisor[b] Environmental Accountability Division 1	GS-0905-14/10 $95,725	01/18/01	Environmental Policy Analyst Office of the Regional Administrator Immediate Office Environmental Protection Agency	Schedule C GS-0301-15/06 $97,485
Equal Employment Opportunity Commission				
Writer-Editor[b] Office of Communications and Legislative Affairs	GS-1082-13/02 $62,920	03/26/00	Media Contact Specialist Office of the Chairwoman, Office of Communications and Legislative Affairs Equal Employment Opportunity Commission	Schedule C GS-0301-13/02 $62,920
International Trade Commission				
International Trade Analyst Office of Investigations, Division C	GS-1101-09/10 $43,747	02/17/99	Legislative Assistant House of Representatives	Legislative Branch Employee $28,000

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
General Attorney Office of Unfair Import Investigations	GS-0905-14/06 $79,999	05/01/99	Legislative Assistant U.S. Senate	Legislative Branch Employee $81,760
Supervisory International Economist Office of Operations, Office of Economics	GS-0110-15/07 $105,437	03/11/01	Senior Economist Office of Commissioner Okun International Trade Commission	Schedule C GS-0301-15/07 $105,437
Office of Management and Budget				
Chief, State/USIA Branch	ES-0301-00/04 $133, 259	02/15/00	Majority Clerk and Staff Director Subcommittee of the Departments of Commerce, Justice, and State, the Judiciary and related Agencies House of Representatives	Legislative Branch Employee $133,615
U.S. Office of Trade Representative				
Policy Analyst (Trade) Executive Office of the President Office of the U.S. Trade Representative	GS-0301-15/05 $95,923	07/23/00	Director for Policy Planning for Japan Executive Office of the President U.S. Office of Trade Representative	Executive Office of the President AD-0301-00/00 $95,923
Small Business Administration				
Associate Administrator for Government Contracting Office of Government Contracting	ES-0340-00/03 $126,825	07/16/00	Director, Small/Disadvantaged Business Utilization Department of Transportation	Noncareer SES ES-0301-00/02 $121,264

GAO Noncareer Appointees Converted to Career, Career-Conditional, Career SES, and Term Appointments as reported by Agency

Career, career-conditional, career SES, and term appointments position title and office	Career grade and salary[a]	Date appointed/ entered on duty	Noncareer position title, office, and department	Type of appointment, noncareer grade and salary[a]
District Director Candidate Regional VIII – Denver Colorado District Office	GS-0340-15/03 $91,514	10/08/00	Regional Administrator Region VIII – Denver Denver Regional Office Small Business Administration	Schedule C GS-0340-15/03 $91,514
Senior Executive Service Candidate Associate Deputy Administrator for Management and Administration	GS-0340-15/10 $114, 224	01/14/01	Counselor to the Administrator Office of the Administrator Small Business Administration	Noncareer SES ES-0340-00/02 $125,883

Legend:

AD: Administratively determined rates not elsewhere specified

ES: Senior Executive Service

EX: Executive pay

GM: Employees covered by the Performance Management and Recognition System

GS: General Schedule

IJ: Immigration Judge Schedule. The code is for use by the Department of Justice only.

NH: Business Management and Technical Management Professional. DOD Acquisition Workforce Demonstration Project. The code is for use by the Department of Air Force, Department of Army, Department of Defense, and the Department of Navy only.

OC: Office of the Comptroller of the Currency. The code is for the use by the Office of the Comptroller of Currency only.

SL: Senior Level Positions

ZA: Administrative. The code is for use by the Department of Commerce only.

[a]Salary includes locality pay

[b]Newly established position

Source: Agency responses to GAO data collection instrument.

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- Department of Agriculture
- Department of Commerce
- Department of Defense (Office of the Secretary, Air Force, Army, and Navy)
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Housing and Urban Development

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- Department of the Interior
- Department of Justice
- Department of Labor
- Department of State
- Department of Transportation
- Department of the Treasury
- Department of Veterans Affairs
- African Development Foundation
- Commission on Civil Rights
- Consumer Product Safety Commission

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- Corporation for National Service
- Environmental Protection Agency
- Equal Employment Opportunity Commission
- Export-Import Bank of the U.S.
- Federal Aviation Administration
- Federal Labor Relations Authority
- Federal Maritime Commission
- Federal Mediation and Conciliation Service

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- Federal Retirement and Thrift Investment Board
- Federal Trade Commission
- U.S. Institute of Peace
- Inter-American Foundation
- U.S. International Trade Commission
- Merit Systems Protection Board
- National Endowment for the Arts
- National Endowment for the Humanities
- National Labor Relations Board

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- National Mediation Board
- Occupational Safety and Health Review Commission
- Office of Government Ethics
- Office of Management and Budget
- Office of Personnel Management
- Office of Special Counsel
- Office of the U.S. Trade Representative
- Overseas Private Investment Corporation
- Peace Corps

GAO

Listing of 45 Executive Branch Agencies and Departments Responding to our DCI

- Pension Benefit Guaranty Corporation
- Small Business Administration

THE WHITE HOUSE
WASHINGTON

January 20, 2001

MEMORANDUM FOR THE HEADS AND ACTING HEADS OF
EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: ANDREW H. CARD, JR. Andrew H. Card, Jr.
Assistant to the President
and Chief of Staff

SUBJECT: Government Hiring Controls

The President has asked me to communicate to each of you his plan for managing the Federal employment process at the outset of his Administration. As you know, during the campaign, the President expressed his desire to make Government more responsive to the needs of citizens, more efficient, and more accountable. The President articulated his view of an effective Federal Government -- one that is citizen-centered, results-oriented, and characterized by quality of service. To help meet these important goals, the President proposed, among other things, to flatten the Federal hierarchy by redistributing positions and resources from high-level managerial positions to front-line, service delivery jobs.

In order to ensure that, from the start of this Administration, the President's appointees have the opportunity to make personnel decisions consistent with his goals for Government reform, he asks that you institute the following hiring control procedures:

1. Effective immediately, no decision relating to hiring shall be made unless and until such decision is reviewed and approved by a department or agency head appointed by the President after noon on January 20, 2001. The department or agency head may delegate this power of review and approval consistent with applicable law. These procedures are subject to such exceptions as the Director or Acting Director of the Office of Management and Budget (the "OMB") may grant as necessary to ensure the operation of essential Government functions, such as those affecting safety, health, or national security, and the provision of essential Government services, such as the delivery of social security or veterans benefits.

2. For the longer term, every agency head will be instructed to develop a plan to permit the agency to meet the President's goal of reducing management ranks. This plan will be developed in cooperation with the Director or Acting Director of OMB.

3. The actions described in paragraph 1 should be taken in accordance with law, including, but not limited to, statutes setting minimum hiring levels and appropriating funding for such hiring.

4. The use of contracts with nongovernmental entities or persons as a means of avoiding the procedures described in paragraph 1 is not an acceptable practice.

5. The actions described in paragraph 1 do not apply to appointments made with the approval of the Assistant to the President for Presidential Personnel and Deputy to the Chief of Staff.

6. All independent agencies are encouraged to adopt the foregoing hiring controls.

7. The Director or Acting Director of OMB will issue any necessary specifics regarding the procedures described in paragraph 1.

I appreciate your cooperation. Together, with prompt and diligent implementation of this memorandum, we can begin to work toward the President's goal of ensuring that his Administration serves the American public in the most efficient and responsible manner possible.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 30, 2001

THE DIRECTOR

BULLETIN NO. 01-05

TO THE HEADS AND ACTING HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Government Hiring Controls

Purpose. This Bulletin provides guidance on the hiring controls established by Assistant to the President and Chief of Staff Andrew Card's January 20, 2001 Memorandum for Heads and Acting Heads of Executive Departments and Agencies, "Government Hiring Controls."

Background and coverage. The January 20th Memorandum asks departments and agencies to ensure that the President's appointees have the opportunity to make personnel decisions consistent with the President's goals for Government reform, in particular making Government more responsive to the needs of citizens, more efficient, and more accountable. The hiring control procedures required by the Memorandum are designed to provide that opportunity.

The Memorandum applies to all Executive departments and agencies.

This Bulletin supersedes the January 22, 2001 memo on hiring controls issued by the Office of Personnel Management.

Required actions. No decision relating to hiring shall be made until it has been reviewed and approved by a department or agency head appointed by the President after noon on January 20, 2001, and confirmed by the Senate.

- Department or agency heads appointed by the President after noon on January 20, 2001, and confirmed by the Senate may delegate the power of review and approval consistent with applicable law.

- Actions taken pursuant to the Memorandum must be taken in accordance with law, including, but not limited to, statutes setting minimum hiring levels and appropriate funding for hiring.

- Contracts with non-governmental entities or persons are not to be used to avoid the hiring controls.

- The hiring controls apply to all hiring decisions, except as noted below:

- Appointments made with the approval of the Assistant to the President for Presidential Personnel and Deputy to the Chief of Staff.

- Internal career ladder promotions and with-in grade increases.

- Placement of persons with restoration rights accorded by law, such as restoration after absence with injury compensation and restoration after military duty.

- Placement of an agency's surplus and displaced employees who are eligible under the Career Transition Assistance Program.

- Conversion to the competitive service of persons completing employment programs with conversion authority, such as Veterans Readjustment Act appointments, Thirty-Percent Disabled Veterans, and Presidential Management Interns.

Official job offers extended before January 20, 2001 may be honored.

These controls do not apply to agencies where the department or agency head has already been appointed and confirmed. The newly appointed agency head has the authority to establish appropriate mechanisms and delegations to review and approve hiring decisions.

These procedures are subject to such exceptions as the Director of the Office Management and Budget (OMB) may grant as necessary to ensure the continued operation of essential Government functions, including those affecting safety, health, or national security, and provision of essential Government services, such as the delivery of social security or veterans benefits.

Requests for exceptions should be made by the acting head of the department or agency, and should be submitted to the agency's Resource Management Office in OMB.

In the longer term, every department or agency head will be expected to develop a plan to meet the President's goal of reducing management ranks. Guidance on the development of these plans will be issued by OMB later.

All independent regulatory agencies or other Government establishments whose political appointees by law or custom will not change with the new Administration, are encouraged to adopt the hiring control procedures.

Contact. Questions regarding this Bulletin should be directed to the agency's OMB representative.

M E Daniels

Mitchell E. Daniels, Jr.
Director

THE WHITE HOUSE
WASHINGTON

January 20, 2001

MEMORANDUM FOR THE HEADS AND ACTING HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: ANDREW H. CARD, JR
Assistant to the President
and Chief of Staff

SUBJECT: Regulatory Review Plan

The President has asked me to communicate to each of you his plan for managing the Federal regulatory process at the outset of his Administration. In order to ensure that the President's appointees have the opportunity to review any new or pending regulations, I ask on behalf of the President that you immediately take the following steps:

1. Subject to any exceptions the Director or Acting Director of the Office of Management and Budget (the "OMB Director") allows for emergency or other urgent situations relating to health and safety, send no proposed or final regulation to the Office of the Federal Register (the "OFR") unless and until a department or agency head appointed by the President after noon on January 20, 2001, reviews and approves the regulatory action. The department or agency head may delegate this power of review and approval to any other person so appointed by the President, consistent with applicable law.

2. With respect to regulations that have been sent to the OFR but not published in the Federal Register, withdraw them from OFR for review and approval as described in paragraph 1, subject to exception as described in paragraph 1. This withdrawal must be conducted consistent with the OFR procedures.

3. With respect to regulations that have been published in the OFR but have not taken effect, temporarily postpone the effective date of the regulations for 60 days, subject to exception as described in paragraph 1.

4. Exclude from the requested actions in paragraphs 1-3 any regulations promulgated pursuant to statutory or judicial deadlines and identify such exclusions to the OMB Director as soon as possible.

5. Notify the OMB Director promptly of any regulations that, in your view, impact critical health and safety functions of the agency and therefore should be also excluded from the directives in paragraphs 1-3. The Director will review any such notifications and determine whether exception is appropriate under the circumstances.

6. Continue in all instances to comply with Executive Order 12866, pending our review of that order, as well as any other applicable Executive Orders concerning regulatory management.

As used in this memorandum, "regulation" has the meaning set out in section 3(e) of Executive Order 12866. That is, this plan covers "any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking."

This regulatory review will be implemented by the Director or Acting Director of the OMB. Communications regarding exceptions to the review, or questions regarding the review generally, should be addressed to that individual.

Finally, in the interest of sound regulatory practice and the avoidance of costly, burdensome, or unnecessary regulation, independent agencies are encouraged to participate voluntarily in this review.

This memorandum shall be published in the Federal Register.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 26, 2001

M-01-09

MEMORANDUM FOR THE HEADS AND ACTING HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mitchell E. Daniels, Jr. MEDaniels
Director

SUBJECT: Effective Regulatory Review

To ensure effective implementation of the memorandum of January 20, 2001, from the Chief of Staff, entitled "Regulatory Review Plan," and to coordinate that implementation with Executive regulatory review carried out under Executive Order No. 12866, we ask you to take the following steps:

1. Promptly withdraw from review by the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) under E.O. 12866 any regulatory action submitted to OIRA on or before January 20, 2001. In accordance with the January 20th memorandum, this will assure that the action is reviewed and approved by an agency head (or delegate) appointed by President Bush. "Regulatory action" is defined in section 3(e) of E.O. 12866.

   If you believe that any regulatory action pending at OIRA should continue under OIRA review, identify the action to the appropriate OIRA Desk Officer (with a short summary of the action and the exception category). OIRA will discuss with the agency whether the action should continue under review or be withdrawn.

2. All regulatory actions subject to this memorandum are actions that must either (1) be reviewed and approved by an official appointed by President Bush; or (2) fall into several categories of exception, including actions that respond to emergencies or other urgent situations relating to health and safety; actions that impact critical health and safety functions of your agency; or are actions promulgated pursuant to statutory or judicial deadlines. In the case of regulatory actions that fall into the exception categories, agencies should strive to apply the agency review and approval criteria of the January 20th memorandum if at all practicable.

3. For all regulatory actions referred to in paragraph 2, the procedures and practices of E.O. 12866 continue to apply. Agencies should submit to OMB for E.O. 12866 review only those "significant" regulatory actions (as defined by section 6(a)(3)(A) of E.O. 12866) that (1) have been reviewed and approved by an official appointed by President Bush, or (2) are otherwise excepted by the January 20th memorandum.

4. For regulatory actions referred in paragraph 2 that are not considered "significant" under E.O. 12866, agencies should send a list identifying such regulatory actions to OIRA prior to submitting such actions to the *Federal Register* for publication. The list should be sent to the appropriate OIRA Desk Officer and should include a short summary of each regulatory action and a statement of the need for publication (with reference, as appropriate, to the categories for exception described in the January 20th memorandum). Agencies should not submit such actions to the *Federal Register* until OIRA has conferred with the agency. OMB will work closely and expeditiously with agencies regarding their regulatory actions.

   If emergency circumstances make the procedures in paragraph 4 impractical, agencies should submit the regulatory action for publication by the *Federal Register*, and should simultaneously notify OIRA. Paragraph 4 does not apply to regulatory actions that are exempt from centralized regulatory review (as provided in OMB Memorandum M-94-3, "Guidance for Implementing E.O. 12866" (October 13, 1993), Appendices A and C).

Thank you.

FISCAL YEAR 2002
BUDGET FOR THE
OFFICE OF MANAGEMENT AND BUDGET

EXECUTIVE OFFICE
OF THE PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Table of Contents

I.	Justification for FY 2002 Budget Request	1
II.	Investing in Information Systems to Improve the Speed, Quality, and Efficiency of OMB's Work Processes	3
III.	Proposed Appropriation Language	6
IV.	Summary Tables:	
	Salaries and Expenses/Program and Financing	7
	Object Classification	8
	Funding Request by Object Classification (Pie Chart)	9
	Cost Justification by Object Classification	10
	Explanation and Justification of Changes by Object Class	13
	Personnel Summary	15
V.	OMB Responsibilities and Background	16

I. Justification for FY 2002 Budget Request

For FY 2002, the Office of Management and Budget (OMB) requests budget authority of $70,521,000. This request is an increase of $1,886,000 (2.7 percent) over the FY 2001 enacted level of $68,634,671 (less rescission). The requested OMB funding level will provide for 527 full-time equivalent (FTE) positions for OMB.

The proposed OMB budget will fund the annualization of the FY 2000 COLA and locality pay increase and the pay/benefit adjustment scheduled for January 2002 ($1,886,000). In addition, the OMB budget includes funding increases for rental payments to GSA ($9,239), full funding of the transit subsidy program ($195,000), a contractual cost increase to maintain the MAX system at the secure data center ($107,000), and establishing an official representation fund ($5,000). The OMB budget request also includes a reduction of $316,000 for remediation/improvement project work for information systems and maintenance.

Budget Summary
(in thousands of dollars)

	2000 Actual	2001 Estimate	2002 Request
Appropriation	$63,256	$68,635	$70,521
Outlays	$64,452	$68,130	$70,351
FTEs	516	527	527

The increases/decreases requested for FY 2002 are as follows:

$68,634,671	FY 2001 enacted level
+1,886,000	Personnel cost increases necessary to maintain FTE levels at anticipated pay levels
+195,000	Fully fund the cost of the transit subsidy program
+107,000	Cost increase need to maintain the MAX system at the secure data center
+9,329	GSA rent increase
+5,000	Establish an official representation account
-316,000	Decreases in remediation/improvements projects and maintenance
$70,521,000	FY 2002 Request

Personnel costs

An increase of $1,886,000 is requested in order to maintain OMB's FY 2001 FTE level of 527. This includes cost associated with the FY 2001 pay adjustment and the projected FY 2002 pay adjustment (in January 2002). In addition, the FY 2002 OMB budget request include $195,000 to fully fund the cost of the transit subsidy program as required by Executive Order 13150.

GSA rental payments

An increase of $9,329 is requested to maintain OMB's existing space at the new GSA rates. OMB is not increasing the amount of assigned space it currently occupies.

Fund base operation and maintenance costs for existing information technologies

The request includes $107,000 for the operation and maintenance costs for its existing information technologies. This increase covers the anticipated contractual cost increase to maintain the MAX budget system at the secure data center.

Official representation fund

Similar to funding in the Congressional Budget Office, the General Accounting Office, and other cabinet level offices, OMB is requesting $5,000 for the Director and Deputy Director to establish an official representation fund. This account will be used to cover costs associated with official representation for visiting officials.

Information system projects and maintenance

OMB's budget includes a reduction of $316,000 for information system projects and maintenance. Because of fiscal constraints, these reductions were taken so that the aggregate increase for OMB's budget request reflects only the expected pay adjustment. A more detailed discussion of the reduction to information system projects is included in Section II.

II. Investing in Information Systems to Improve the Speed, Quality and Efficiency of OMB's Work Processes

The FY 2002 OMB budget request includes $719,000 (a reduction of $311,000 from the FY 2001 funding level) for the second year of the seven remediation and improvement projects for information systems began in FY 2001. Because of tight funding constraints in FY 2002, OMB has reduced the scope of funding for several of these projects, and is not proposing new initiatives. The budget request will allow OMB to fully maintain the electronic classified data connectivity and the modernized correspondence tracking system, and to continue work, at a slower pace, on correcting deficiencies in the network infrastructure, improve the speed of remote access, implement a modern commercial-off-the-shelf (COTS) software product for data reporting and modeling activities, update the MAX A-11 data entry system for recent developments in Web technology, and provide for OMB IT Support to help OMB staff.

This proposal is fully consistent with and complimentary to EOP's request for technology. Out-year funding (2003 through 2006) assumes inflationary increases.

Summary of Information System Projects
(dollars in thousands)

	2001	2002	2003	2004	2005	2006	Total
Network infrastructure	$350	$200	$204	$208	$213	$217	$1,392
Improve remote access	$50	50	51	52	53	54	310
Correspondence system	$150	24	25	25	26	26	276
Classified systems	$30	30	31	31	32	33	187
Report writing software	$135	100	102	104	106	109	656
A-11 data collection	$100	100	102	104	106	109	621
OMB IT support	$215	215	220	224	229	234	1,337
TOTAL	$1,030	$719	$735	$748	$765	$782	$4,779

Correct deficiencies in network infrastructure

OMB will continue efforts at remediation of its segments of the network infrastructure at a slower pace and a reduced scope from the original plan. In FY 2001, OMB will complete work to substantially renovate the equipment in the wire closets in both the Eisenhower Executive Office Building and New Executive Office Building. In FY 2002, OMB will focus on capitalizing on improvements completed in FY 2001, working closely with the Office of Administration to ensure that key network components (such as mail and file servers) are fully reliable and continuously available to OMB staff. OMB will also continue work begun in FY 2001 to improve the overall performance of the network and desktops, so that OMB staff are positioned to respond quickly and efficiently to the demands of a rapidly changing workload.

Improve the speed of remote access

OMB will continue to work closely with the Office of Administration to implement a sound approach to improving the speed and reliability of remote access. In FY 2001, OMB will participate in early testing for Virtual Private Network (VPN), a technical approach proposed by the Office of Administration for improving the speed and reliability of remote access for EOP staff. When the Office of Administration fields an EOP-wide solution, it will greatly benefit the substantial population (approximately 40%) of OMB staff who work from home, or while on travel. It is anticipated that OMB will incur costs in FY 2002 to implement the Office of Administration solution for remote access, to upgrade government-owned laptops and desktops provided for work at home, and to cover OMB's share of charges for access to the Office of Administration's designated Internet Service Provider (ISP).

Modernize correspondence system

In FY 2002, OMB will need to make some small-scale adjustments to the modernized correspondence tracking system work completed in FY 2001. These adjustments may include refinements to the database and optimization of the distribution paths for official correspondence.

Classified systems

OMB has a continuing requirement to receive and transmit classified data in a secure environment. The requested funding covers monthly charges for secure connectivity to the Department of Defense, NSA, and Department of State.

Report writing software

The Government-wide budget depends on a report writing software product for the development of data reports and for complex data processing, analyses, and modeling. The current product is more than 20 years old and has not kept up with current industry standards for client-server, desktop graphical user interfaces, desktop component integration, and web technologies – making it difficult for users to learn and integrate with other desktop tools. It also is based on an outdated systems memory architecture that limits the size and complexity of reports and processes.

This project will enable OMB to obtain modern software products that handle OMB's large scale production and ad hoc reporting requirements and are integrated with OMB's desktop analytical tools. Revised lower funding levels for this project will result in an extended eight year implementation of the new software once it is identified.

In FY 2001, we researched software products, procured limited licenses, and performed limited scope pilots. We also purchased a more up-to-date UNIX-based version of our current report-writer product as a critical bridging step to address the

architectural limitations of the current version that are becoming an increasing liability. FY 2002 efforts will focus on migrating to the new UNIX-based version, finalizing the selection of the new software product, additional pilots and prototypes, and the establishment of migration procedures.

A-11 data collection technology

The MAX A-11 system collects detailed data from agency users throughout the Government to construct the database for the President's budget. The system uses a client-server architecture, with most users connecting to the MAX servers over the Internet.

The current system was developed in 1993, before standards for this type of Internet communication were developed. Escalating concerns about security on the Internet highlight the need for an update of the MAX system's security processes for budget data being transferred from agencies. In addition, the implementation of firewalls at both the EOP and agencies necessitates the use of generally accepted protocols.

OMB is proposing to update the A-11 data collection technology to incorporate current Web-based practices. This action will enhance communications with A-11 users, improve security, and establish an architecture that enables new strategic applications for agency communications and information sharing. The project will be accomplished in two phases: phase one will update communications technologies and enhance security; and phase two will improve data transfer and information sharing.

During FY 2001 we completed an evaluation of alternative technologies to enhance security and communications. In FY 2002 we will start to incorporate the new technologies into our production system. Funding constraints will extend the timing of the project, in particular delaying the delivery of the second phase objectives by three years.

OMB IT support

OMB has brought on additional contractor staff to assist OMB staff on-site, and provide technical assistance to OMB staff who experience difficulty while working from home. The requested funding will continue this level of support through FY 2002.

III. Proposed Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, [$68,786,000]* $70,521,000, of which not to exceed $5,000,000 shall be available to carry out the provisions of chapter 35 of title 44, United States Code, and of which not to exceed $5,000 shall be available for official representation expenses.

The Administration is currently working on a proposal to consolidate all EOP accounts into one appropriation. Additional information about this proposal will be out shortly.

* FY 2001 funding was reduced to $68,635,671 pursuant to the .22 percent cut contained in P.L. 106-554.

IV. Summary Tables

Salaries and Expenses

Program and Financing (in thousands of dollars)

I.D. Code 11-0300-0-1-802		2000 Actual	2001 Estimate	2002 Request
	Obligations by program activity:			
	Direct Program:			
00.01	National security programs	6,780	8,615	8,854
00.02	General government programs	6,830	7,857	8,078
00.03	Natural resource programs	8,462	8,808	9,018
00.04	Human resource programs	6,098	9,728	9,997
00.05	Education, income maintenance, and labor*	3,793	0	0
00.06	Office of federal financial management	2,689	2,986	3,071
00.07	Information and regulatory affairs	6,131	6,157	6,331
00.08	Office of federal procurement policy	3,309	3,326	3,421
00.09	OMB-Wide offices**	19,130	21,158	21,751
00.91	Total Direct Program	63,222	68,635	70,521
09.01	Reimbursable Program	248		
10.00	Total Obligations	63,470	68,635	70,521
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	63,504	68,635	70,521
23.95	Total new obligations	(63,470)	(68,635)	(70,521)
23.98	Unobligated balance expiring or withdrawn	(34)		
	New budget authority (gross), detail:			
	Discretionary:			
40.00	Appropriation (definite)	63,495	68,786	70,521
40.35	Appropriation rescinded	(239)	(151)	0
43.00	Appropriation (total discretionary)	63,256	68,635	70,521
	Discretionary: spending auth. from offsetting collections:			
68.00	Offsetting Collections (cash)	317	21	
68.10	From Federal sources: Change in receivables	(62)	(21)	
68.15	From Federal sources: Adjustment to receivables	(7)		
68.90	Spending authority from offsetting collections	248	0	
70.00	Total new budget authority (gross)	63,504	68,635	70,521
	Change in unpaid obligations:			
72.40	Unpaid obligation, start of year	6,612	5,395	5,900
72.95	Uncollected customer payments from Federal sources, start of year	83	21	
72.99	Obligated balance, start of year	6,695	5,416	5,900
73.10	Total new obligations	63,470	68,635	70,521
73.20	Total outlays (gross)	(64,769)	(68,151)	(70,351)
73.40	Adjustments in expired accounts (net)	20		
74.40	Unpaid obligation, end of year	5,416	5,900	6,070
74.95	Uncollected customer payments from Federal sources, end of year	21		
74.99	Obligated balance, end of year	5,437	5,900	6,070
	Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	59,735	62,458	64,174
86.93	Outlays from discretionary balances	5,034	5,693	6,177
87.00	Total outlays (gross)	64,769	68,151	70,351
	Offsets:			
	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
88.00	Federal sources	317	21	
	Against gross budget authoritity only:			
88.95	Change in uncoll. customer payments from Fed. sources	-62	-21	
88.96	Adj. to uncoll. customer payments from Fed. sources	-7		
	Net budget authority and outlays:			
89.00	Budget authority	63,256	68,635	70,521
90.00	Outlays	64,452	68,130	70,351

* In FY 2001, the Education, Income Maintenance, and Labor Division was combined with the former Health/Personnel Division (now Human Resource Programs). In addition, the Veterans Affairs Branch (formerly in the Health/Personnel Division) was moved to National Security Programs.

** OMB-Wide Offices includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director; Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

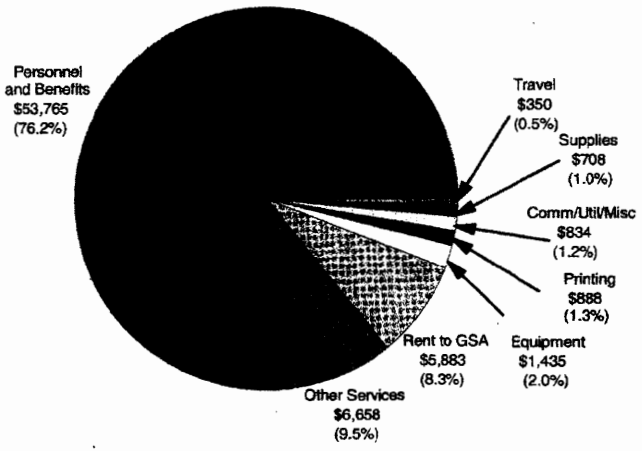
Object Classification (in thousands of dollars)

I.D. Code 11-0300-0-1-802		2000 Actual	2001 Estimate	2002 Request
	Direct Obligations:			
	Personnel Obligations:			
11.1	Full-time permanent	37,583	39,874	41,399
11.3	Other than full-time permanent	1,483	1,418	1,469
11.5	Other personnel compensation	1,352	1,330	1,330
11.8	Special personal service payments	398	300	300
11.9	Total personnel compensation	40,816	42,922	44,498
12.1	Civilian personnel benefits	8,305	8,762	9,267
21.0	Travel & transportation of persons	289	350	350
22.0	Transportation of things	2	2	2
23.1	Rental payments to GSA	5,816	5,874	5,883
23.3	Communications, Utilities, and Misc	759	834	834
24.0	Printing and reproduction	764	888	888
25.1	Advisory/assistance services	9	15	15
25.2	Other services	212	332	337
25.3	Goods from government accounts	572	623	623
25.6	Medical care	47	50	50
25.7	Operation/maintenance of equipment	4,042	5,675	5,631
26.0	Supplies and materials	705	708	708
31.0	Equipment	886	1,600	1,435
99.0	Subtotal, direct obligations	63,224	68,635	70,521
99.0	Reimbursable program	248		
99.9	Total obligations	63,472	68,635	70,521

Executive Office of the President
Office of Management and Budget

FUNDING REQUEST BY OBJECT CLASSIFICATION

(In Thousands of Dollars)



FY 2002
$70,521

Cost Justification by Object Classification

PERSONNEL COMPENSATION (OBJECT CLASSIFICATION 11), $44,498,000

Summary of Personnel Costs
(in thousands of dollars)

	2000	2001	2002
Permanent personnel costs	$37,583	$39,874	$41,399
Nonpermanent personnel costs	1,483	1,418	1,469
Overtime & other personnel costs	1,750	1,630	1,630
Total personnel costs	$40,816	$42,922	$44,498

PERSONNEL BENEFITS (OBJECT CLASSIFICATION 12), $9,267,000

This request is for OMB's mandatory contributions to the Civil Service Retirement System, the Federal Employees Retirement System, the Social Security Retirement and Medicare programs, the Federal Employees Group Life Insurance program, the Federal Employees Health Benefits program, and the transit subsidy program.

TRAVEL (OBJECT CLASSIFICATION 21), $350,000

This request is for travel funds for the examination of Executive branch activities outside Washington, D.C., and for other official business travel. The request is the same as FY 2001.

TRANSPORTATION OF THINGS (OBJECT CLASSIFICATION 22), $2,000

The request will fund commercial express delivery as well as freight and other shipping charges. The request is the same as FY 2001.

RENTAL PAYMENTS TO GSA (OBJECT CLASSIFICATION 23.1), $5,883,000

This request is for payments made to the General Services Administration (GSA) for rental of office space in the Eisenhower Executive Office Building and the New Executive Office Building. The rates used are those mandated by GSA for space currently occupied. The increase needed to cover the higher rate for space is $9,329 from the FY 2001 funded level. No increase in space is assumed.

COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES (OBJECT CLASSIFICATION 23.3), $834,000

This object class includes the cost of local telephone service, the Federal Telecommunications Service (FTS), and international long distance costs. Also included in this estimate are the costs associated with (1) the White House switchboard, (2) reimbursement to GSA for furnishing after-hours utilities, (3) postage, and (4) computer time-sharing fees. The request is the same as FY 2001.

PRINTING AND REPRODUCTION (OBJECT CLASSIFICATION 24), $888,000

The request covers the cost of publishing in the Federal Register; work done by the Government Printing Office, primarily the printing of the President's Budget and related materials; and work performed by the Office of Administration's duplicating facilities. The request is the same as FY 2001.

ADVISORY/ASSISTANCE SERVICES (OBJECT CLASSIFICATION 25.1), $15,000

The request covers the cost of advisory services for OMB's information systems. The request is the same as FY 2001.

OTHER SERVICES (OBJECT CLASSIFICATION 25.2),$337,000

The other services object class includes funding for training of OMB staff and the official representation fund. OMB provides training for administrative staff; examiner/analysts; executives; and managers. The request reflects an increase of $5,000 from the FY 2001 level.

GOODS FROM GOVERNMENT ACCOUNTS (OBJECT CLASSIFICATION 25.3),$623,000

Includes funding for the Federal Accounting Standards Advisory Board, the Joint Financial Management Improvement Programs, and maintenance work by GSA on OMB-occupied space. The request is the same as FY 2001.

MEDICAL CARE (OBJECT CLASSIFICATION 25.6),$50,000

OMB's share of maintaining the employee health unit in the New Executive Office Building. The request is the same as FY 2001.

OPERATION AND MAINTENANCE OF EQUIPMENT (OBJECT CLASSIFICATION 25.7),$5,631,000

Includes charges for: (1) ADP support for various computer information systems; (2) maintenance agreements and repairs to equipment; (3) maintaining the MAX Budget System application at the Secure Data Center; and (4) continue

remediation/improvement projects for information systems. The request reflects a reduction of $44,000 from the FY 2001 level.

SUPPLIES AND MATERIALS (OBJECT CLASSIFICATION 26), $708,000

The supplies and materials object class includes charges for the purchase of normal office and ADP supplies and additional work materials, such as legislative bills, reports, enacted bills, and periodicals. The request is the same as FY 2001.

EQUIPMENT (OBJECT CLASSIFICATION 31), $1,435,000

The equipment object class includes resources for office equipment, computer equipment, and furniture needs. The request will allow OMB to continue remediation/improvement projects for information systems. The request reflects a decrease of $165,000 from the FY 2001 level.

Explanation and Justification of Changes by Object Class over the FY 2001 Estimated Level
(in thousands of dollars)

FY 2001 Estimate	FY 2002 Request		Net Change
$51,684	$53,765	Personnel Compensation and Benefits Costs necessary to fund 527 FTEs and fully fund the transit subsidy program.	$2,081
$350	$350	Travel No increase for Travel.	$0
$2	$2	Transportation of Things No increase for Transportation of things.	$0
$5,874	$5,883	Rental Payments to GSA An additional $9,329 is requested for a mandated GSA rate increase.	$9
$834	$834	Communications, Utilities, & Misc. No increase for Communications/utilities.	$0
$888	$888	Printing and Reproduction No increase for printing.	$0
$15	$15	Advisory/Assistance Services No increase for advisory services.	$0
$332	$337	Other Services Reflects an increase of $5,000 for official representation.	$5
$623	$623	Goods from Government Accounts No increase for goods from government accounts.	$0
$50	$50	Medical care No increase for medical care.	$0
$5,675	$5,631	Operation/Maintenance of Equipment Reflects an increase of $107,000 for the MAX system and reductions of $146,000 for information systems remediation/improvements projects and $5,000 for maintenance.	($44)

$708	$708	Supplies and Materials No increase for supplies and materials.	$0
$1,600	$1,435	Equipment Reduces funding for information systems remediation/improvements projects.	($165)
$68,635	$70,521	Total All Object Classes	$1,886

Personnel Summary

I.D. Code 11-0300-0-1-802		2000 Actual	2001 Estimate	2002 Request
	Direct:			
	Total compensable workyears:			
1001	Full-time equivalent employment	516	527	527

Distribution by Program Activity of Full-time Equivalent Positions

Program Activity Structure	FY 2000 Actual FTEs	FY 2001 FTE Estimate	FY 2002 FTE Request
National security programs	54	68	68
General government programs	61	67	67
Natural resource programs	66	67	67
Human resource programs	55	81	81
Education, income maintenance, and labor*	33	0	0
Office of federal financial management	18	22	22
Information and regulatory affairs	52	49	49
Office of federal procurement policy	23	22	22
OMB-Wide offices**	154	151	151
Total Direct Program	516	527	527

* In FY 2001, the Education, Income Maintenance, and Labor Division was combined with the former Health/Personnel Division (now Human Resource Programs). In addition, the Veterans Affairs Branch (formerly in the Health/Personnel Division) was moved to National Security Programs.

** OMB-Wide Offices includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director; Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

V. OMB Responsibilities and Background

The Office of Management and Budget assists the President in the development and execution of his policies and programs. In meeting this responsibility, OMB reviews agency budget, management, legislative, regulatory, financial, procurement and other proposals; assures that all such proposals are consistent with relevant statutes and Presidential objectives; provides both short-and long-range analysis and advice on a variety of subjects; and develops Government-wide policies. OMB's FY 2002 Performance Plans and FY 2000 Performance Report follow the structure of OMB's Strategic Plan which was submitted to the Congress on September 30, 1997. The FY 2002 Performance Plan and FY 2000 Performance Report is being transmitted to the Congress concurrent with this request.

OMB derives its basic authority from the Budget and Accounting Act of 1921, as amended. This Act, in providing the first comprehensive national budget system, gave the Bureau of the Budget the authority to assemble and correlate, as well as recommend changes to, the requests for appropriations of the several departments or establishments. The Bureau was further authorized to make detailed administrative studies that would help in securing greater economy and efficiency in the conduct of the public service.

In 1921, in response to a request by the Chairman of the House Appropriations Committee, President Harding instructed the Federal agencies to submit to him, through the Director of the Bureau of the Budget, all requests or recommendations for legislation that would require appropriations presently or in the future. This clearance procedure was later extended to all legislation.

OMB, which was created from the Bureau by Reorganization Plan No. 2 of 1970, also now provides the President with an institutional staff capability in executive management, particularly in program evaluation and coordination, management reform, regulatory analysis, and information and management systems.

The functions of OMB include the following:

- To advise the President on fiscal and economic policies for the Nation;
- To prepare the President's Budget and formulate the Federal Government's fiscal program;
- To supervise and control the budgetary administration of the Executive branch;
- To examine the management and administrative systems of the Executive branch, and establish policies that will assure the efficient management and operation of the Federal Government;

- To clear and coordinate departmental recommendations for proposed legislation and for Presidential action on bills passed by Congress;

- To assist in the coordination, clearance, and preparation of Executive Orders and proclamations;

- To keep the President advised of agencies' activities (proposed, initiated, and completed), and to coordinate interagency activities to assure that funds appropriated by the Congress are spent with minimum duplication;

- To implement initiatives on information policy, paperwork reduction, and regulatory reform;

- To establish policies and methods that reduce fraud waste, and abuse in Federal programs, including the provision of staff support to the President's Council on Integrity and Efficiency;

- To establish and oversee the implementation of financial management policies and requirements for the Federal Government as required by the Chief Financial Officers Act of 1990, the Federal Financial Management Improvement Act of 1996, the Government Management Reform Act of 1994, and the Single Audit Act of 1996;

- To provide overall direction of Government-wide procurement policies, regulations, and procedures for executive agencies and to promote economy, efficiency and effectiveness in the procurement of property and services by the executive branch as provided for in the Office of Federal Procurement Policy Act, as amended by the Federal Acquisition Streamlining Act of 1994, and the Clinger-Cohen Act of 1996;

- To provide the President and Congress, pursuant to the Budget Enforcement Act of 1990, as amended by the Balanced Budget Act of 1997, with reports on each appropriations bill, on the deficit effect of mandatory spending and receipts legislation, and on the necessity for sequesters, and with updates on discretionary spending limits and consultations with the Budget and Appropriations Committees on scoring matters;

- To carry out the Unfunded Mandates Reform Act of 1995 (PL 104-4), which imposes requirements for the review of regulations for impacts on Government and private sector;

- To implement the Paperwork Reduction Act of 1995 (PL 104-13), containing expanded scope and requirements for the review of paperwork requirements that agencies impose on the public;

- To carry out the Information Technology Management Reform Act of 1996 (PL 104-106, Division E), which expands OMB authorities regarding the procurement and use by agencies of information technology;

- To implement the Contract with America Advancement Act of 1996 (PL 104-121) containing an amendment to the Regulatory Flexibility Act which expands the responsibilities of the Administrator of OMB's Office of Information and Regulatory Affairs (OIRA) with respect to Small Business Advocacy Review Panels;

- To review and publish agency lists of commercial activities and issue guidance to agencies on the competitive process under the Federal Activities Inventory Reform Act of 1998;

- To implement the Government Performance and Results Act (GPRA) of 1993 (PL 103-62) by setting overall Government policy on GPRA, coordinating with the agencies and Congress on improving the usefulness of strategic plans and annual performance plans, ensuring that all plans meet GPRA requirements, and issue guidance for Government-wide implementation of the managerial accountability and flexibility provisions of GPRA;

- To carry out Congressional Review of Agency Rulemaking (PL 104-121), under which OMB is required to determine whether rules are "major" and thus trigger certain reporting requirements and delays in effective date under Congressional review mechanism; and

- To carry out the Federal Financial Assistance Management Act of 1999, OMB is required to simplify and standardize grant applications Government-wide.

Organizational Responsibilities

The Resource Management Offices (RMOs), the Budget Review Divisions, the Legislative Reference Division, the Office of Federal Financial Management, the Office of Federal Procurement Policy, and the Office of Information and Regulatory Affairs play a pivotal role in developing and supporting the President's management, budget, and legislative agenda. These areas of OMB assist the President in the preparation of the Federal budget and in managing its execution in the departments and agencies. In helping formulate the President's spending plans, OMB examines the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies; recommends funding priorities; and provides policy options. The following are some illustrations of OMB work in the areas of budget and policy development, budget and policy enactment, and budget and policy implementation.

- Budget and policy development - Every year, RMOs are involved in the development of new program policies, from inception of policy options, analysis of options for inclusion in the budget, the State of the Union address, etc. Each new program/policy requires close engagement of OMB staff and policy officials with White House staff and agency staffs.

- Budget and policy enactment - OMB staff work directly in support of Administration officials working with Congress to enact the President's budget and legislative program. OMB works to assure that proposed legislation, and agency testimony, reports, and policies are consistent with Administration policies, including the President's Budget. This responsibility frequently requires resolution of conflicting agency views on legislation.

- Budget and policy implementation - OMB staff monitor the implementation of all major programs and policies to identify and help resolve issues that arise in: development of initial regulations and program guidance; program management; data reporting and analysis; long range evaluation and research designs; implementation; and analysis to inform future policy making more effectively.

The following is a brief summary of the functions of each of the offices within OMB.

OMB-Wide Offices. Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director (and associated support staff); Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, the budget document is prepared, and scorekeeping is accomplished.

National Security Programs; General Government Programs; Natural Resource Programs; and Human Resource Programs. Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

Financial Management. In conjunction with the Chief Financial Officers Council, OMB prepares the Government-wide financial management status report and 5-year plan, monitors execution of the plan; provides policy guidance on preparation

and audit of financial statements, financial systems requirements, management controls, and cost accounting and audit requirements for the non-Federal grantee community.

Information and Regulatory Affairs. Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resources management and statistical policies and practices are analyzed, developed, coordinated, and maintained.

Procurement Policy. OMB/OFPP provides overall direction of Government-wide procurement policies, regulations, and procedures for executive agencies. OFPP works closely with Resource Management Office staff and agencies to advance better business management of federal acquisitions using innovative acquisition techniques.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

STATEMENT OF EDWARD H. JURITH
ACTING DIRECTOR
OFFICE OF NATIONAL DRUG CONTROL POLICY
TO THE HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

"The Office of National Drug Control Policy's FY 2002 Budget Request"

May 9, 2001

Introduction

On behalf of the Office of National Drug Control Policy (ONDCP), I want to thank the Subcommittee for the opportunity to provide this written statement in support of ONDCP's Fiscal Year 2002 budget request. Chairman Istook, Ranking Member Hoyer, distinguished members of the Subcommittee, we greatly appreciate your continuing bipartisan commitment to, and support of, our counter-drug efforts. The funding this Subcommittee provides enables ONDCP to ensure continuity and consistency in our efforts to provide a comprehensive response to our nation's drug use problem. This comprehensive response is essential to our success, as we know that no single solution can effectively address this multifaceted challenge. Drug prevention, treatment, research, law enforcement, protection of our borders, drug supply reduction, and international cooperation remain necessary components of our efforts. In addition to setting forth in detail ONDCP's Fiscal Year 2002 Budget Request, this statement provides a brief update on the consolidated Federal drug control budget request and current drug use trends which will underscore the need for continued policy coordination and programmatic focus on this devastating threat facing our nation.

Although ONDCP's $519.1 million budget request comprises only a small percentage of the $19.2 billion consolidated national drug control budget, these funds are critical to our nation's efforts to reduce drug use and its consequences in America. Your support of ONDCP's budget request will enable us to continue fulfilling our unique dual mission of serving as the President's primary Executive Branch support for counter-drug policy and program oversight while effectively managing our own diverse programmatic responsibilities. ONDCP's policy role consists primarily of developing national drug control policy, coordinating and overseeing the implementation of that policy, and evaluating drug control programs to ensure that Federal departments and agencies remain focused and coordinated for maximum efficiency and effectiveness. Equally important to ONDCP's policy role is our responsibility to manage and evaluate our four key existing programs: the National Youth Anti-Drug Media Campaign, the Drug-Free Communities Program, the High Intensity Drug Trafficking Areas Program (HIDTA), and the Counterdrug Technology Assessment Center (CTAC). Furthermore, ONDCP is committed to developing and implementing the President's "Parents for a Drug-Free Future" initiative, which is proposed in this request.

ONDCP is proud of the complementary efforts of the Legislative and Executive branches to achieve our shared goal of reducing drug use and its consequences in our nation, especially as it impacts our youth, and looks forward to achieving even greater success in the future. To maximize the potential for greater success, we look forward to supporting the new ONDCP Director in his or her review of the existing *National Drug Control Strategy* and promulgating a new *Strategy* to implement the President's counter-drug policies and programs.

I. Current Drug Use Trends

Long-Term Overall Trend is Going In the Right Direction

Overall illicit drug use rates, according to data compiled annually from the National Household Survey on Drug Abuse (NHSDA), have gone down substantially over the past 20 years. Since 1979, the rate of current users of any illicit drug has dropped from 14.1 percent to 7.0 percent in 1999.

Drug use in the U.S. reached peak levels in 1979 and then declined significantly through 1991, from 14.1 percent to 6.6 percent. Since 1991, the percentage of the household population twelve and older who are current users of any illicit drug has remained relatively steady, with no statistically significant changes.

However, it is clear that our nation still faces a serious problem with illicit drug use, especially among our youth and among chronic, hardcore drug users. There are currently more than 3.3 million chronic cocaine users and almost 1 million chronic heroin users in the United States. These users consume the bulk of the cocaine and heroin; and are responsible for a disproportionate amount of the crime, health, and social consequences attributed to drug use.

Youth Drug Use is Declining

The 1999 NHSDA (the most recent available), provides some good news about youth drug use. After a five-year period of rising drug use, the rate of current use of any illicit drug among 12-17 year olds declined for the second straight year, dropping from 11.4 percent in 1997 to 9.0 percent in 1999 (returning to the 1996 level). This may indicate that the increases that began in 1993 finally have been reversed.

However, not all of the news is positive. For those aged 18-25 years, the current rate of use of any illicit drug has risen -- up from 13.1 percent in 1992 to 18.8 percent in 1999. Without appropriate treatment, this 18-25 age cohort, which includes many of those who started using drugs in the early 1990s, is expected to continue to relatively higher rates of drug use as they age.

A second key source of data on youth drug use comes from the *Monitoring the Future Study* (MTF), a yearly survey of 8th, 10th, and 12th graders. The latest MTF data, for 2000, provides additional support for the good news in youth drug use -- 2000 is the fourth year in a row that drug use rates have leveled or declined since their rapid rise in the early 1990s. Use

of most illicit drugs in all three grades remained unchanged from 1998 and 1999. As reported by the NHSDA, marijuana use dominates youth drug use and the situation is serious, with more than one in twenty high school seniors reporting daily use of marijuana.

The data from the Monitoring the Future Survey (MTF), as with the NHSDA, clearly shows that not all the news is good. All three grades showed notable increases in MDMA/Ectasy use. Specifically, MTF data shows past year use for 8th graders increased from 1.7% in 1999 to 3.1% in 2000; past month use for 10th graders increased from 1.8% in 1999 to 2.6% in 2000; and past year use for 12th graders increased from 5.6% in 1999 to 8.2% in 2000. Furthermore, among 12th graders, the perceived availability of MDMA rose from 40.1 percent in 1999 to 51.4 percent in 2000 (not measured for 8th or 10th graders). The movement of MDMA from the club or rave scene into schools, neighborhoods, and other venues is especially troublesome. Special emphasis on prevention and enforcement efforts must be developed and implemented immediately to reverse this trend.

Social Costs Associated With Drug Use Remain Unacceptably High

To fully comprehend the size and scope of the domestic drug situation, one must understand the consequences of drug use and its impact on society. The following consequences are particularly worth noting:

- The social costs of illicit drug abuse total $110 billion each year. Major contributing costs include those associated with crime and incarceration ($59 billion) and health care (approximately $20 billion).

- U.S. drug users spend more than $62 billion annually to purchase drugs.

- The number of emergency department drug episodes has been increasing over the 1990s. According to 1999 Drug-Abuse Warning Network data, there were an estimated 554,932 drug-related emergency department episodes in the United States in 1999, compared to 371,208 in 1990.

- Drug users are often carriers of infectious diseases including HIV/AIDS, hepatitis, tuberculosis, and sexually transmitted diseases.

- There were more than 1.5 million drug arrests in 1999.

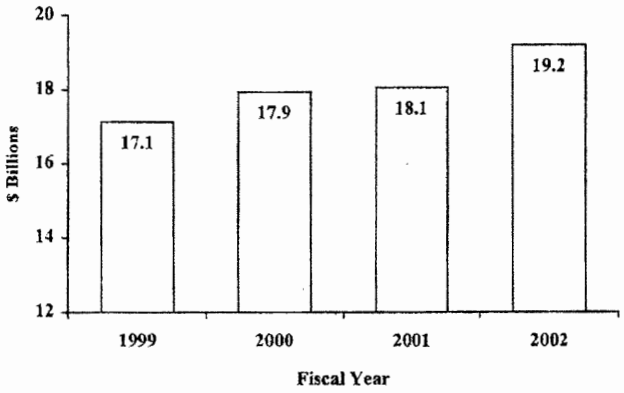
- Approximately half of all adult male arrestees covered by the Arrestee Drug Abuse Monitoring (ADAM) program test positive for illicit drug use.

- There is a high correlation between frequency of marijuana use, especially among youth, and aggressive and antisocial behavior. An increasing number of state and Federal prisoners are incarcerated for drug crimes. An estimated 33 percent of state prison inmates and 22 percent of Federal prison inmates reported they were under the influence of illicit drugs when they committed the offense that led to their incarceration.

- According to NHSDA data, drug dependence as an adult is clearly related to the age at which a person starts using marijuana; the younger the age at first use, the higher the rate of adult drug dependency.

II. The Consolidated Fiscal Year 2002 Federal Drug Control Budget

As reflected in the table below, total drug control funding recommended for FY 2002 is an estimated $19.2 billion, an increase of $1.1billion (+6.2%) over the FY 2001 enacted level of $18.1 billion.



The President's request focuses on reducing drug use by young people, making treatment more available to chronic users, targeting sources of illegal drugs and crime associated with criminal enterprises, and interdicting the flow of drugs at our borders. The President's Budget includes $2.2 billion for programs that educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco, including close to $52 million in additional prevention research funding through the National Institutes of Health. In addition, for reducing the health and social costs of illegal drug use, including activities targeting drug treatment programs, the President's FY 2002 Budget includes an estimated $3.3 billion, an increase of 6.5 percent over FY 2001.

Projected resources devoted to breaking foreign and domestic drug sources of supply will reach $2.6 billion in FY 2002, an increase of 28.1 percent. This increase includes proposed funding of $731 million in FY 2002 to support drug control activities in the Andean region. Further, multi-agency efforts, which target ports-of-entry, the Southwest Border, and

implementation of the Western Hemisphere Drug Elimination Act, will expand funding for shielding America's air, land, and sea frontiers from the drug threat to an estimated $2.8 billion in FY 2002, an increase of 8.5 percent. Finally, funding requested for increasing the safety of America's citizens by substantially reducing drug-related crime and violence is $8.3 billion in FY 2002, an increase of 2.5 percent.

III. ONDCP's Coordinating Role

The Office of National Drug Control Policy's legal responsibilities are established in the following laws and executive orders:

- **The Anti-Drug Abuse Act of 1988:** Requires ONDCP to set priorities, implement a national strategy, and certify Federal drug control budgets.

- **The Violent Crime Control and Law Enforcement Act of 1994:** Extends ONDCP's mission to assessing budgets and resources related to the *National Drug Control Strategy*.

- **Executive Order No. 12880 (1993) and Executive Order Nos. 12992 and 13023 (1996):** Assigns ONDCP responsibility within the executive branch of government for leading drug control policy and developing an outcome-measurement system.

- **The Office of National Drug Control Policy Reauthorization Act of 1998:** Expands ONDCP's mandate and authority and sets forth additional reporting requirements and expectations, including:

  1. Development of a long-term national drug strategy

  2. Implementation of a robust performance-measurement system

  3. Commitment to a five-year national drug control program budget

  4. Permanent authority granted to the High Intensity Drug Trafficking Areas (HIDTA) program along with improvements in HIDTA management

  5. Greater demand-reduction responsibilities given to the Counter-Drug Technology Assessment Center (CTAC)

  6. Statutory authority for the President's Council on Counter-Narcotics

  7. Increased reporting to Congress on drug control activities

  8. Reorganization of ONDCP to allow more effective national leadership

  9. Improved coordination among national drug control program agencies

  10. Establishment of a Parents Advisory Council on Drug Abuse

73-567 D-01--15

- **Executive Order No. 13165 (2000):** Creates the White House Task Force on Drug Use in Sports and authorizes the ONDCP Director to serve as the United States Government's representative on the Board of the World Anti-Doping Agency.

IV. ONDCP's FY 2002 Budget Request

ONDCP's FY 2002 request for $519.1 million in budget authority represents an increase of $19.24 million (+ 3.8%) over the FY 2001 enacted level. Although this request represents less than three percent of the consolidated national drug control budget, these critical funds enable ONDCP to leverage all dollars appropriated to Federal departments and agencies in a coordinated fashion to achieve desired policy and programmatic outcomes. The budget request reflects four program accounts: Salaries and Expenses; the Counterdrug Technology Assessment Center (CTAC); the Special Forfeiture Fund; and the High Intensity Drug Trafficking Areas (HIDTA) program. The Subcommittee's investment in this agency will continue to serve the American people through achieving our mission of reducing drug use and its consequences.

A. **Salaries and Expenses: $25.1 million.** ONDCP's budget request provides $25.1 million for salaries and expenses to support ONDCP's requested 116 Full Time Equivalents (FTEs), which includes one reimbursable FTE, and 30 non-reimbursable detailees – an increase of $395 thousand over the FY 2001 enacted level. This reflects a reduction in personnel positions by 10 FTEs, but a realistic dollar value to fund fully our authorized strength. The amount of funds requested aligns with the revised FTE level and is essential to carry out our policy and programmatic responsibilities to the degree that Congress and the American people demand. Major expenses include:

- $11.889 million to provide compensation for 115 FTEs. The 10 FTE reduction is based on several factors: first, this realistically reflects the staffing level — 115 FTE — at which ONDCP has operated in recent years; second, this request aligns the FTE with the amount of personnel compensation provided by Congress over the past few years.

- $5.342 million for professional service contracts, maintenance services, guard services, and related costs. Included in this amount is funding to support conferences (including HIDTA, CTAC, and demand reduction) and to operate the Drug Policy Information Clearinghouse.

- $2.432 million for rental payments to the General Services Administration (GSA).

- $776,000 for travel and transportation costs.

- $701,000 for communications, utilities, and miscellaneous costs. This amount will fund telephone and telecommunications costs, postage, and translation equipment.

- $860,000 for equipment. This amount provides for the purchase of required office equipment (including replacement equipment), such as personal computer systems, automated data processing equipment and secure communications equipment.

- $1.35 million for research to develop and assess drug policy; identify and detail changing trends in the supply of and demand for illegal drugs; monitor trends in drug use and identify emerging drug problems; assess program effectiveness; and improve data sources.

- $1.0 million for the National Alliance for Model State Drug Laws (NAMSDL) to encourage states to adopt and implement laws, policies, and regulations to reduce drug use and its adverse consequences. In the past, ONDCP has utilized an Interagency Agreement with the Department of Justice's Bureau of Justice Assistance (BJA) for BJA to provide program and grant management oversight for the NAMSDL program. As ONDCP has developed the requisite expertise to guide this program, ONDCP will assume direct program management, leaving BJA with responsibility only for grant management.

As you know, the Administration transmitted a budget amendment proposing consolidating all S&E accounts in the Executive Office of the President (EOP) into a single appropriation. This consolidation would give the President greater flexibility to allocate resources among the EOP Offices, create economies of scale and efficiencies in purchasing, and permit the newly-established position of EOP Chief Financial Officer (CFO) greater oversight of financial transactions and closer monitoring of expenditures. The ONDCP S&E request I have just described is incorporated, without change, into the budget amendment.

B. Special Forfeiture Fund: $247.6 million. ONDCP's budget request provides $247.6 million for the Special Forfeiture Fund, an increase of $14.5 million over the FY 2001 enacted level. This request funds a diverse group of critical, ongoing programs: the National Youth Anti-Drug Media Campaign, the Drug-Free Communities Program, the Counterdrug Intelligence Executive Secretariat, the National Drug Court Institute, and the U.S. Olympic Anti-doping Program. Furthermore, this request will support fully the development and implementation of the Parents for a Drug-Free Future Program, a new presidential initiative.

The National Youth Anti-Drug Media Campaign

In FY 2002, ONDCP is requesting $185 million for the National Youth Anti-Drug Media Campaign, the same amount enacted for FY 2001. ONDCP will continue this initiative that began in FY 1998, and was expanded in FY 1999, to use paid media messages to change youth attitudes about drug use and its consequences. Strategically targeted, high impact, paid media messages – at both the national and local levels – are the most cost effective, quickest means of altering drug use behavior through changes in adolescent perceptions of the danger and social disapproval of drugs.

Although public service messages (PSAs) are part of this campaign, they alone cannot reach the specific audiences at the times and with the frequencies that are required to move youth drug use attitudes in the right direction.

The non-advertising component of Campaign delivers anti-drug messages through news and public affairs coverage in radio and television broadcasts, as well as print media, the Internet, faith communities, health professionals, community organizations and coalitions, schools, parents, coaches, and organized sports. The drug prevention campaign also includes an entertainment industry component to provide accurate information about drug use and encourage its accurate depiction on television, film, and in music and to engage celebrities to communicate positive anti-drug messages to youth.

The Campaign utilizes strategic partnerships to increase the number of organizations and businesses through which accurate anti-drug messages reach their target audiences. These alliances are extending and enhancing Campaign messages to reach youth and parents in the communities where they live and in places where they spend most of their time – including schools, on-line, at work and at play – helping to build long-term substance abuse prevention activities. Media and advertising partnerships bring expertise to every aspect of the Campaign. ONDCP is particularly proud that since the inception of the Campaign all major television networks have donated airtime, special programming, and production of celebrity PSAs.

ONDCP especially is proud of our long-standing relationship with the Partnership for a Drug-Free America. Additional significant partners playing critical roles in the Campaign include The Ad Council and the American Advertising Federation. Other Campaign partners include organizations that have focused historically on young people, parents and substance abuse issues, education, and other fields with broad reach into target audiences. These include the Campaign's newest entertainment industry partner, the Hollywood Reporter, youth development partners such as YMCA of the USA, National FFA Organization (formerly the Future Farmers of America), and the Girl Scouts of the USA. Education partners helping to communicate anti-drug messages include the National Middle School Association, the National Association of Student Assistance Professionals, and the National Education Association. Media partners include Oxygen Media, USA Today, Channel One, Cable in the Classroom and the New York Times Newspapers in Education program.

The Media Campaign is also partnering with interfaith organizations to develop, test, produce and distribute research-based, substance abuse prevention materials to help elevate drug prevention within the faith-based community.

The Campaign's Internet initiatives combine web sites that appeal to our critical audiences of youth, parents, educators and other adult influencers with online banner ads, online sponsorships, promotions and interactive outreach. The Campaign's primary web sites are Freevibe.com and TheAntiDrug.com. Freevibe encourages young people to make positive, well-informed, life-style decisions. TheAntiDrug.com provides parents and other adult caregivers with strategies and tips on raising healthy, drug-free children. Web-based information for parents is also in Spanish, as well as four Asian languages.

In addition, the Campaign developed Internet sites with industry leaders such as America Online (AOL) for parents and youth. These activities, combined with a rich multimedia advertising program, have created an unprecedented social marketing effort on the Web. Highlights include:

- Nearly 24 million page views on Media Campaign websites.
- More than 287 million pro-bono Internet match impressions attained.

Online outreach and partnerships have distributed our Campaign messages throughout the Web. Critical partners in this effort have been a diverse set of media companies -- such as Oxygen Media, Lycos.com, About.com, Education World, The Atlantic Monthly, Reprise Records and The Mills Malls -- that carry anti-drug content or provide promotion back to Campaign sites.

During the past year, the Campaign reached 90 percent of America's youth at least four times a week in nine languages to various ethnic groups. The Campaign represents the largest multicultural advertising and communications effort ever undertaken by the Federal government, with messages and delivery tailored to ethnic audiences. To ensure the credibility of the messages and to enhance their impact, the Campaign combines culturally appropriate and relevant messages designed by African American, Hispanic, and Asian-owned advertising and communications companies.

The Campaign's pervasive presence has served as a catalyst for an increased demand for anti-drug information. For example, since the national launch of the Campaign in July of 1998, inquiries received by the National Clearinghouse for Alcohol and Drug Information (NCADI) have increased dramatically. Specifically, during the first three months of this year, NCADI saw an increase of 25% in inquiries over a year ago. Furthermore, the number of inquiries NCADI received in calendar year 2000 increased by 178% percent over the 12 months before the Campaign. On peak days, which corresponded with specific anti-drug Campaign events (e.g., an article in Parade magazine) requests to NCADI for anti-drug information surged by 367 percent over pre-Campaign levels. Finally, per month Internet requests for substance abuse information to NCADI have more than quadrupled since the inception of the Campaign.

The "branding" component of the Campaign began in September 1999 to unite message themes, create synergy between advertising and non-advertising programs, and maximize Campaign awareness and impact. For youth, the Campaign launched the brand "My anti-drug" in September 2000, to coincide with kids going back to school. The launch of "My anti-drug" represented a call to action to every youth to consider what it is in his or her own life that is their motivation for rejecting drugs, to express themselves, and to be heard. In response to national outreach, more than 75,000 young people submitted their own personal "anti-drugs." A special supplement in *USAToday* featured selected examples of the kids and their submissions. It is worth noting that individual anti-drug submissions continue to be received and posted through our youth Web site, Freevibe.com.

ONDCP takes great pride in our multi-faceted methods for ascertaining the impact of the Campaign. Through constant evaluation, ONDCP is able to manage the Media Campaign to achieve the desired outcomes and provide progress reports to Congress and the American people.

The Phase III evaluation design is a comprehensive system developed to gauge the effectiveness of the National Youth Anti-Drug Media Campaign. This evaluation, which is managed by the National Institute on Drug Abuse, is designed to determine the extent to which changes in drug abuse-related knowledge, attitudes, beliefs, and behaviors can be attributed to exposure to the Campaign. The evaluation is measuring and assessing:

- Changes in drug-related knowledge, beliefs, attitudes, and behaviors in children and parents of children;
- Relationships between changes in drug-related knowledge, beliefs, attitudes, and behaviors and their associations with self-reported measures of media exposure;
- Associations between parents' drug-related knowledge, beliefs, attitudes and behaviors and those of their children;
- Associations between parents' drug-related knowledge, beliefs, attitudes and behaviors and those of their children that may be related to the media campaign; and
- Changes in community-based drug prevention activities in response to the campaign.

The first Phase III evaluation report, released in November 2000, provides data awareness, key baseline attitudes, beliefs and behavior and indices of exposure to the Campaign messages over the period of November 1999 through May 2000. The second Phase III evaluation report provides initial evidence of the Campaign's impact—on average, Wave I respondents (a Wave refers to a six month continuous data collection period) were interviewed 6 months before Wave II respondents, so the time period for change is brief. Key findings include evidence of increased anti-drug sentiment among older non-drug using teens (aged 14 to 18) with regard to trying marijuana between the first and second data collection periods. Six outcomes related to anti-drug attitudes showed significant change in the desired direction. Regarding the Campaign's effects on parents, there was a consistent pattern of association between exposure to the Media Campaign messages and outcomes, such as talking with their children about the dangers of drugs and monitoring their children.

The analysis of change for the Wave II report is not definitive; Wave I was collected during the early months of Phase III, and there was relatively little time for additional change to occur, given only 6 months between Waves I and II. While over the course of the evaluation, change in a desirable direction for outcomes is strongly expected, change between Waves I and II is less definitive. Research indicates that it will take one to two years to affect attitudes and two to three years from the launch of the fully integrated Campaign (i.e., mid-2002) to demonstrate reductions in youth drug use that can be attributed to the Campaign. Subsequent reports, which will be provided every six months, will provide more definitive information on the extent to which changes in attitudes and behavior can be attributed to the Campaign.

Findings from the second Phase III evaluation report indicate high levels of awareness of anti-drug ads among both youth and parents across all media. There is good evidence of increased anti-drug sentiment among older non-drug-using teens (aged 14 to 18) with regard to marijuana trial between Waves 1 and 2, which may signal subsequent declines in marijuana use in future waves of the evaluation—with 87 percent of teens reporting that they did not intend to try marijuana even once or twice in the next year. For youth aged 12 to 13 years of age, all of the questions on regular use of marijuana also appeared to move in an anti-drug use direction,

although there was not a consistent pattern of change nor consistent evidence of an association between exposure to anti-drug messages and outcomes. For parents, the NIDA evaluation indicates a consistent pattern of association between exposure to anti-drug messages and three key outcomes (talking with, monitoring, and engaging in fun activities with youth), meaning that parents who reported high levels of exposure to anti-drug messages were more likely to have engaged in the three activities with their children, but no change over time. There was a statistically significant increase in the percentage of parents reporting hearing a lot about anti-drug programs in the community in the past year from 32 percent in Wave 1 to 36 percent in Wave 2. Subsequent waves of data collection will continue to track changes in anti-drug attitudes and behavior and provide more conclusive evidence of whether these changes in attitudes and behavior can be attributed to the Media Campaign.

In addition to the NIDA evaluation, ONDCP utilizes data from other research to manage the Campaign for results. Several other studies have reported the positive impact the Campaign is having on youth awareness and behavior. For example, results from the Campaign's tracking study, which is being conducted by Millward Brown, show that as of mid-February 2001, 52 percent of youth reported seeing "anti-drug" advertising, and 69 percent of those report having considered their own "anti-drug." Visual recognition of the anti-drug logo more than quadrupled from 10 percent to 46 percent in nearly half the time expected in an average new product launch.

The Partnership for a Drug Free America (PDFA) reported in its 2000 Parent Attitude Tracking Survey (PATS) that anti-drug advertising resulted in significant increased teen awareness of anti-drug ads - with more than half of teens now claiming *daily* anti-drug ad exposure. The proportion of youth reporting that anti-drug ads made them less likely to try or use drugs increased overall, from 30% to 37% from 1998 to 2000.

PATS data also shows that the earlier upward trend in teen marijuana use has been reversed since its peak in 1997 and since the Campaign began in 1998. Concurrent with reduced youth marijuana use, PATS findings indicate that youth intent not to use marijuana increased from 1998 levels in 1999, and 2000.

The Drug-Free Communities Program

In FY 2002, ONDCP is requesting $50.6 million to expand the Drug-Free Communities Program, an increase of $10.7 million over the FY 2001 enacted level. This program utilizes a straightforward mechanism whereby matching Federal grants are provided directly to local community anti-drug coalitions for the purpose of improving or expanding their efforts to prevent substance use and abuse among children and youth (including the underage use of alcohol and tobacco). We are proud that the program currently supports 307 communities located in forty-nine states, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. Furthermore, twenty-five of the grants have been awarded to communities with predominately Native American and Native Alaskan populations. We anticipate awarding approximately 145 additional grants during the FY 2001 grant cycle (September, 2001).

ONDCP and the Office of Juvenile Justice and Delinquency Prevention, Department of Justice (OJJDP) conducted a comprehensive study of the administrative costs associated with the Drug-Free Communities Program and produced a report on the findings. The report concluded that amending the administrative cost limitation from "not more than three percent" to "not more than eight percent" per fiscal year would maintain thorough competitive peer review of all applications, enhance grantee access to valuable technical assistance about science-based prevention practices and training in those practices, improve ONDCP's and OJJDP's ability to maintain an outcome-focused program through a comprehensive evaluation, and allow for greater promotion of the program to coalitions across the United States. This increase will ensure that the grants awarded directly to community anti-drug coalitions will be used in the most effective manner possible. ONDCP remains optimistic that the cap will be increased during FY 2001 to alleviate the grant management difficulties incurred by OJJDP, and respectfully requests the Subcommittee's support on this issue. Pursuant to Senate Appropriations Committee Report 106-500 (accompanying S. 2900), ONDCP submitted this report for the Subcommittee's consideration on January 18, 2001.

Of the total $50.6 million ONDCP is requesting for this program, $46.6 million will be granted directly to community anti-drug coalitions (assuming an increase in the administrative cap to not more than eight percent). We anticipate being able to award approximately 150 new grants in FY 2002, bringing the cumulative five-year total of grantees to over 600. The Drug-Free Communities Act of 1997 (the program authorization) ensures that these grant dollars leverage additional funding for community coalitions by requiring all grantees to match their Federal grant funds with other non-Federal sources of support, including both cash and in-kind contributions. ONDCP policy provides that grantees may receive a maximum amount of $100,000 for years one and two, up to $75,000 for year three, and no more than $50,000 for years four and five. However, based on recommendations from the Program Administrator and the statutorily-created Advisory Commission, we approved a one-year waiver of this policy for FY 2001 funding to permit coalitions in their fourth year of funding to receive up to $75,000.

Of the total $50.6 million ONDCP is requesting for this program, only $4 million would be allocated for purposes other than providing grants directly to communities. These funds would be allocated in the following manner:

- Grants Administration -- $2.35 million. This amount is sufficient for OJJDP to ensure continuity in its grants management function through an Interagency Agreement with ONDCP.

- Training and Technical Assistance -- $0.75 million. This amount will permit high-quality, low-cost training and technical assistance via each of the six regional Centers for the Application of Prevention Technology (CAPTs), managed by the Center for Substance Abuse Prevention (CSAP). This is an especially important function, considering the tremendous response ONDCP has received from coalitions in rural or other traditionally under-served areas which do not have experience in successfully applying for Federal grant funds. ONDCP will continue to utilize the resources of The Community Anti-Drug Coalitions of America (CADCA) to provide a wide array of technical support, program ideas, and advocacy to community coalitions.

- Evaluation -- $0.75 million. ONDCP agrees with the strong recommendations of the Congress and the Advisory Commission that an empirically sound evaluation is of paramount importance to maintain the integrity of this program. These funds will permit a modest, but effective evaluation focused on outcome measures of effectiveness.

- Program Administration -- $0.2 million. These funds are used to support the Program Administrator and the statutory Advisory Commission. The Program Administrator serves a critical function by ensuring a high level of responsiveness to the grantees and applicants, as well as enhancing interagency collaboration. This amount remains constant and is unaffected by our request to increase the cap on administrative costs.

Parents For a Drug-Free Future

In FY 2002, ONDCP is requesting $5 million to support and encourage parents to help children stay drug-free. This program will provide matching funds to national parents' organizations for the following purposes:

- Assist training thousands of parents in communities nationwide in skills, methods, and information that help prevent drug abuse by young people;

- Promote cooperation among national parent efforts and increase their impact through fostering partnership with the network of parent organization affiliates and chapters, regional and state-level entities that involve parents, and local community anti-drug coalitions; and

- Provide science-based prevention strategies, information, and materials to parents and parent-serving organizations, thereby strengthening their ability to protect their children from the risks of drug use.

National Drug Court Institute

In FY 2002, ONDCP is requesting $1.0 million for the National Drug Court Institute (NDCI). The NDCI will use these funds to continue expanding their drug court training program for practitioners, convene special advisory groups to develop curricula in new disciplines, develop a national community probation initiative, and expand and update the Institute's video instruction library.

Drug courts were developed in response to the costly and time consuming approach to dealing with non-violent, substance abusing offenders that were overwhelming the criminal justice system. Traditionally, drug use, criminal behavior, and recidivism are reduced substantially for drug court participants. In contrast to the traditional "revolving door" approach, drug courts provide an effective solution to drug addiction and drug-related crime through the innovative use of and sanctions and incentives, comprehensive supervision, drug testing, and judicial monitoring. Defendants who complete the program either have their charges dismissed

(in a diversion or pre-plea model) or have their probation sentences reduced (in a post-plea model). Drug courts provide closer, more comprehensive supervision and much more frequent drug testing and monitoring during the program than other forms of community supervision.

Currently, there are almost 1,000 drug courts in existence or being planned across the nation. These include approximately 175 juvenile courts, 55 Tribal courts and 50 family courts. Since their inception, almost 300,000 people have enrolled in drug court programs and almost 180,000 have graduated or remain active in their programs. The Department of Justice's FY 2002 request for the Drug Court Program maintains the program at the all-time high, FY 2001 enacted level of $50 million.

Counterdrug Intelligence Architecture

In FY 2002, ONDCP is requesting $3 million for the Counterdrug Intelligence Executive Secretariat (CDX). The FY 1998 Treasury and General Government Appropriations Act required ONDCP to improve counterdrug intelligence coordination and eliminate unnecessary duplication. As a result of this congressional directive, an interagency group created the General Counterdrug Intelligence Plan (GCIP). This unclassified plan was signed by eight department and agency principals, approved by the President, and released in February 2000.

The cornerstone action initiative of the GCIP establishes a senior interagency working group (The Counterdrug Intelligence Coordinating Group -- CDICG) and its permanent support staff (The Counterdrug Intelligence Executive Secretariat -- CDX). Since its inception in July, 2000, the CDX staff has supported the CDICG in implementing many of the 73 priority action items in the GCIP as well as additional taskings on new interagency counterdrug issues. ONDCP is confident that the work of this small but dedicated staff will continue to improve our nation's counterdrug intelligence architecture by enhancing information sharing, operational coordination, and technical connectivity among Federal counterdrug components and their state and local law enforcement counterparts.

United States Olympic Committee Anti-Doping Effort

In FY 2002, ONDCP is requesting $3 million to support the United States Olympic Committee Anti-Doping Effort, a decrease of $0.3 million below the FY 2001 enacted level. This request proposes to provide these funds to the United States Anti-Doping Agency (USADA) via a "grant or other appropriate transfer" instead of a "direct payment." This will ensure the Federal government can provide financial oversight and accountability for these funds.

These funds will provide much needed assistance to the USADA (the independent drug testing agency for U.S. Olympic sports) in achieving their mission of administering an independent, transparent, and effective anti-doping program for the Olympic, Pan American, and Paralympic games. Specifically, these funds would support research and administrative initiatives, educational programs, and efforts to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping, and the adverse health consequences associated with doping. These funds are critical if we are to strive for a drug-free Winter

Olympics in Salt Lake City, Utah, and provide continuity of effort for future competition. To achieve that continuity, USADA is developing an out-of-competition testing program that will occur during the off-years of the Olympic and PanAm games.

- **High Intensity Drug Trafficking Areas (HIDTA): $206.35 million.**

In FY 2002, ONDCP is requesting $206.35 million for necessary expenses of the HIDTA program, an increase of more than $0.3 million above the FY 2001 enacted level. The ONDCP Director, in consultation with the Attorney General, Secretary of Treasury, heads of National Drug-Control Program agencies, and appropriate governors, designates these regions to enhance and coordinate America's drug-control efforts among local, state and Federal law enforcement agencies. Each HIDTA has an Executive Committee (EXCOM) which serves as the governing body for the individual HIDTA. The EXCOM consists of an equal number of representatives from local/state and Federal law enforcement agencies. The EXCOM is responsible for the development and implementation of the HIDTA Strategy and the attendant initiatives and budgets, as well as for the fiscal operations of the HIDTA. The EXCOM hires a HIDTA Director to assist with the day-to-day administration of the HIDTA, implement appropriate oversight controls per the EXCOM, and liaison with ONDCP. Operational control of initiatives is the sole purview of the participating law enforcement agencies.

The HIDTA mission includes coordination efforts to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds. In addition, HIDTAs assess regional drug threats, develop strategies to address the threats, integrate initiatives, and provide Federal resources to implement initiatives. These resources are allocated to link local, state, and Federal drug enforcement efforts and to optimize the investigative return on limited fiscal and personnel resources. Properly targeted, HIDTAs offer greater efficiency in countering illegal drug trade in local areas by facilitating cooperative investigations, intelligence sharing (coordinated at HIDTA Investigative Support Centers), and joint operations against drug-trafficking organizations.

Intelligence sharing will continue to improve, as we expect all 28 HIDTAs will be connected via the Regional Information Sharing System Network (RISS.net) by the end of this calendar year. Connecting the HIDTAs via RISS.net, a Department of Justice program, instead of creating a new HIDTA-specific infrastructure, clearly demonstrates the HIDTA program's dedication to avoiding duplication of effort. Since 1974, when Congress established the RISS.net program, law enforcement and criminal justice agencies in various regions of the country have been able to instantaneously share criminal intelligence information in a responsible manner. HIDTA looks forward to enhancing communication, as well as officer and public safety, through this state-of-the-art Web-based technology for years to come.

HIDTAs are based on a logical, comprehensive methodology for prioritizing needs and working with other initiatives. This prioritization fosters a strategy-driven, systems approach to integrate and synchronize efforts as well as to maintain a focus on achieving measurable outcomes. Each HIDTA reviews annually their strategy and initiatives to improve effectiveness and to respond to changes in the threat. This ensures that participating agencies have a mechanism to quickly adapt to fluctuating drug trafficking patterns. This ability becomes

increasingly important as drug traffickers use more and more complicated schemes and methods to bring illicit drugs to consumers in the United States.

The ability to maintain regional flexibility while demanding accountability is essential to the HIDTA Program's success. Of the total amount requested, ONDCP's budget includes $2.1 million to conduct internal reviews and external financial audits of individual HIDTA program effectiveness and budgetary compliance. Internally, ONDCP has begun a review process that includes on-site visits to HIDTAs by ONDCP staff, as well as members from the Departments of Justice and Treasury. The on-site reviews help strengthen management at the individual HIDTAs and at ONDCP. To date, we have completed six reviews. ONDCP contracted with Klynveld, Peat, Marwick, Goerdeler (KPMG) to perform external financial audits. In order to maximize the impact of these limited audit resources, KPMG is currently conducting audits based on a risk-assessment model. While we are pleased that these reviews/audits have not discovered any major problems, the audits and program/budget reviews have provided the impetus for ONDCP to provide some HIDTAs with conditional grant language to bring minor issues into compliance.

Since January 1990, counties in the following 28 areas have been designated as HIDTAs: Houston; Los Angeles; South Florida; New York; and the Southwest Border, which includes South Texas, West Texas, New Mexico, Arizona and Southern California (in 1990); Baltimore/Washington, DC; and Puerto Rico/U.S. Virgin Islands (in 1994); Atlanta; Chicago; and Philadelphia/Camden (in 1995); Gulf Coast (Alabama, Louisiana, and Mississippi); Lake County (Indiana); the Midwest (Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota); Northwest (Washington); and Rocky Mountains (Colorado, Utah, and Wyoming) (in 1996); Northern California (San Francisco Bay Area); and Southeastern Michigan (in 1997); Appalachia (Kentucky, Tennessee, and West Virginia); Central Florida; Milwaukee; and North Texas (in 1998); Central Valley California; Hawaii; New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); Ohio; and Oregon (in 1999); and Northern Florida; and Nevada (in 2001). Currently, 949 local, 172 state, and 35 Federal law-enforcement agencies and 86 other organizations participate in 452 HIDTA-funded initiatives in 41 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

- **Counterdrug Technology Assessment Center (CTAC): $40 million.**

The Counterdrug Technology Assessment Center's FY 2002 budget request of $40 million represents an increase of $4 million above the FY 2001 enacted level. It includes requests for: Research and Development ($18 million) and the Technology Transfer program ($22 million).

The counterdrug research and development (R&D) program addresses the scientific and technological needs of the National Drug Control Program agencies and supports improvements to counterdrug capabilities that transcend the need of any single Federal agency. It includes a demand reduction request to support projects in brain imaging technology, therapeutic medications, and assessment of treatment programs.

Brain Imaging Technology projects have been particularly successful. New CTAC-sponsored neuroimaging facilities were completed this year at the University of Pennsylvania, Massachusetts General Hospital, and Emory University. Research scientists working on grants from the National Institute on Drug Abuse are using this equipment to further their knowledge of the underlying causes and consequences of substance addiction and abuse. These institutions are processing new images of the human brain to dramatically improve the quality of research they are capable of performing. In FY 2002, positron emission tomography (PET) equipment will be completed at UCLA and NIDA's intramural research program located in Baltimore, Maryland. This equipment will support research using highly resolved images of non-human primates. A high field functional magnetic resonance imaging scanner will also be completed in FY 2002 at McLean Hospital in Boston, Massachusetts, in support of Harvard University research programs. New projects are planned in FY 2002 with the University of Colorado and the Oregon Health Sciences Center to complement existing brain imaging technology with new four-Tesla functional magnetic resonance imaging systems.

In FY 2000, Congress provided ONDCP with funding for a research grant to the U.S. Anti-Doping Agency (USADA) to learn more about anabolic steroids, androgens, human growth hormones, and addiction. USADA held its first Anti-Doping Research Summit in October 2000 to develop an aggressive, comprehensive research agenda. CTAC plans to support their research agenda by investigating innovative testing protocols for the Salt Lake City Winter Olympics and developing test protocols for the endurance-boosting hormone erythropoietin (EPO).

The R&D program supports supply reduction projects to improve cargo inspection, countering drug smuggling, drug crime information handling, communications, and surveillance capabilities. Last year, CTAC conducted R&D projects for non-intrusive inspection capabilities in the areas of enhanced gamma ray detectors, surface acoustic wave sensors, selective breeding of detector dogs, and portable capabilities to detect drugs and contraband in sea vessels, compartments and containers of all sizes. In FY 2002, research will continue on canine olfaction for detecting drugs and on exploring the phenomenology of illicit crops to improve the detection and identification of marijuana growth areas.

CTAC uses technology testbeds to introduce emerging technologies and prototype systems into the operational environment and to determine user-related limitations and benefits of the systems from those agencies that ultimately use the equipment. In FY 2000, a communications interoperability testbed was established with the Lakewood Police Department (Colorado) to assess off-the-shelf communications interoperability systems in the typical multiple agency drug task force environments. Based on this assessment and demonstration, Congress provided funding in FY 2001 to continue this testbed in two phases: (1) a system configuration for the Denver metropolitan area, and (2) a state-wide configuration encompassing urban and rural populations that optimized the current communications infrastructure. The Denver phase will be completed in August 2001; the statewide phase will run through May 2002.

The Technology Transfer Program (TTP) provides technologies developed with Federal funding "directly to state and local law enforcement agencies that may otherwise be unable to benefit from the developments due to limited budgets or lack of technological expertise." The $39,052,000 appropriated over the past three years (FY 98 – FY 00) for the TTP has made

possible the delivery of 1,808 pieces of equipment to 1,325 state and local law enforcement agencies. CTAC provided hands-on training and limited maintenance support to all recipients. CTAC submitted to this Subcommittee performance evaluation reports on the program in September 1999 and March 2000. During FY2002, the requested appropriation will allow transfer of much-needed technology to more than 2,400 state and local law enforcement agencies across the country.

V. Conclusion

Developing policy and implementing programs to combat the threat of illicit drugs requires a holistic, long-term, and research-based approach. While we cannot expect to eliminate illegal drugs and the harm they inflict upon our society overnight, we can and will continue to make steady and significant progress on all fronts. We look to this Subcommittee, and indeed the entire Congress, to provide bipartisan leadership in this effort. ONDCP is committed to working within the Executive Branch, as well as with Congress, state and local governments, international actors, and private citizens to reduce drug use and its consequences in our nation. We owe our children nothing less.

Office of National Drug Control Policy

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **Agency Costs of Meeting Government-Wide Mandates**

QUESTION:

1. Executive Order 13166 requires federal agencies that provide federal financial assistance to develop guidance to clarify those obligations for recipients of such assistance ("recipient guidance"), and to meet the same standards as federal financial assistance recipients in providing meaningful access for low English proficiency (LEP) individuals to federally conducted programs. Each federal agency must thus develop a plan for providing that access.

- Briefly describe whether and how ONDCP has implemented the requirements of EO 13666 and related Justice Department guidance.
- What costs, if any, has this placed on ONDCP?
- How are such costs, if any, being met or absorbed?

ANSWER:

After review of guidance materials and consultation with the Equal Opportunity Office of the EOP and the Department of Justice, ONDCP concluded that its National Youth Anti-Drug Media Campaign and the *National Drug Control Strategy* and *Strategy Annual Reports* are covered by Executive Order 13166.

National Youth Anti-Drug Media Campaign

The National Youth Anti-Drug Media Campaign is one of the largest communication efforts developed by the Federal government, employing anti-drug messages tailored for English and non-English speaking ethnic audiences. The Campaign's creative messages are based on behavioral science, and are reviewed by a Behavioral Change Expert Panel (BCEP) composed of scientists from ethnically diverse backgrounds with experience developing behavioral change communications and target audience specialists who market to specific ethnic communities. This eleven-member panel provides input into the execution of Campaign strategies, including the development of advertising messages. The BCEP ensures that the advertising messages effectively reach youth, and parents, and also provides input on the development of fulfillment materials and outreach activities undertaken as part of the Campaign. A Multicultural BCEP meets separately to look specifically at messages targeted to ethnic populations, including those with limited English proficiency.

The Campaign reaches audiences in languages other than English most commonly represented among the target population for the campaign, (e.g., 9-18 year olds, parents and other caregivers). As a result, Campaign messages are delivered in multiple languages, including Spanish, Mandarin, Cantonese, Korean, Vietnamese, Cambodian Tagalog and in American Indian dialects. Advertising space is purchased in

hundreds of ethnic media outlets by The Campaign's primary advertising contractor, Ogilvy & Mather, which coordinates the planning and purchase of the ethnic advertising through seven minority-owned companies that specialize in communicating with ethnic audiences, which include; Chisholm-Mingo (African Americans); Admerasia (Asians and Pacific Islanders); Persaud Brothers (Urban Youth); Bromley Communications (U.S. Hispanics); Lopito, Ileana & Howie (Puerto Ricans); G&G Advertising (American Indian), and Porcaro Communications (Alaskan Natives and Aleuts). Multicultural advertising is developed on a pro-bono basis, by minority owned agencies who specialize in creating ethnic advertising. Each has substantial expertise in communicating with specific ethnic audiences. A special effort is made to purchase advertising time or space in minority-owned media.

In addition to advertising, the Campaign uses an integrated approach to behavioral change that extends drug prevention information to youth and adults through key institutions in their communities. Establishing partnerships with national and local organizations allows the Campaign to leverage existing community based resources that reinforce the Campaign's core themes and messages.

The Campaign's primary public communications contractor, Fleishman-Hillard, develops and implements these non-paid and non-advertising activities for the Campaign. Activities include building national and community partnerships, entertainment outreach, and Internet and traditional media relations. Fleishman-Hillard works closely with the following specialty public relations firms to tailor outreach to ethnic audiences: Imada Wong (Asian American); Maya (Hispanics); and Sykes Communications (African American).

Multicultural Projects for Speakers of Other Languages:

Multilingual Anti-drug and Parenting Publications: Parents and adult influencers of youth are a primary target audience for the Campaign. Recognizing that adults with limited English proficiency oftentimes have limited knowledge of the drug use, risk and prevention strategies, the Campaign develops drug prevention and parenting brochures in five languages to reach the Hispanic, Vietnamese, Cambodian, Chinese and Korean communities. Each brochure is developed with specific communication objectives and is tailored for its intended racial/ethnic audiences. Qualitative research is conducted before each brochure is developed to identify any gaps in knowledge found, and after, to ensure that the final product meets the needs of the audience and is culturally relevant and culturally sensitive.

As of Spring 2001, the Campaign has created *21 Tips & Ideas to Help You Make a Difference* for Spanish speakers, and *What Parents Need to Know About Marijuana* in Chinese, Vietnamese, Cambodian and Korean. A Spanish language parenting brochure, and *What Parents Need to Know About Inhalants* is in for develop all four Asian Languages are in development and will become available in Fall of 2001.

Multilingual Websites: By combining the power of the Internet with basic drug education the Campaign is reaching ethnic and immigrant communities with five web-based resources that are in-language and reach Spanish, Chinese, Cambodian, Vietnamese, and Korean speaking parents. There is a separate web site for Spanish speaking parents (www.laantidroga.com) that mirrors the Campaign's flagship parenting web site, www.theantidrug.com. For Asian parents, parenting information is accessible

from the homepage of www.theantidrug.com that features text from the "What Parents Need to Know About Marijuana," brochure and links to community resources.

National Drug Control Strategy and Strategy Annual Reports

ONDCP has published Spanish translations of the *National Drug Control Strategy* and *Strategy Annual Reports* and continues to do so.

What costs, if any, has this placed on ONDCP?

This year, the National Youth Anti-Drug Media Campaign will spend an estimated $12.8 million to support its advertising and outreach programs aimed at reaching non-English speaking youth, parents and youth influencers, of which:

- Health Communications: The advertising component of the Campaign will spend more than an estimated $11.9 million in its efforts to reach youth and parents in Spanish, Vietnamese, Cambodian, Tagalog, Cantonese, Mandarin and Korean in this contract year. These estimates include the cost of producing public service announcements, purchasing advertising time and space and qualitative and quantitative research.

• Spanish Language Outreach (Adults and Youth)	$9,081,000
• Asian Outreach (6 languages—Adult)	$2,845,000
Total	$11,926,000

- Community Outreach Initiatives: The Community Outreach component of the Campaign does not have specific cost information for its individual multicultural projects. However, it is estimated that the Campaign will spend more than $860,000 in its efforts to reach adults in Spanish, Vietnamese, Campbodian, Chinese, and Korean, in this contract year. These estimates include costs of producing in-language drug prevention/parenting resources, identifying and developing partnerships, translation services and labor.

- ***National Drug Control Strategy* and *Strategy Annual Reports***

The costs of translating and publishing *the 2001 Annual Report on the National Drug Control Strategy* are $5,457 for printing and $8,000 (estimated costs, ONDCP is awaiting final bill from State Department) for translation services.

How are such costs, if any, being met and absorbed

These media-related costs are borne by the National Youth Anti-Drug Media Campaign and are included in its operating budget. The costs for the Strategy printing and translation are being absorbed within the overall S&E account, primarily through cost savings associated with the normal attrition of personnel.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. Federal agencies now offer transit subsidies to their employees.

- What is the cost to ONDCP of this subsidy program?
- How is ONDCP meeting or absorbing these costs?

ANSWER:

What is the cost to ONDCP of this subsidy program?

ONDCP has set aside approximately $60,000 for employee participation in the transit subsidy program. We estimate between 50% - 60% of the staff will take advantage of this program in Fiscal Year 2002.

How is ONDCP meeting or absorbing these costs?

ONDCP is absorbing these costs through the savings obtained by the normal attrition of personnel.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **National Youth Anti-Drug Media Campaign**

QUESTION:

The assessment of the performance of the NYAMC performed under contract to National Institute on Drug Abuse is not conclusive as to the impact either on youth and parent behavior — the ultimate goal of this program — or on knowledge, beliefs and attitudes. In his letter to Chairman Istook of April 25, 2001, Acting Director Jurith notes that "attribution of these changes [observed positive changes in beliefs and attitudes of youth] to the Media Campaign remains uncertain."

In the study itself, the authors caution that Campaign effects analyses are "only a first look. There has been relatively little time for the Campaign to produce detectable changes in the outcomes. Available data.. .permit, at best, tentative claims about short term direct effects on individuals.... Indeed, conclusive evidence will take a few years to accumulate." In analyses of the effect on youth and parenting behavior and cognition, the report makes it clear that it is too soon to make any strong claims for the campaign's impact until the campaign has had more time to run and more longitudinal data is available.

1. How does ONDCP use this data to gauge whether the direction it is currently taking with its media purchases and other components of the Campaign's strategy are being effective?

ANSWER:

The twice-yearly reports provided by NIDA/Westat provide Campaign staff, Campaign contractors, and the Campaign's Behavior Change Expert Panel (BCEP) with an in-process look at the Campaign -- the recall of specific ads, the efficacy of message platforms, and the effectiveness of the media outlets used -- to determine whether adjustments are required. The importance of this feature of the NIDA/Westat evaluation was illustrated after the study's Wave 1 base-line report in the Fall of 2000. That report showed high levels of awareness of Campaign messagesoverall, but it also showed some indications of weakness in aspects of the Campaign's parenting advertising, especially with respect to message response and inadequate television coverage.

Publication of the NIDA/Westat Wave 1 findings coincided with other youth drug use surveys, including: The Household Survey from August 2000, the Monitoring the Future (MTF) study released in December 2000, the Partnership for a Drug Free America's Partnership Attitude Tracking Study 2000 (PATS), the Campaign's own organic advertising tracking study (Ogilvy Tracking Study), and a series of Ogilvy-managed focus groups from across the country on the effectiveness of our advertising on intended target audiences.

With this current, in-process data in hand, the Campaign immediately (late Fall 2000) formed five Task Forces to study issues raised by NIDA/Westat Wave 1 report and the other research. The Task Forces were comprised of behavior change experts from the BCEP, representatives from the Partnership for a Drug Free America, advertising and communications experts from Ogilvy & Mather and Fleishman Hillard, research specialists from ONDCP, and Campaign staff. Four of the Task Forces' reports were approved for implementation in early 2001 and one Task Force continues its work. Of particular note, the learning from NIDA/Westat and the other research enabled the Campaign to act promptly with needed adjustments.

For example, media buying priorities were shifted in March 2001 to bolster parent television and new parent ads. This shift was based on the Task Force-recommended Monitoring/Efficacy message platform. ONDCP received immediate positive feedback on the new ads from private sector prevention organizations and private citizens. Furthermore, ADWEEK magazine selected the first of the new ads as one of the industry's "best new creative" executions.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. Apart from the National Survey of Parents and Youth (NSPY) used by NIDA's contractors, Westat and the Annenberg School, there are other surveys of use and attitudes such as the Monitoring the Future (MTF), National Household Survey on Drug Abuse, and Youth Risk Behavior Survey. There are also private surveys such as the Partnership Attitude Tracking Study (PATS). However, these are not designed to measure the effectiveness of the NYAMC. Are there any targeted, local analyses being conducted — outside of the Westat/Annenberg effort -- similar to that conducted by the University of Kentucky and documented in the February, 2001 American Journal of Public Health, or other studies of local impact of targeted campaigns? Can any of these be used to help steer NYAMC planning and resources?

ANSWER:

Through the National Institute on Drug Abuse's communications research grants program, a number of efforts are being funded that examine aspects of community impact of anti-drug messages. Many of these grants are in progress or have not yet published their findings, but preliminary findings from some of these grants are available and have been used to inform planning and use of resources for the Media Campaign.

Since 1999, NIDA and its grantees have provided ONDCP staff with briefings of progress, preliminary findings, and lessons learned from their research that have informed the Campaign. Among the grants focusing on the community impact is the research conducted by Phil Palmgren et. al. at the University of Kentucky. Dr. Palmgreen also serves on the Campaign's Behavioral Change Expert Panel. Although the work was not published until Spring 2001, Dr. Palmgreen briefed ONDCP on his research in 1999 and 2000, with his results informing the Campaign's emphasis on high-sensation-seeking youth and provided early validation of the effectiveness of using targeted messages to reach this group.

Another NIDA grant (being conducted by Martin Fishbein et. al. at the University of Pennsylvania) is examining how to identify effective message strategies for youth at high risk for marijuana use. Early findings from this research have informed the development of ads by providing insight into characteristics that distinguish high- from low-risk youth (e.g., age, sensation seeking, the number of friends who have used marijuana even once or twice, and the number of offers of marijuana received in the last 30 days). The researchers also found that these two groups differed substantially in terms of their beliefs about the social costs and loss of self-esteem relating to marijuana use. This information is being used by the Campaign to strengthen messages to address this particular aspect of high-risk youth.

Preliminary results from another grant (conducted by Claremont Graduate University and the University of Arizona) have found that youth that are resistant to direct ("don't do drugs") messages from advertising can be reached through more indirect ("drugs-it's up to you") messages. The researchers currently are testing anti-drug messages designed for Latino youth, which we expect will inform the development of creative and the most effective strategies for reaching this group.

A grant under way by Colorado State University on using the media to encourage communities to undertake science-based prevention interventions will begin to report results next year, and will likely provide valuable information on potential collateral materials that can be developed to increase the implementation of best practices in drug abuse prevention.

NIDA's 2nd National Conference on Drug Abuse Prevention Research for prevention practitioners will provide another opportunity for these researchers to share the latest findings about effective science-based prevention interventions that can be applied in communities and which have implications for the Campaign.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. The cost of carrying out advertising to achieve a desired reach and frequency for target audiences seems to be getting more costly. Could you document the rate of increase in various unit costs for media buys and what this translates into in terms of Campaign budget? If there is a shortfall, how much would be required to maintain the minimal amount of media coverage from all varieties of media used in the Campaign needed to sustain its reach and coverage? Is there flexibility in non-media buy components of the Campaign to permit reductions if necessary to keep up the level of media buys to stay on-strategy? If not, why not?

ANSWER:

The rate of increase by media since the inception of the Campaign appears on the attached table. The source of this information is the American Association of Advertising Agencies (4A's). In media planning and buying, cost per thousand increases are used, as this benchmark reflects the true cost of purchasing media time/space relative to audience delivered.

In terms of translating these increases into a media budget, since 1998 the Campaign's inflation-adjusted media buying budget necessarily has declined significantly (the 2001 $ column reflects the funding that would be required to obtain the same purchasing power due to advertising rate inflation):

ONDCP Media Plan Program Year Spending In Millions of Dollars

Plan Year	Time Period	Real $	2001 $
Phase II	July 1998-June 1999	$158	$206
Phase III, 1	July 1999-June 2000	$144	$178
Phase III, 2	July 2000-June 2001	$144	$166
Phase III, 3	July 2001-June 2002	$135	$135

The Campaign's media buying is currently funded satisfactorily to sustain audience coverage. The approved 2001/2002 media plan contains fewer weeks (41 for Youth and 39 for Adults/Parents) than the 52-week plan originally developed and implemented in 1998.

Regarding flexibility in non-media buying components, the Campaign reallocated substantial amounts from the non-media buying areas of the Campaign budget to increase the 2001/2002 Media Plan. Also bolstering the 2001/2002 Media Plan budget were significant savings realized as part of a broad restructuring of the advertising plan. These included lower production costs from a reduction in the number of new ads made, reduced labor costs from a reduction in spot television buying, and a more austere budget for research internal to the Campaign. As stated, savings and reallocations to media buying from the non-media buying areas of the Campaign were accomplished in Fiscal Year 2001, and these areas will continue to be analyzed for their cost-to-benefit strength.

Taking funds budgeted for the non-advertising portion of the Campaign to supplement the ad buys is not a viable solution. The Campaign was designed, approved, and authorized as an integrated multi-dimensional communications program that includes paid advertising and a broad array of corresponding and closely correlated public communications outreach activities. For example, the Campaign's two primary Web sites, one designed for parents and the other for youth, are succeeding, with over 12 million visitors thus far. The youth site, Freevibe.com, is logging half a million page views per month, and the parent site, theantidrug.com, almost half that.

Outreach to the entertainment industry is succeeding through a program of roundtable discussions, hosted by credible partners like "The Hollywood Reporter," Oxygen Media and ESPN. Script writers, entertainment industry journalists, writers and producers are invited to hear single topic discussions featuring the personal testimonies of youth who have been harmed by drugs, their parents, drug experts, scientists, and treatment workers. Roundtables have been held on ecstasy, teen pregnancy and drugs, inhalants and sports and doping. Numerous feature articles and television programs with a drug theme -- based on factual, science-based information -- have resulted.

Strategic partnerships have been secured that dramatically extend the Campaign's communications volume and reach, and promote its credibility. Examples include active partnerships with the YMCA, Boys & Girls Clubs of America, the American Academy of Pediatrics, Oxygen Media, the National Association of State Alcohol and Drug Abuse Directors and the Community Anti-Drug Coalitions of America.

Anti-drug faith-based materials are being developed, and an extensive outreach program is underway to communicate with the nation's multi-cultural audiences, with printed and Web-based parenting materials available in Spanish and four Asian languages.

Outreach activities prominently include constant communications with all forms of news media, through which the Campaign's messages are transmitted widely across the country. Recent nationwide coverage of the super-star pop group *NSYNC partnering with the Campaign is an example.

Virtually all experts involved, from the design of the Campaign through more than three years of operation, agree that it cannot succeed by advertising alone. Further reductions now from the public communications plan will limit overall Campaign effectiveness.

Media Inflation Rates
Cost Per Thousand (CPM) Increases
(Percentage Change over Preceding Year)

	1998	1999	2000	2001
Network TV	9.5	7.0	12.5	6.6
Spot TV	7.6	5.0	11.5	4.0
Cable TV	6.3	11.9	16.4	9.0
Network Radio	7.4	7.0	8.0	6.0
Spot Radio	8.4	7.5	9.0	6.5
Magazines	6.0	5.0	6.6	6.2
Newspapers	5.0	4.5	5.1	5.5
Billboards	8.0	6.5	7.5	7.0
Media Composite:	7.6	5.9	9.1	5.8
Media Compounded:				31.5
Network TV Compounded:				40.5
Cable TV Compounded:				50.9
Network/Cable Compounded:				45.7

Source 4A's, May 24th, 2001. Compounded estimates developed by MindShare

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **Drug-Free Communities**

QUESTION:

1. Your budget justification states that you will have 452 active grants in FY 2002. Please describe the current arrangement with grants under the Drug Free Communities Act with regard to the level of Federal funding and expectation that local drug coalitions receiving such funds will eventually become self-sustaining. Will any of these 452 be ready to "graduate" in FY 2003, the 6th year of this program?

ANSWER:

ONDCP is proud to report that the program currently supports 307 communities located in forty-nine states, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. Furthermore, twenty-five of the grants have been awarded to communities with predominately Native American and Native Alaskan populations. We anticipate awarding 140-150 additional grants during the FY 2001 grant cycle (September, 2001).

Of the total $50.6 million ONDCP is requesting for this program in Fiscal Year 2002, $46.6 million will be granted directly to community anti-drug coalitions (assuming an increase in the administrative cap to not more than eight percent). We anticipate being able to award approximately 150 new grants in FY 2002, bringing the cumulative five-year total of grantees to over 600.

The Drug-Free Communities Act of 1997 limits a coalition's ability to receive renewal grants to the four fiscal years following the initial grant, for a maximum of five fiscal years of funding. Therefore, based on current law, the 91 coalitions that received their first DFC grant in Fiscal Year 1998 and subsequently received four renewal grants will receive their final DFC grant funding in Fiscal Year 2002.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. You have asked to have up to 8% of the funding provided be available for administrative costs of the grants program.

- Please describe the impact of the current 3% ceiling on current grants administration, and how the 8% proposed compares to similar administrative cost rates for other, similar grants programs.

- On January 18th, 2001, Acting Director Jurith wrote to request statutory language to effect this change in FY 2001 by amending the Drug-Free Communities Act of 1997. Is the Administration still seeking this action in FY 2001, or is authorization being pursued separately?

ANSWER:

Please describe the impact of the current 3% ceiling on current grants administration, and how the 8% proposed compares to similar administrative cost rates for other, similar grants programs.

The implementation of the DFCA involves the awarding of grant monies, through competitive peer-reviewed procedures, directly to community anti-drug coalitions in the United States and its territories. Non-federal matching funds equal to the amount of each grant are required for all projects. ONDCP understands and appreciates the intent of Congress to ensure that the maximum amounts possible go directly to enhancing, expanding, and improving existing community coalitions. ONDCP shares this goal and has engaged the assistance of key federal and private sector partners to provide low-cost, high quality technical training and administrative support to the grantees.

Through a Memorandum of Understanding with ONDCP, OJJDP is administering the Drug-Free Communities through its Special Emphasis Division(SED). SED is the OJJDP division responsible for administering all OJJDP demonstration and replication programs. SED is comprised of 22 professional staff, 3 administrative support staff, a deputy director and a director. Currently, SED staff members are responsible for monitoring approximately 630 local programs (307 of which are Drug-Free Communities grants). The seven Drug-Free Communities program managers are currently responsible for monitoring almost 50 percent of the Special Emphasis Division's workload. OJJDP collaborates with the Office of National Drug Control Policy, the Center for Substance Abuse Prevention and the CSAP funded Centers for the Application of Prevention Technologies

All of the grant awards to date have been with the assistance and cooperation of a small team coordinated by ONDCP. At ONDCP, the administrator and a program support specialist oversee the entire project and coordinate the work of the Advisory Commission. The Commission has met in formal session on six occasions and their recommendations and observations have guided the implementation of all aspects of the

program. Commission members are consulted regularly by the administrator and kept informed about key decisions, problems, and issues facing the program. The Department of Justice, Office of Juvenile Justice and Delinquency Prevention (OJJDP), has a team of seven program managers and two support personnel dedicated to the day-to-day aspects of grants management. Each of the 307 grantees has a specific program manager with whom they consult on matters relating to their strategic plans, budgets, and reporting. At the Center for Substance Abuse Prevention (CSAP), there are no agency administrative costs supported by DFCA funds. Nevertheless, CSAP staff members assist the program in numerous ways. Chief among these is assisting applicant community leaders in the development of appropriate logic models for their proposals and further helping local communities select specific prevention strategies that have amassed better evidence for effectiveness through scientific study.

As the number of grantees has increased from 93 in FY 1998 to 213 in FY 1999 to 307 in FY 2000 the administrative challenge has grown proportionally. We expect that this challenge will become nearly unworkable with the 150 new grants ONDCP expects to award in both FY 01 and FY 02, bringing the cumulative number of DFC coalitions to over 600. However, the declining administrative cap has kept constant the actual amount available for administration at $1.2 million annually. As a result, whether OJJDP has 91 grants or 300 grants, the legislation does not anticipate or permit the increase in costs commensurate with the growth of the program. OJJDP Drug-Free Communities program managers are currently carrying caseloads that limit their ability to monitor effectively the existing 307 anti-drug coalitions. The Special Emphasis Division of OJJDP utilizes 15 staff to manage almost the same number of grants in other programs as the 9 Drug-Free Communities program managers currently manage.

One unusual feature of the Drug-Free Communities Program is that a large number of grants of fairly small amounts ($100,000 or less) are being made to local community groups, many of which have never had experience with federal funding. The sheer volume of grants (307 at the end of FY 2000, approximately 450-460 at the end of FY 2001, and more than 600 at the end of FY 2002) present a special administrative challenge for OJJDP. Very few grant programs OJJDP administers ever have more than 50 grantees at any one time. In other programs, OJJDP usually assigns one program manager to every 25 grantees. During early 2001, OJJDP has only 7 program managers for 307 grantees, a ratio of nearly 44 grantees to 1 program manager. By Oct. 1 of 2001 there will be more than 450 grantees and OJJDP will not be able to operate the program without the additional staff that would be funded as a result of the administrative cap increase.

If the cap on administrative costs is raised in FY 2002 ONDCP and OJJDP anticipate awarding approximately 150 new community coalition grants which will bring the cumulative number of grants to a projected estimate of more than 600. This figure assumes an 8% limit on all administrative costs, full funding of the continuation budgets for 447 previously awarded grants, and full funding at $100,000 per year of 140 new projects.

An increase in Drug-Free Communities administrative funds will allow ONDCP and OJJDP to administer the program and monitor the DFC grants in a manner intended by Congress and as necessary to comply with all applicable Federal regulations and policies.

According to OJP budget staff, there are no specific provisions that specify a limit on amounts available for administrative support/evaluation costs. Depending upon

the grant program OJP applies different amounts for these costs. However, included in OJP's appropriation language for Juvenile Justice Programs is a provision for the At-Risk Children's program that specifies that not more than 10 percent may be used for research, evaluation, and statistics activities. Furthermore, the Drug Courts program has no provision specifically limiting amounts available for Technical Assistance/Training and Evaluation (TA/TE). However, after each appropriation process is completed, OJP requests Congress to allow them to set aside 20 percent for TA/TE activities (obviously this does not include typical administrative costs). For Fiscal Year 2001 Congress allowed the Drug Courts program to allocate 18 percent for these activities.

The Safe and Drug Free Schools and Communities program puts the administrative burden on the states since funds are provided via a block grant. In this system, the state can use 4% of their money for direct administration and up to 5% for other state-wide efforts that include training, technical assistance, and evaluation. In summary, as much as 9% can be used for the costs ONDCP and the Congress refer to as administrative.

On January 18th, 2001, Acting Director Jurith wrote to request statutory language to effect this change in FY 2001 by amending the Drug-Free Communities Act of 1997. Is the Administration still seeking this action in FY 2001, or is authorization being pursued separately?

Yes. For the reasons articulated in Acting Director Jurith's January 18, 2001 letter, ONDCP respectfully renews its request that the administrative cap be adjusted for Fiscal Year 2001. If, however, the Congress is unable to amend the Drug-Free Communities Act in time for Fiscal Year 2001, ONDCP would appreciate the Subcommittee's assistance in adjusting the administrative cap in time for the Fiscal Year 2002 grant award process.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

Issue: National Alliance for Model State Drug Laws (NAMSDL)

QUESTION:

The funding level for the NAMSDL has been maintained at $1,000,000 since FY 1997.

1. Please describe the program of the NAMSDL in fiscal years 2000 and 2001, and the projection for activity in FY 2002.

ANSWER:

State drug laws play a critical role in the effort to reduce drug availability and use. Therefore, since its inception in 1995, a large part of the mission of NAMSDL has been to conduct conferences and workshops throughout the country to focus attention on state policies and laws concerning drugs. The adoption of model drug laws and the continued efforts of the NAMSDL are important to the national drug-control effort.

In addition to conducting state-wide summits, the NAMSDL has convened several topical conferences and training sessions nationwide on subjects related to the model laws. Furthermore, the NAMSDL regularly responds to requests from states to provide statutory analysis and drafting on specific issues, to locate experts to testify before state legislatures on issues related to the model drug laws, and to assess the scope and magnitude of selected problems. Two recent examples are the assessments of state prescription drug monitoring programs and gaps in access to drug and alcohol treatment conducted by NAMSDL.

For Fiscal Year 2000, the follow activities are illustrative of activities that were undertaken with grant funds (The NAMSDL Annual Report provides a complete list of all activities):

- Conducted comprehensive state-wide summits in Colorado and Alabama to address drug and alcohol issues and promote the model laws;
- Sponsored a "Day of Dialogue" at a middle school in Mississippi to assist students, teachers, and community service providers identify drug and alcohol problems in that region and assess existing drug laws;
- Undertook revision of the model laws drafted in 1993 by the President's Commission on Model State Drug Laws in response to changes that have occurred regarding the drug and alcohol issues;
- Devised a compendium of key documents and other resource materials to explain the scope and nature of the problems and issues which the model laws are intended to address and to promote the model laws and their underlying policies; and

- Developed a performance measure and evaluation plan for model laws and related state statutes to ensure continued effectiveness of the model laws.

The Fiscal Year 2000 grant was administered fiscally, administratively, and programmatically by the Department of Justice's Bureau of Justice Assistance (BJA). NAMSDL submits to BJA a quarterly budget update and report on programmatic activities.

The funds for the Fiscal Year 2001 grant were transferred from ONDCP to BJA in January 2001. In April 2001, NAMSDL submitted its application for federal funds accompanied by a strategic plan and proposed budget. Beginning with the Fiscal Year 2001 grant, ONDCP has assumed programmatic oversight over activities conducted with grant funds, while BJA retains fiscal and administrative oversight responsibility. The NAMSDL, BJA, and ONDCP wholeheartedly support this change in oversight responsibility. The new arrangement should enhance coordination and efficiency between the three involved entities while ensuring consistency with the National Drug Control Strategy. Activities supported by Fiscal Year 2001 funds include:

- Conducting comprehensive state-wide model law summits (the first one is scheduled to take place in Iowa);

- Continuing preparations for comprehensive summits to occur in calendar year 2002 (likely to be in Ohio, Michigan and Maine);

- Providing follow-up assistance to states that have previously conducted summits to help implement summit recommendations (with special emphasis on states that recently conducted summits such Alabama, Colorado, and California);

- Providing multi-disciplinary training to implement model laws and related summit recommendations. Specifically, the NAMSDL and its multi-disciplinary team of resource persons will conduct two model law training sessions in the areas of access to treatment and drug-free workplace (Nashville, TN and Washington, DC); and

- Continuing the update of model laws with an emphasis on the chemical control act, model workplace laws, model treatment legislation, and model economic remedies law.

NAMSDL has not yet submitted its plan or budget for the $1 million ONDCP is requesting in Fiscal Year 2002 funds. ONDCP expects the programmatic activities will include additional state-wide summits as well as topical conferences on issues relevant to the model laws. Officials and professionals from Pennsylvania, Washington State, Connecticut, Florida, Oregon, and Maryland have expressed interest in holding a summit. In addition, the process of updating the model laws and developing a performance measure evaluation system are expected to continue. NAMSDL has also indicated that it would like to pursue a youth model law & advocacy summit. ONDCP expects to maintain programmatic oversight while BJA will retain fiscal and administrative oversight. The grant will likely be awarded at the start of Fiscal Year 2002.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. To the extent it has been possible, what kinds of follow up activity has the NAMSDL pursued in States that have already held an initial Model State Drug Law Conference?

ANSWER:

Each of the 18 state-wide summits that have occurred to date has addressed more than 40 drug, alcohol, and related violence issues. The summits typically bring together over 50 categories of elected and appointed officials, drug and alcohol abuse professionals, past consumers of services, and community leaders to create a comprehensive outline to improve their state's system of drug and alcohol laws and policies. The most recent summit in Alabama, for example, was attended by nearly 400 diverse participants. These two-day events customarily result in 100 – 200 or more short and long-term recommendations on legislation, policy, programmatic concerns, application issues, coordination issues, and funding. The NAMSDL has been very successful in working with states following the initial summit. The NAMSDL is well aware that no matter how promising the recommendations, follow-up activities are often required to ensure that the recommendations become a reality.

To that end, the NAMSDL, at the consistent urging of the states, remains actively engaged in the months and years following an initial summit. The NAMSDL has been extremely successful in provided a variety of post-summit services that are specifically tailored to an individual State's needs. The assistance typically includes the following services:

- Comparing proposed model laws with existing state laws;
- Offering statutory drafting tips and language to tailor the model laws to individual state needs;
- Identifying state resource people on the model laws and related topic areas;
- Providing states access to a nationwide network of legal, policy, and program experts on the model laws;
- Providing guidance on policy, technical, legal, and substantive issues related to the model laws and topic areas;
- Facilitating working relationships among disciplines and professionals;
- Participating in follow-up educational briefings and meetings on the model laws, summit recommendations and related drug and alcohol abuse topics and state laws; and
- Conducting topical workshops and training nationwide on specific model drug law issues to assist states in the process of implementing model laws.

To date, nearly twenty (20) states have enacted portions of the model drug laws. In addition, national organizations and federal agencies such as the National Association of Attorneys General and the Drug Enforcement Administration have relied upon information from the NAMSDL regarding state and local laws, policies, and programs.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. We understand that the NAMSDL has proposed additional funding for FY 2002. Were such funding to become available, how much have they requested and for what activities?

ANSWER:

ONDCP did not enter into any discussions with NAMSDL about requesting additional funding. ONDCP's Fiscal Year 2002 Budget Request provides appropriate funding of $1.0 million for the National Alliance for Model State Drug Laws (NAMSDL) to encourage states to adopt and implement laws, policies, and regulations to reduce drug use and its adverse consequences. In the past, ONDCP has utilized an Interagency Agreement with the Department of Justice's Bureau of Justice Assistance (BJA) for BJA to provide program and grant management oversight for the NAMSDL program. As ONDCP has developed the requisite expertise to guide this program, ONDCP will assume direct program management, leaving BJA with responsibility only for grant management.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **High Intensity Drug Trafficking Areas (HIDTAs)**

QUESTION:

In general, existing HIDTA programs have received at least as much funding each year as they were allocated the previous year. Most have grown substantially beyond the basic $2,500,000 base that ONDCP has determined to represent minimal funding for HIDTAs. At this time ONDCP has allocated all its FY 2001 appropriation, including the "discretionary" share above the FY 2000 levels.

1. In making funding allocation decisions, please describe how you factor in performance of the HIDTA programs, in particular performance of individual HIDTAs.

ANSWER:

ONDCP takes seriously its responsibility to allocate HIDTA dollars in an objective and transparent manner. Concerning the $14.5 million in discretionary funds, our first priority was to provide basic funding to establish the recently designated Nevada and Northern Florida HIDTAs. This funding will enable the HIDTAs to begin focusing on HIDTA Program priorities related to combating their regional threat, including intelligence/information sharing, training, and communications interoperability.

The second priority was to provide funding to bring the HIDTAs designated in 1999 (Central Valley California, Hawaii, New England, Ohio and Oregon) up to the minimum $2.5 million level necessary to provide effective support. In order to become fully operational and fund a new fugitive apprehension initiative, the six-state New England HIDTA will receive a total of $2.85 million.

The third priority was to establish electronic connectivity among the HIDTAs via the Regional Information Sharing System (RISS.net). This initiative will significantly enhance intelligence/information sharing, communication and coordination among the HIDTAs. Establishing connectivity between the HIDTAs also will fulfill a major requirement of the General Counterdrug Intelligence Plan (GCIP). This connectivity will also provide the network upon which the HIDTA Program fiscal database currently under development will operate. Connectivity costs between HIDTAs vary because the 11 HIDTAs identified as RISS.net node sites must take on the responsibility and added cost of user authentication for the non-node HIDTAs. HIDTAs receiving base costs of $22,000 will supply connectivity and allow them to operate as "RISS HIDTA Client Sites" and fund costs associated with the lines, Internet Sites, Internet firewalls, and routers. HIDTAs selected as RISS.net node sites receive $150,500. This increased funding will provide for a network person to assist clients, authenticate/manage users,

administer security system(s), man help desk, etc., connection costs, and equipment costs (firewall, computers, smart cards and readers, etc.).

The final priority was to carefully evaluate supplemental requests received from 23 HIDTAs, which totaled $48 million. Decisions to allocate funding for new or expanded initiatives were based, in large part, on HIDTA Program priorities (intelligence/information sharing infrastructure), and the content and composition of the supplementary funding requests.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. A performance management system should let ONDCP target resources and effort to address both overall (national level) performance goals as well as enable ONDCP to make comparisons of HIDTA programs, and set program and funding priorities. Please describe the status of your development of a performance management system for the HIDTA program.

ANSWER:

The HIDTA performance system focuses on improving the effectiveness and efficiency of law enforcement efforts, reducing drug trafficking threats, and reducing crime in designated regions of the United States.

Fifty-six developmental standards are currently used to guide the HIDTA Executive Boards' decisions to improve the effectiveness and efficiency of law enforcement efforts in HIDTAs. These standards were between 60 and 100 percent completed by 17 of the mature HIDTAs in September 2000. To improve upon this performance measure, ONDCP is developing funding priorities and milestones that will replace the developmental standards performance measure in FY 2002. Many of the developmental standards, which include a number of processes, will be integrated into HIDTA program guidance. The remaining developmental standards that identify funding requirements will be prioritized and funded according to annual milestones.

Additional funding priorities will be based on the General Counterdrug Intelligence Plan to improve intelligence and inter- and intra-communications systems, as well as training needs and focused initiatives on drug threats identified by the HIDTAs' annual threat assessments. The impact of these funding decisions will be measured in terms of reductions in regional drug trafficking threats in terms of drug production, transportation, distribution, use and money laundering. In addition, HIDTA impact will be measured in terms of reductions in drug-related crimes and emergency room visits.

The achievements of the HIDTAs will continue to be assessed by HIDTA Executive Boards, interagency review teams and ONDCP. Each HIDTA has an Executive Board that implements a management system for planning, monitoring and reporting performance. HIDTAs provide annual threat assessments, strategies and budgets to ONDCP for approval and then report the last year's achievements in an annual report to ONDCP. Each year, ONDCP verifies and validates annual reports through a management review process that involves a thorough review of the documents submitted by each HIDTA. These ONDCP reviews are supported by a number of drug control agency representatives. ONDCP also began a thorough on-site-review process to verify the HIDTAs' compliance with program guidance, fiscal accountability as well as validate annual HIDTA reports. Finally, ONDCP contracted with KPMG to conduct external fiscal audits of the HIDTAs. The audits began in February 2001. To date, 6 full scope audits and 4 limited scope reviews of HIDTA grantees have been completed.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. There has been some discussion of creating a training center for the HIDTA program. Please describe how training is handled currently, including the role of the HIDTA Assistance Center in Miami and other support from the National Guard or other agencies. To the extent any training facilities or support is required, has any consideration been given to using existing training centers such as the Federal Law Enforcement Training Center for such support?

ANSWER:

ONDCP is not considering the creation of a training center for the HIDTA program. We currently have the National HIDTA Assistance Center (NHAC), through which we offer and coordinate training for the HIDTA program. Furthermore, each HIDTA has access to on-site or nearby facilities that can be used for training purposes.

The HIDTA Program constantly evaluates the training needs of the individual HIDTAs. One issue we consider is how to provide sufficient training in a cost-effective manner. For example, it is sometimes less expensive to send instructors to local sites rather than to transport students to a central facility. HIDTA takes advantage of both options to leverage limited funding to provide the most training. We have a sufficient number of training "sites" within each HIDTA region to accommodate training needs, but delivery can always be improved.

Currently, HIDTA uses a myriad of local, state, and federal training resources operating in the drug law enforcement venue. The following is an illustrative listing of these resources:

- Federal Law Enforcement Training Center(s) [east & west]
- National Guard-sponsored centers
  - -National Interagency Civil/Military Institute
  - -Regional Counterdrug Training Academy
  - -National Counterdrug Training Center
  - -Multi-Jurisdictional Task Force Training Center
- Drug Enforcement Administration Field Training Program
- A vast number of local and state police agency training centers and mobile training units

HIDTA leverages and coordinates its assets throughout our 28 training sites across the nation to ensure the most cost-effective training. For example, the latest HIDTA program guidance raises the training function to be among the top priorities of our core missions. ONDCP established a committee to evaluate the training needs of the National HIDTA Program with a view toward enhancing the training services provided by NHAC.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **Parents for a Drug Free Future (Parent Drug Corps)**

QUESTION:

This proposed new program has no detail in its justification.

1. Could you explain how the proposed program would relate to existing initiatives such as the Drug Free Communities Program and the National Youth Media campaign, or existing private sector networks through such groups as CADCA? Why could this program not be developed under the auspices of those other activities?

ANSWER:

ONDCP greatly appreciates the Committee's interest in the details of this $5 million Presidential initiative to support and encourage parents to help children stay drug-free. ONDCP drafted and submitted to OMB preliminary authorization language for interagency review. This program will create a "Parent Drug Corps" by providing matching funds to national parents' organizations for the following purposes:

- Assist training thousands of parents in communities nationwide in skills, methods, and information that help prevent drug abuse by young people;

- Promote cooperation among national parent efforts and increase their impact through fostering partnership with the network of parent organization affiliates and chapters, regional and state-level entities that involve parents, and local community anti-drug coalitions; and

- Provide science-based prevention strategies, information, and materials to parents and parent-serving organizations, thereby strengthening their ability to protect their children from the risks of drug use.

The Administration is confident that this is an effective approach because parents have a special stake in the health and safety of their neighborhoods and communities. In the past, parents have played key leadership roles in organizations like the PTSA, in faith-based organizations, and in social and service clubs. They can and should expand these roles into other organizations and coalitions. Parents are a critical source for informing state and local governments about problem areas, issues, and needs, as well as for assistance in forming effective responses to these identified problems and measuring their success or impact. The Parent Drug Corps will enable parents to assume stronger roles in the lives of their children and the communities where they live.

ONDCP staff have been working diligently to develop additional details of this proposal in consultation with anti-drug parent groups and other federal agencies. We plan to have a recommendation for the next ONDCP Director to forward to the Committee upon confirmation.

Concerning the relationship between the Parent Drug Corps and The Drug-Free Communities Program, it is important to note that each program is a critical and complementary component of our effort to reduce drug use among our nation's youth. The DFC provides small ($50,000-100,000) grants to grassroots citizens' coalitions to help mobilize their resources and facilitate planning and cooperation. The grants are not targeted to support the development and implementation of parent training programs.

Parent training is best accomplished by organizations with experience working with parents, and expertise in science-based prevention. National organizations can train parents more efficiently - and achieve broader geographic representation - than can local community coalitions. Parents trained through the Parent Drug Corps will provide a source of committed, knowledgeable non-professionals who will be a valuable asset for community coalitions, as well as school-based programs and other prevention efforts.

With regard to the National Youth Anti-Drug Media Campaign, ONDCP will continue to use both the advertising and non-advertising components of the Campaign to provide parents and other adult influencers with additional information on how to assist youth to avoid using illegal drugs.

Extensive research over the past three years reveals that parents of tweens do not believe they can influence their child's decision to use drugs. Parents are anxious for help, and want to know "what to do." Consequently, new parent-targeted messages teach parents specific skills to help keep their children drug free.

The Campaign's Efficacy/Monitoring platform is the basis for all parent-targeted messages starting in April 2001 and is recommended by the Behavioral Change Expert Panel, which represents the leading edge of behavioral science/social marketing in the country. Research shows that delivering parenting skills via advertising alone may not be enough to educate all parents effectively. To complement the advertising, a variety of non-advertising efforts are being initiated. These include:

- New materials for parents, including a web site for parents (TheAntiDrug.com),
- A workplace program targeting employees who are parents with prevention messages for their children;
- The development of partnerships with parenting groups and anti-drug coalitions that have local affiliates to help disseminate parenting information; and
- The placement of public service announcements developed by national parenting groups in our Campaign public service components.

Clearly, the Campaign activities targeting parents will assist the Parent Drug Corps in their efforts to reduce illegal drug use among youth..

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. What performance measures would you apply to this program? Are the systems in place to capture the data required to apply such measures to the program?

ANSWER:

Performance measures for assessing the Parent Drug Corps would focus on the extent to which parents feel knowledgeable about the issues and how best to communicate with their children. But beyond that, parents have a very special stake in the health and safety of their neighborhoods and communities, and their involvement in working for and leading efforts to improve their neighborhoods is actually more important a factor.

The Parent Drug Corps will have a major focus on initiatives that will enable parents to take on stronger roles in the total lives of both their children and the communities in which they live. Any evaluation would examine both whether parents actually communicated regularly and possibly, the effect on the children in terms of attitude and use and the extent to which parents took on more focused and involved leadership roles in their communities and neighborhoods.

In terms of implementation of the program, the extent of partnering between various levels of government and the private sector will also be examined. The actual wording of the measures would be developed through an intergovernmental-private-sector process in order that key participants would be committed to the targets and measures identified. The data systems would be identified as part of this process.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **Research**

QUESTION:

1. What is the status of the Chronic User Study? Have results from that study been made public, and are they being used to guide current policy making decisions as to treatment programs?

ANSWER:

The first or pilot phase of the hardcore chronic user study was conducted in Cook County, Chicago and demonstrated that it was possible to derive estimates of the size and characteristics of the hardcore heroin and cocaine using population from samples drawn from booking facilities and treatment providers. The second phase of the study is to validate and apply this methodology to deriving national estimates. ONDCP received $5 million in funding from Congress in Fiscal Year 1999 to implement this second phase of the hardcore chronic user study. In order to make the most efficient use of the funds, ONDCP linked the hardcore chronic user estimation methodology to the Drug Evaluation Network System (DENS), a data system developed by ONDCP's Couterdrug Technology Assessment Center (CTAC) to provide real-time data on treatment admissions.

In March of 2000, ONDCP awarded a three-year contract to conduct the Random Access Monitoring of Narcotics Addict (RAMONA – the formal title for the hardcore chronic users study) to the National Center on Addiction and Substance Abuse at Columbia University (CASA) and its subcontractors, Treatment Research Institute (TRI) and Simeone and Associates, Incorporated (SAI). During the first year of the study, CASA and its subcontractors validated the mathematical models that will be used to develop the estimates, revised the Life History Interview – the detailed survey instrument used to collect the data, develop training, and design the national sample plan.

Currently, the study has just begun the second year of the contract. Activity scheduled for this year includes drawing the sample, training treatment provider staff in the data collection protocol, data collection, and development of the first round of estimates. These estimates will not be available until the end of the second year of the contract – approximately one year from now. In the third year of the contract, data collection will continue and a second annual estimate will be produced.

These estimates are vital to assessing the size and extent of the problem of drug addiction, in formulating policy to address treatment need and reduction of the treatment gap, and in assessing the impact of the nation's treatment policy. The estimates are a critical measure in ONDCP's Performance Measures of Effectiveness system, falling under the impact target for Goal 3 (Reduce health and social costs to the public of illegal drug use by closing the treatment gap).

Following the completion of the RAMONA project, this estimation process will become institutionalized with the implementation of the National Treatment Outcome Monitoring System (NTOMS). ONDCP and the Substance Abuse and Mental Health Service's (SAMHSA) Center for Substance Abuse Treatment (CSAT) have worked closely to plan the launch of NTOMS, which will incorporate the treatment admissions and hardcore chronic user estimation components of RAMONA with a new module to track treatment outcome success. NTOMS will provide policy makers, program managers, and treatment providers for the first time with annual nationally representative estimates of these measures.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. The mycoherbicide research program that received some funding through the Special Forfeiture Fund in the past was being focused on implementation strategies. What is the status of such research, and has field testing been conducted?

ANSWER:

Through Fiscal Year 2000, USDA/ARS has maintained research on mycoherbicides pertinent to the control of illicit coca. Three isolates of Fusarium oxysporum, according to USDA/ARS were found at least partially efficacious in reduction and control of illicit coca (Erythroxylum coca).

The $4.5M from the Special Forfeiture fund in Fiscal Year 1999 went primarily to the construction of a quarantine/containment greenhouse at Beltsville, Maryland and the lease of a field testing site in Hawaii. The primary purpose of these activities is the ongoing evaluation of potential biological and chemical control agents for narcotic crops as well as the evaluation of technologies to control diseases and pests of alternative crops, particularly sustainable tree crops. A portion of these funds was also allocated to extramural research with Montana State University. Start up funds were also provided to the Department of State for allocation to the United Nations Drug Control Program (UNDCP) for the purpose of completing a feasibility study and work plans for field trials of potential biological control agents of coca in Colombia.

In addition, in Fiscal Year 1999 Congress earmarked up to $13.0 million for the continued evaluation of mycoherbicides with a view to conduct practical field trials in Colombia. These funds, also, were appropriated to the U.S. Department of State and subsequently earmarked to the United Nations Drug Control Program (UNDCP). Although UNDCP opened negotiations with the Colombian Government for a joint research, evaluation and field trial program utilizing mycoherbicides, to date, no agreement has been reached. Lacking a foreign field test site, ARS was only able to conduct greenhouse trials and a limited field evaluation in Hawaii on U.S. Government-leased land.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. In 1996 CTAC completed a review of non-intrusive inspection technologies. In the meantime there have been some major acquisitions by Customs and other agencies of screening equipment for cargo and personal inspection, and there are new technologies that might become available. Is there any plan for a review of the use and effectiveness of such screening technology for counterdrug efforts, to include exploiting available technology as well as getting the most out of existing technical resources? Is there any plan to assess the comparative costs and benefits of individual technologies and systems?

ANSWER:

For the past 4 years, the U.S. Customs Service and other agencies (such as the National Guard Bureau) have been acquiring a broad range of major contraband screening systems and equipment for cargo and personal inspection. A timely example is the acceptance and operational deployment earlier this year of the first railroad car gamma-ray imager and a subsequent acquisition action to procure and position a similar system at all rail crossings on the Southwest Border and at one location on the Canadian border

It is appropriate at this point in time to plan a review to assess the use and effectiveness of a substantial number of deployed non-intrusive inspection (NII) technologies available to reduce the flow of illicit drugs into the United States. Major emphasis of this assessment would be placed on the optimization of existing, recently developed, and emerging technologies. Furthermore, its scope and priority tasks should address the comparative costs and benefits of individual technologies and systems.

The Fiscal Year 1995 Treasury, Postal Service, and General Government Appropriations Bill provided $500,000 for CTAC to conduct an assessment and tradeoff study of NII technology. ONDCP/CTAC will consider such an assessment during the course of developing the Fiscal Year 2003 budget.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **Intelligence Coordination**

QUESTION:

With the establishment of the GCIP last year, steps were taken to improve coordination at formal levels between agencies involved with collection and sharing of counterdrug intelligence.

1. Has the new Administration endorsed the GCIP in whole and in part?

ANSWER:

While the Administration has not completed a review of the entire GCIP, the President has indicated the collection and coordination of intelligence on drug trafficking organizations is a priority for the U.S. intelligence community. The Fiscal Year 2002 Budget includes $3 million to fund the for the Counterdrug Intelligence Executive Secretariat (CDX), which provides staff support to the Counterdrug Intelligence Coordinating Group (CDICG), a senior interagency working group. Establishment of these two bodies is the cornerstone action item of the GCIP.

Since its inception in July, 2000, the CDX staff has supported the CDICG in implementing many of the 73 priority action items in the GCIP as well as additional taskings on new interagency counterdrug issues. ONDCP is confident that the work of this small but dedicated staff will continue to improve our nation's counterdrug intelligence architecture by enhancing information sharing, operational coordination, and technical connectivity among Federal counterdrug components and their state and local law enforcement counterparts.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. Has this initiative borne fruit in the production of strategic analysis, in particular In developing information about trafficking flows for long-established drug threats such as cocaine and heroin, as well as new ones such as Ecstasy?

ANSWER:

The General Counterdrug Intelligence Plan (GCIP) has over 70 recommendations for improving overall counterdrug intelligence programs and activities. The Counterdrug Intelligence Coordination Group (CDICG) and its fulltime secretariat, the Counterdrug Intelligence Executive Secretariat (CDX) continue to work through the recommendations and develop implementation plans.

The actions completed to date generally fall into the following areas:

- Clear articulation of the roles and missions of the four principal drug intelligence centers:

National Drug Intelligence Center:	Domestic Strategic Assessments
Crime and Narcotics Center:	Foreign Strategic Assessments
El Paso Intelligence Center:	Tactical/operational support to interdiction and investigations
Financial Crimes Enforcement Network:	Strategic Money Laundering Assessments

- Production of coordinated domestic (NDIC) and foreign (CNC) strategic drug intelligence assessments (for CY 2000)

- Deconfliction of responsibilities for the exploitation of documents and electronic files seized in the course of major domestic and foreign drug investigations/arrests.

- Establishment of standard guidelines which govern the functions and activities of the HIDTA intelligence centers. Required close coordination between the HIDTA program and the major Federal law enforcement agencies involved in the HIDTA program.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. Some FY 2001 HIDTA funding is being used to improve the secure intelligence networks through which HIDTAs share information with other counterdrug agencies. Are there other such infrastructure costs that need to be met in order for agencies to meet the goals of the GCIP, and if so what are they?

ANSWER:

The General Counterdrug Intelligence Plan (GCIP) has over 70 recommendations for improving overall counterdrug intelligence programs and activities. The Counterdrug Intelligence Coordination Group (CDICG) and its fulltime secretariat, the Counterdrug Intelligence Executive Secretariat (CDX) continue to work through the recommendations and develop implementation plans. Implementing a number of recommendations would require funding not currently budgeted for by the agencies responsible. As additional requirements are identified, requests for funding will be considered among other priorities in the normal process by which the President's Budget is developed. At this time, we do not have specific information on what those requirements will be.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

ISSUE: **International Counterdrug Efforts**

QUESTION:

The recent study completed by former General Joulwan of the Customs Service strategic needs to conduct its interdiction efforts indicated the need for significant new resources for Customs, and noted some of the problems in coordinating different agency resources in the Western hemisphere source and transit zones. It has also become apparent that surveillance and tracking capability and coverage needs to be improved.

1. Is there a current, comprehensive plan for using all government air, marine and other assets that provides a minimum level of surveillance, tracking and follow up capability? If so, does it cover the appropriate mix and type of assets for Customs, Coast Guard and other agencies? Is it or will it be used by ONDCP and the agencies involved as the basis for developing current and future budgets? What mechanism exists to determine which agency should be the lead — and therefore should have priority for resources — to perform certain missions?

ANSWER:

ONDCP has reviewed the recent study completed by General Joulwan of the U.S. Customs Service strategic needs and while we applaud the U.S. Custom Service for taking the initiative to commission this study, the report is viewed as a single agency "thought piece." Many of the assertions within the document are not substantiated. Recommendations in the report did not consider fiscal constraints nor does it acknowledge the role that new technologies can play. Moreover, recommendations concerning organizing interdiction efforts in the source and transit zone do not account for the important role of other law enforcement entities and the United States Interdiction Coordinator.

ONDCP provides the policy framework for interdiction by issuing and overseeing the national drug control strategy published annually. This comprehensive document specifically addresses the role of interdiction as an essential element of our balanced strategy. General interdiction priorities, roles and missions, and assignments are covered in more detail in the classified annex to the strategy.

Pursuant to the *National Drug Control Strategy*, ONDCP and the interdiction community use several processes and tools to manage the use of government air, marine and other assets that provide surveillance, and tracking capability. Annually, the United States Interdiction Coordinator and the Joint Staff publishes the Interdiction Planning Guidance (IPG) which prioritizes the positioning of scare surveillance and tracking resources. Additionally, although it is only in its early stages, the Interagency Planning and Asset Management Group (IPAMG) study is a good step in improving our understanding of the proper assets and capabilities necessary in the interdiction program. The Performance Assessment Report (PAR) just completed by USIC is also a promising tool for analyzing force lay-down.

These processes and tools all provide input into the annual funding guidance ONDCP issues to all Federal Drug Control Program Agencies in July. This document articulates national drug priorities and is designed to provide direction as departments and agencies begin to develop their budgets. Additionally, ONDCP also uses these tools as it reviews department and agency budgets as part of the budget certification process conducted in the Fall of each year.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

2. Please explain how The Interdiction Committee functions in relation to other task forces, both Defense and law enforcement agency, to address interdiction operations, planning and intelligence. Given the increasing frequency of major shipments being detected in the Eastern Pacific, how flexible are these coordination mechanisms in permitting the shifting of resources or focus across and between different threat areas?

ANSWER:

The Interdiction Committee (TIC) is an advisory board to the Director of the Office of National Drug Control Policy (ONDCP), comprised of high-level representatives from concerned federal agencies and organizations chartered to discuss and resolve issues related to interdiction coordination. TIC membership serves as a collegial body of equals and consists of: the Commissioner of the U.S. Customs Service, the Department of Defense Drug Coordinator, the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, the Commandant of the U.S. Coast Guard, the Administrator of the Drug Enforcement Administration, the Commissioner of the U.S. Immigration and Naturalization Service, the Director of Operations for the Joint Staff, the Executive Director of the U.S. Interdiction Coordinator, the Director of the National Drug Intelligence Center, and ONDCP's Deputy Director for Supply Reduction.

TIC provides advice to the U.S. Interdiction Coordinator (USIC) in support of his role to oversee the adequacy and optimum use of federal interdiction assets supporting efforts in the Source and Transit Zones. TIC also serves as a forum for the coordination and optimization of border interdiction efforts including oversight of Operation Alliance, and periodically advises the Director, ONDCP of these efforts. Additionally, TIC promotes a seamless and effective integration of international, border, and domestic interdiction efforts in support of the *National Drug Control Strategy*. However, no operational authority is vested in TIC.

Interagency coordination mechanisms are very flexible and provide for rapid shifting of interdiction forces in response to the threat. The USIC staff and the Joint Staff J-3 review the threat quarterly and adjust interdiction policy at the J-3/USIC Counterdrug Conference. The Joint Interagency Task Forces provide for operational integration of agency assets into a seemless command and control structure that constantly assesses force laydown against the current operational threat. This coordination structure also provides for international coordination. Working through national liaison officers at the JIATF and the U.S. ambassador's country team, U.S. interdiction commanders can share intelligence information and coordinate with the interdiction forces of our regional and European allies.

There are, however, operational issues which can reduce the agility of U.S. interdiction forces. Many agency's interdiction assets are performing more than counterdrug functions and cannot be rapidly shifted without considering the impact on these other missions. For example, shifting Coast Guard cutters from the Carribean into the Eastern Pacific might improve the disposition of forces against drug trafficking but could harm its migrant mission. Also, it is very difficult and costly to sustain interdiction forces in many operational areas of the source and transit zones remote from bases or available ports of call. Deployments to these areas must be carefully planned in advance to ensure adequate support.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

3. Coordination with host countries is a key component of any U.S. strategy for successful work in the source zone countries. Given that such coordination can be done through several channels (military or country team, for example), what process exists to coordinate and reconcile disagreements about proposed surveillance and overflight operations? Is there a shortage of agency staff to effect such coordination on a continuous basis?

ANSWER:

The National Interdiction Command and Control Plan (NICCP) provides operational procedures for the passage of interdiction data between the two Joint Interagency Task Forces (JIATFs), the Customs Air Marine Interdiction Control Center (AMICC) and subordinate units involved in interdiction. JIATF East which coordinates the vast majority of interdiction operations in South America, the Caribbean, and the Eastern Pacific uses these procedures to coordinate surveillance and over-flight operations of National Drug Control Program Agencies in the Source and Transit Zones. JIATF East, staffed with liaison officers from U.S. law enforcement agencies and partner nations within the region, access command and control centers and embassies throughout the hemisphere in order to coordinate surveillance and over-flight operations. At present, this process is well-managed and properly staffed.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

4. How will the removal of the U.S. from the UN Narcotics organization affect the ability to carry out international counterdrug coordination, or influence multilateral efforts?

ANSWER:

The International Narcotics Control Board (the Board) is composed of members who serve in their individual capacities, not as national representatives. With regard to licit manufacture, commerce and sale of drugs, the Board endeavors to ensure that adequate supplies are available for medical and scientific uses, and that leakages from licit sources to illicit traffic do not occur. To this end, it administers an estimates system for narcotic drugs and a voluntary assessment system for psychotropic substances, and monitors international trade in drugs. With respect to illicit manufacture and trafficking of drugs, the Board identifies where weaknesses in the national and international control systems exist and seeks cooperation to correct the situation. Further, the Board is responsible for assessing chemicals used to illicitly manufacture drugs, for possible international control.

The U.S. citizen candidate for the INCB, Ambassador Herbert Okun was not elected to a third term. He will continue on the Board until March 1, 2002. Ambassador Okun's absence will not affect the Board's ability to carry out its mandate, which is based on international treaties. The U.S. works productively with other members of the INCB, including the President of the Board, Dr. Hamid Ghodse, and will have sufficient access to that body to make its views known even after the expiration of Ambassador Okun's term.

QUESTION FOR THE RECORD FROM THE
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT

QUESTION:

5. There has been discussion of possibly transferring responsibility for the Tethered Aerostat Radar System, or TARS, from the Department of Defense to the Customs Service. What is the status of the Administration's review of the TARS program, and any plans for future transfer, investment or deployment?

ANSWER:

The Fiscal Year 2001 National Defense Authorization Act directs the Secretary of Defense to issue a report, in consultation with the Secretary of the Treasury, on the status of the Tethered Aerostat Radar System (TARS). The DoD, in concert with the U.S. Customs Service, has been developing a consolidated response to this request. It is clear that several near-term and long-range issues that need to be resolved soon. A draft response to the reporting requirement is undergoing interagency review at this time. ONDCP will continue to work to with the Departments of Defense and Treasury on these issues. However, ONDCP believes that any future management decisions regarding transfer of the program and procurement should be deferred until senior political officials from the Administration are in place at the affected agencies.

OFFICE OF NATIONAL DRUG CONTROL POLICY

Congressional Budget Submission

Executive Office of the President
April 2001

OFFICE OF NATIONAL DRUG CONTROL POLICY

Fiscal Year 2002 Budget

April 2001

Table of Contents

I. **EXECUTIVE SUMMARY** 3

II. **MISSION STATEMENT** 5

III. **SALARIES AND EXPENSES** 14

A. Program Overview 14
B. Appropriations Language 38
C. ONDCP FY 2002 Request 39
1. Operations 39
2. ONDCP Policy Research 40
3. National Alliance for Model State Drug Laws .. 43
4. Gifts and Donations 43
D. Summary Tables of Program and Financing 44
1. Salaries and Expenses 44
2. Gifts and Donations 45
E. Summary Tables of Personnel 46
F. Detail of Permanent Positions 47
G. Summary Table of Budget Authority by Object Class 48
1. Salaries and Expenses - Operations 48
2. Salaries and Expenses - R&D 49
3. Gifts and Donations 50
H. Explanation of Changes by Object Class 51

IV. **COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER** 53

A. Program Overview 53
B. Appropriations Language 55
C. 2002 Budget Request 56
D. Personnel 59

V. **SPECIAL FORFEITURE FUND** 60

A. Program Overview 60
B. Appropriations Language 61
C. 2002 Budget Request 62
D. Summary Tables of Personnel 71

VI. **HIGH INTENSITY DRUG TRAFFICKING AREAS** 72

A. Program Overview 72
B. Appropriations Language 75
C. FY 2002 Budget Request 76
D. Summary Tables of Program and Financing 77
E. Summary Tables of Personnel 78
F. Summary Tables by Object Class 79

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
I. EXECUTIVE SUMMARY

The FY 2002 budget request for the Office of National Drug Control Policy (ONDCP) provides the President's primary Executive Branch support for counter-drug policy development and program oversight. The office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the National Drug Control Program agencies.

The FY 2002 budget request builds on the FY 2001 enacted budget level. For the period October 1, 2001 through September 30, 2002, ONDCP is requesting budget authority of $519,050,000. This represents an increase of $19,240,006, or 3.8%.

The FY 2002 budget request reflects four program accounts: the Salaries and Expenses program; the Counterdrug Technology Assessment Center; the Special Forfeiture Fund; and the High Intensity Drug Trafficking Areas (HIDTA) program.

The request for Salaries and Expenses is $25,100,000 and 115 FTE. This is a decrease of 10 FTE and an increase of $395,470 over the FY 2001 enacted budget level. The budget request includes operational expenses of $22,750,000; ONDCP's Policy Research of $1,350,000; and the National Alliance for Model States Drug Laws of $1,000,000.

The Counterdrug Technology Assessment Center budget request is $40,000,000, an increase of $4,026,317 from the FY 2001 enacted budget level. The budget request includes $18,000,000 for research and development and $22,000,000 for technology transfer to State and local law enforcement agencies.

The Special Forfeiture Fund budget request of $247,600,000 is $14,513,920 more than the FY 2001 enacted budget level. This request funds the National Youth Anti-Drug Media Campaign; Drug-Free Communities Program; Intelligence Architecture; the National Drug Court Institute; U.S. Olympic Committee Anti-doping Program; and a Parents for a Drug-Free Future program.

The HIDTA budget request of $206,350,000 is $304,300 more than the FY 2001 enacted budget level. This level of funding provides continued support for existing HIDTAs and provides for auditing services and activities.

($ in thousands)	FY 2000	FY 2001	FY 2002 Request
Salaries & Expenses	$22,823	$24,705	$25,100
Counterdrug Technology Assessment Center 1/	$32,052	$35,974	$40,000
Special Forfeiture Fund	$215,297	$233,086	$247,600
High Intensity Drug Trafficking Areas	$191,271	$206,046	$206,350
Total	**$461,442**	**$499,810**	**$519,050**

Totals may not add due to rounding.

1/ Includes $7 million appropriation from Department of Transportation and Related Agencies Appropriations Act, 2001, as enacted by section 101(a) of P.L. 106-346.

II. MISSION STATEMENT

ONDCP provides the President's primary Executive Branch support for drug policy development and program oversight. The Office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the National Drug Control Program agencies.

Current ONDCP responsibilities include:

- Develop a five-year *National Drug Control Strategy* (*Strategy*) and submit to Congress annual reports on the progress and implementation of the *Strategy;*

- Develop a consolidated National Drug Control Budget proposal designed to implement the *National Drug Control Strategy,* including five-year projections for program and budget priorities (including budget certifications and recommendations to National Drug Control Program agencies consistent with the *National Drug Control Strategy*) and annual expenditure summaries;

- Present to Congress and applicable National Drug Control Program agencies any classified strategic guidance in a *Classified Annex* to the *National Drug Control Strategy;*

- Refine the Performance Measures of Effectiveness system as data inputs improve in quality.

- Evaluate program effectiveness and include in each annual report an evaluation of the effectiveness of the Federal drug control program during the preceding year.

- Conduct policy analysis and research to determine the effectiveness of drug programs and policies in accomplishing the *Strategy's* goals, priorities, and objectives.

- Certify the drug control budgets of programs, proposed by National Drug Control Program agencies;

- Coordinate and oversee Federal anti-drug policies and programs of approximately 50 Federal agencies responsible for implementing the counter-narcotics strategy and budget;

- Encourage private sector, State, and local initiatives for drug prevention, treatment, and control;

- Designate High Intensity Drug Trafficking Areas (HIDTA) and provide overall policy guidance and oversight for the award and management of resources to HIDTAs in support of Federal, State and local law enforcement partnerships within these areas.

- Operate a Counterdrug Technology Assessment Center (CTAC) to serve as the central counterdrug enforcement and demand reduction research and development organization for the Federal government.

- Oversee the Drug-Free Communities Program, which serves as a catalyst for increased citizen participation to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed support to carry out their important missions.

- Develop and oversee a National Youth Anti-drug Media Campaign that will be a multi-faceted communications campaign that marshals the efforts of parents, mass media, corporate America, and community anti-drug coalitions. This campaign will emphasize that prevention can work and will seek to empower parents and mentors to discuss this critical subject with their children.

- Develop and oversee a five-year program to provide matching funds to national parents' organizations to train parents in communities nationwide in how to reduce drug abuse and form parent drug prevention groups.

NATIONAL DRUG CONTROL STRATEGY: Pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998, as amended P.L. 105-277, in 1999, ONDCP developed a five-year *National Drug Control Strategy* and submits to Congress annual reports on the progress and implementation of the *Strategy*. *The Strategy* and annual reports include:

- Comprehensive, research-based, long-range quantifiable goals for reducing drug abuse and the consequences of drug abuse in the United States;

- Quantifiable and measurable objectives and specific targets that may be achieved annually under the *National Drug*

Control Strategy;

- A review of international, Federal, State, local, and private sector drug control activities to ensure that the United States pursues well-coordinated and effective drug control policies at all levels of government;

- Five-year projections for program and budget priorities and achievable projections for reducing drug availability, and use and consequences associated with use.

The law requires that ONDCP through preparation of the *National Drug Control Strategy,* consult with members of Congress, representatives of Federal departments and agencies, State and local officials, and private citizens throughout the nation with expertise in supply reduction and demand reduction. In accordance with the law, ONDCP must also report to Congress those persons who were consulted in the formulation of the *Strategy.* Additionally, the law allows discretion to revise and submit a new Strategy at any time.

Annual Strategy Report

- Each year the President submits a report on the progress of implementing the *Strategy.*

By law this report must include the following elements:

-- An Assessment of Current Drug Use: ONDCP is required to assess the current levels of drug use (including inhalents), including estimates of drug prevalence and frequency of use as measured by national, State, and local surveys of illicit drug use and by other special studies of casual and chronic drug use; high-risk populations (including school dropouts, the homeless and transient, arrestees, parolees, probationers, and juvenile delinquents); and drug use in the work-place and the productivity lost by such use.

-- An Assessment of the Reductions in Drug Availability: ONDCP must include in each report an assessment of the reduction of drug availability against an ascertained baseline, as measured by the quantities of cocaine, heroin, marijuana, methamphetamine and other drugs available for consumption in the United States; the amount of marijuana, cocaine, heroin, and precursor chemicals entering the United States; the number of

hectares of marijuana, poppy and coca cultivated and destroyed domestically and other countries; the number of metric tons of marijuana, heroin, cocaine and methamphetamine seized; the number of cocaine and methamphetamine processing labs destroyed; changes in the price and purity of heroin and cocaine; changes in the price of methamphetamine; changes in the tetrahydrocannabinol level of marijuana; the amount and type of controlled substances diverted from legitimate retail and wholesale sources; and the effectiveness of Federal technology programs at improving drug detection capabilities in interdiction, and at United States ports of entry.

-- An Assessment of Changes in Drug Use Consequences: ONDCP must include in each report an assessment of the reduction of the consequences of drug use and availability, which must encompass ONDCP's estimation of burdens drug users placed on hospital emergency departments in the United States, such as the quantity of drug-related services provided; the annual national health care costs of drug use, including costs associated with people becoming infected with the human immunodeficiency virus and other infectious diseases as a result of drug use; the extent of drug-related crime and criminal activity; and the contribution of drugs to the underground economy, as measured by the retail value of drugs sold in the United States.

-- An Assessment of Drug Treatment Capacity: ONDCP is required to include in each report an assessment of the status of drug treatment in the United States, by assessing public and private treatment capacity within each State, including information on the treatment capacity available in relation to the capacity actually used; the extent, within each State, to which treatment is available; the number of drug users the Director estimates could benefit from treatment; and the specific factors that restrict the availability of treatment services to those seeking it, along with proposed administrative or legislative remedies to make treatment available to those individuals.

-- A review of the research agenda of the Counter-Drug Technology Assessment Center: The review must address the agenda's potential to reduce availability and abuse of drugs.

-- An assessment of private sector initiatives and cooperative efforts between Federal, State and local governments for drug control.

REQUIREMENT FOR NATIONAL DRUG STRATEGY BUDGET

The *National Drug Control Strategy* and annual reports on the progress and implementation of the *Strategy* is intended to present the President's proposed plan of action for Federal drug control efforts. By law, the report includes a proposed Federal drug control budget that supports the President's *National Drug Control Strategy*.

Budget certification is the statutorily specified process by which ONDCP reviews and shapes drug control budget proposals of National Drug Control Program agencies. ONDCP is required to determine the adequacy of an agency's proposed drug budget to implement the objectives of the *National Drug Control Strategy*. Certification affects the formulation of agency budgets that are incorporated into the President's proposed budget to Congress each year, certification does not directly apply to the appropriations process. However, the head of a National Drug Control Program agency must alert the Congress and OMB to the impact on the remainder of their budget that mandated changes by ONDCP have caused.

A budget is certified as adequate if it meets several criteria. The Administration's program and agency budgets must be in accordance with that *Strategy*. Further, the budget must reflect the budget priorities identified in the *Strategy*, priorities that National Drug Control Program agencies are directed to consider in developing new programs. Finally, a budget must reflect the ONDCP Director's program and budget priorities, as defined in ONDCP's annual program and budget planning guidance letters to the National Drug Control Program agencies.

With regard to budget certification:

- If the Director concludes that a budget request submitted to ONDCP is inadequate, in whole or in part, to implement the objectives of the National Drug Control Strategy with respect to the department, agency, or program at issue for the year for which the request is submitted, the Director shall submit to the head of the applicable National Drug Control Program agency a written description of funding levels and specific initiatives that would, in the determination of the Director, make the request adequate to implement those objectives.

- If the Director concludes that a budget request submitted is adequate, in whole or in part, to implement the objectives of the *National Drug Control Strategy* with respect to the department, agency, or program at issue for the year for which the request is submitted, the Director shall submit to the head of the applicable National Drug Control Program agency a written statement confirming the adequacy of the request.

The budget process begins early in the spring when ONDCP issues any necessary updates to the ONDCP Circular that provides guidance to National Drug Control Program agencies for preparing drug control funding requests for the budget year and the four planning years. This initial budget guidance is based on the National Drug Control Strategy and the specific outcomes identified in the Strategy's Performance Measures of Effectiveness System and provides the framework for those agencies to use in constructing their summer and fall budget submissions.

By July 1st of each year, ONDCP is required to develop specific program guidance that is consistent with the priorities of the President under the Strategy. Each National Drug Control Program agency uses the recommendation to develop their drug control budget submissions. The recommendations apply to the next budget year scheduled for formulation and each of the subsequent fiscal years. Specific program guidance forms the basis for summer and fall budget certifications.

The budget oversight process results in the development of a consolidated National Drug Control Budget for presentation to the President and Congress.

ONDCP determines the success of its budget oversight function using the following measurement criteria:

- comprehensive and coordinated budget guidance issued by July 1st of each fiscal year;

- timely and comprehensive summer and fall budget certifications, which provide sufficient detail and structure to allow agency and OMB budget officials to both be aware of, and carefully consider, ONDCP's funding priorities over the 5-year budget planning period; and

- publication of a consolidated National Drug Control Budget to be issued concurrent with the Annual Report on *National*

Drug Control Strategy.

THE PERFORMANCE MEASURES OF EFFECTIVENESS (PME) SYSTEM

The 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, strongly endorsed the PME System as the vehicle for establishing nationwide drug control outcomes and linking the system to all National Drug Control Policy agency drug control programs and budgets. The System, designed in 1997, has, to a large extent, been implemented and will continue to be refined each year.

ONDCP is required to report annually on the efficacy of the Strategy in achieving the desired end states. This report identifies performance targets and measures for each Strategy Goal and Objective. Starting with the PME 2000 Report, it will assess the extent of progress towards the five- and ten-year targets. When targets are not met, it will trigger an examination of the underlying logic models that link agency activities to desired end states and a possible revision to those targets. If targets continue to be missed, it will trigger an in-depth interagency program evaluation to identify causal factors and necessary modifications. Only such an in-depth program evaluation can yield assessments about the effectiveness of programs that contribute to the target. Even then, the PME system, like any other macro-system that assesses a national strategy, cannot assess any individual agency per se. Pursuant to the Government Performance and Results Act (GPRA), individual agency assessment is the purview of the individual agencies that are required to report annually on their progress towards their strategic goals.

As part of the drive towards non-Federal government, results-oriented management, ONDCP has facilitated Performance Partnerships between the Federal Government and the State of Maryland, the State of Oregon, and the City of Houston. The intent is to explore ways of integrating different levels of governmental activity to focus and coalesce on the achievement of pre-specified targets. This is part of the effort to address joint accountability between agencies and between governments addressing drug control.

The PME Report also identifies available data sources for tracking each measure and step being considered for closing the data gap. ONDCP, through its interagency Data Committee, is considering alternatives for identifying ways of tracking measures (such as the rate of drug-related crime) that limit current data sets. Committee recommendations will be considered

by relevant agencies in view of resource requirements and availability.

The PME Report also seeks to link agency programs and budgets with the Strategy. Increasingly this linkage will be refined as budgets identify agency contributions to the Strategy and the associated resources.

($ in thousands)	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
Salaries & Expenses:			
Operations	$20,811	$22,609	$22,750
Policy Research & National Alliance for Model State Drug Laws	$2,012	$2,095	$2,350
Subtotal, Salaries & Expenses	$22,823	$24,705	$25,100
CTAC	$32,052	$35,974	$40,000
Special Forfeiture Fund:			
Media Campaign	$184,297	$184,593	$185,000
Drug Free Communities	$30,000	$39,912	$50,600
Intelligence Architecture (CDX)	$0	$2,993	$3,000
Metro Intelligence Support and Technical Investigative CTR.	$0	$1,297	$0
National Drug Court Institute	$1,000	$998	$1,000
United States Olympic Committee Anti-doping Efforts	$0	$3,293	$3,000
Parents for a Drug-Free Future	$0	$0	$5,000
Subtotal, Special Forfeiture Fund	$215,297	$233,086	$247,600
HIDTAs:			
Grants and Federal Transfers	$189,741	$204,250	$204,250
HIDTA Auditing Services	$1,530	$1,796	$2,100
Subtotal, HIDTAs	$191,271	$206,046	$206,350
Total, ONDCP Request	$461,442	$499,810	$519,050

Totals may not add due to rounding.

III. SALARIES AND EXPENSES
($ in thousands)

A. PROGRAM OVERVIEW

($ in thousands)	FY 2000	FY 2001	FY 2002 Request
Salaries & Expenses:			
Operations	$20,810	$22,609	$22,750
National Alliance for Model State Drug Laws	$956	$998	$1,000
Policy Research	$1,056	$1,098	$1,350
Total, Salaries & Expenses	**$22,823**	**$24,705**	**$25,100**
Staffing (FTE)	**124**	**125**	**115**

Accomplishments:

ONDCP brings needed organization to the vitally important effort of reducing drug use and its damaging consequences by: improving the efficiency of the counterdrug effort; developing a comprehensive national drug policy through consultations with leaders across the nation; keeping the Congress and the American people informed of the nature and extent of the drug problem and the effectiveness of the *National Drug Control Strategy*; building support for U.S. international drug control programs; coordinating research and policy analyses in support of a wide range of issues and in a number of functional areas; and participating in conferences and meetings. The national coordination effort by ONDCP involves the executive and legislative branches and more than 50 agencies and departments in the Federal government, incorporating an extensive national effort that is ongoing in State and local governments, public interest groups, and private sectors.

1. **Improving the Efficiency of the Counterdrug Effort.**

   a. **The National Youth Anti-Drug Media Campaign** is an integrated advertising and communications campaign harnessing the power of the media and other organizations to

educate America's youth to reject illegal drugs. The campaign uses advertising, television programming, movies, music, the internet and print media to influence young people's attitudes toward drug use and other risk behaviors. During the past year, the media campaign continued to deliver science-based, tested, drug prevention messages to youth and parents. Objectives of the Campaign are to create awareness of the Campaign's messages, change attitudes toward the use of drugs, and prevent/stop drug use among youth. This will be accomplished through a carefully designed communications strategy, collaborative activities among the public and private sector, intensive creative development in new venues, including the internet, and paid advertising that guarantees access to the media most watched and listened to by the target audiences. Ads have been developed in 12 languages as part of the strategy to reach the full range of racial and ethnic groups in the United States. ONDCP and its partners, such as the Partnership for a Drug-Free America and the Ad Council, will continue to work to sustain long-term anti-drug attitudes.

Through strategic partnerships, the Campaign in FY 2000 increased the number of organizations and businesses whose communications networks carried accurate anti-drug messages to their target audiences. These alliances are extending Campaign messages to reach youth and parents in the communities where they live, and in the places where they spend their time, including schools, on line, at work and at play.

Branding is a marketing concept to instill a product or idea in the public consciousness. As the Campaign evolved, "branding" was introduced to unite message platforms, create synergy between advertising and non-advertising programs and maximize campaign awareness and impact. "The Anti-Drug" branding launched in September 1999 reinforced to parents that they are one of the most effective deterrents to drug abuse, and offered assistance to better equip parents with the information and skills they need to initiate and sustain anti-drug communications with their children.

In FY 2000, the youth brand, "My Anti-Drug," was developed to parallel "The Anti-Drug" parent brand. The youth branding campaign, begun on September 1, 2000, was timed to coincide with the back-to-school season.

The first phase of the youth branding campaign, the "submission" phase, "invited youth to identify their

personal anti-drugs (e.g., soccer, family, Spanish, friends, or poetry)", and provided a forum to express their choice in virtually any medium. Youth responding could write, paint, film, tape, or record a message to describe their "anti-drug." They were able to submit their "anti-drugs" on an internet site (*www.whatsyourantidrug.com*) or send their submissions through the mail. The submission phase ran through mid-November 2000, addressing the increased vulnerability of kids as they transition into new schools and new peer groups.

The "launch" phase followed the submission phase in November 2000 with ads whose creative contents were inspired by selected examples from the tens of thousands of anti-drug entries submitted by youth across the country. Submissions will be highlighted on the Web indefinitely, where youth have the opportunity to see other "kids like me" delivering the proof that choosing not to use drugs is a widespread reality shared by kids everywhere. The youth branding launch used both traditional (television, radio, print) and non-traditional (posters, malls, movie theatres, basketball backboards, postcards) media vehicles to generate a grassroots groundswell, which aims to reach youth where they live, hang out, learn and play. The launch of "My Anti-Drug" represents a call to action to every young person to consider what focus in his or her own life is important enough to keep them off drugs, and to express their anti-drug for everyone to see or hear.

b. Drug Free Communities Act. With assistance from the Office of Juvenile Justice and Delinquency Prevention at the Department of Justice and the Center for Substance Abuse Prevention at the Department of Health and Human Services, ONDCP completed the third year funding cycle of the Drug Free Communities grant program. In 1998, grants were awarded to 92 community anti-drug coalitions in 46 states, and the Presidential Advisory Commission on Drug-Free Communities was convened to advise the Director on program policy. In 1999, an additional 124 coalitions were supported. Five regional training workshops were conducted for prospective applicants, and a training and technical assistance meeting was held for all new grantees. In 2000, 94 more coalitions were funded, ONDCP conducted five regional trainings for prospective applicants, and a conference was held for all new grantees. It is anticipated that in FY 2001 and FY 2002 five regional trainings and a conference for all grantees will be held. In FY 2001, approximately 145 additional grants will be awarded. In FY

2002, it is anticipated that approximately 150 new grants will be awarded for a five-year total of over 600 grants.

c. High Intensity Drug Trafficking Areas Program (HIDTA). The 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, authorizes the Director, ONDCP, to designate critical areas in the United States as HIDTAs to reduce drug trafficking in the designated areas and to reduce the impact of such drug trafficking on other areas of the country. Twenty-eight HIDTAs have now been designated. Funding to support the designation of additional HIDTAs or the expansion of existing HIDTAs is not available. In FY 2000, two internal program reviews were accomplished and a contract was awarded to perform financial audits.

d. Technological Advances. The counterdrug R&D program addresses the scientific and technological (S&T) needs of the federal drug control agencies. The R&D program supports improvements to counterdrug capabilities that transcend the need of any single federal agency. It includes demand reduction projects in brain imaging technology, therapeutic medications, and assessment of treatment programs; supply reduction projects for cargo inspection, for drug smuggling, drug crime information handling, communications, and surveillance.

New neuroimaging facilities sponsored by CTAC with FY 2000 and FY 2001 funding and located at the University of Pennsylvania, Massachusetts General Hospital, and Emory University were completed, installed and calibrated so that new images can be processed to advance the Nation's understanding of the causes of drug abuse. Research scientist working on grants from National Institute on Drug Abuse are using this equipment to further their knowledge of the underlying causes of substance addiction and abuse.

R&D projects for nonintrusive inspection capabilities were conducted in the areas of enhanced gamma ray detectors, surface acoustic wave sensors, selective breeding of detector dogs, location of drugs "secreted" on-board maritime vessels, and portable capabilities to detect drugs and contraband in sea vessels, compartments and containers of all sizes.

In FY 2000 the Technology Transfer program provided for delivery of 827 systems and devices to 666 state and local law enforcement agencies. This is exceeds the number of

deliveries in the two prior years combined. The strategy for nationwide deployment of technology continues to be: Support the officer on the street with high technology tools to increase effectiveness of personnel and improve officer safety; target specialized LEA groups and organizations that will benefit from the deployment of more complex larger scale systems in support of longer term drug trafficking conspiracy investigations; and assure that the optimum set of technologies is being offered.

2. **Develop a Comprehensive National Drug Policy Through Consultations with Leaders Across the Nation.** The perspectives and suggestions of national leaders in both the public and private sectors were enormously helpful in the development of the 2001 Annual Report on the *National Drug Control Strategy*. Within the executive branch, every cabinet officer and all drug control departments and agencies participated in the development of strategic goals and objectives and in the formulation of supporting budgets, initiatives, and programs. Input for the report was solicited from every Member of Congress. At the State and local levels, ONDCP solicited input from each State Governor, along with those from American Samoa, Puerto Rico, and the U.S. Virgin Islands, and from the mayors of every city of 100,000 or more people. Views from public officials overseeing Federal, State, and local prevention, education, treatment, law enforcement, correctional, and interdiction activities were also solicited. Suggestions were solicited and received from: representatives of the more than 4,300 community anti-drug coalitions; chambers of commerce; editorial boards; non-governmental organizations; professional organizations; religious institutions; representatives of foreign governments and international organizations; and private citizens.

3. **Keeping the Congress Informed.** ONDCP worked closely with Members of Congress and their staff throughout the second session of the 106th Congress. Over the course of the past year, ONDCP testified before Congress at eleven hearings. Congressional oversight was conducted on a wide range of issues at these hearings, including: the National Youth Anti-Drug Media Campaign, the dangers of Club drugs and Ecstasy, illegal drug use trends, and increased U.S. counterdrug assistance for Colombia and the Andean region.

ONDCP also hosted events with Members on Capitol Hill, including, the announcement of new grants awarded under the Drug Free Communities Act, HIDTA program, and CTAC

technology transfer program.

4. **Keeping the American People Informed.** ONDCP has initiated numerous activities directed at informing the public about the *National Drug Control Strategy* and drug control program resources. Specifically, ONDCP:

- Produces the *Directory and Resource Guide of Public- and Private-Sector Drug Control Grants.* The Directory helps individuals and organizations at the State, local, and community levels gain access to a wide range of drug-related funding support. The Directory serves as a roadmap to connect people with resources and to assist them in negotiating the often complex maze of drug control programming and grant requirements.

- Operates a clearinghouse service (1-800-666-3332), which is free of charge to the public, that is staffed by drug policy information specialists who provide drug-related data, perform customized bibliographic searches, advise requesters on data availability, refer requesters to other possible sources of information, and maintain a public reading room.

- Maintains an Internet homepage (www.whitehousedrugpolicy.gov) that provides up-to-date information about ONDCP and drug policy issues, including prevention and education, treatment, science and medicine, law enforcement, and drug facts and figures. A variety of information is posted on the homepage, including the Director's speeches and congressional testimony and ONDCP policy research studies. The homepage also contains a special section for Kids and Teens, the National Youth Anti-Drug Media Campaign, the Drug-Free Communities program, HIDTA, and CTAC. Activity on the official ONDCP website rose increased 112% from 2,348,674 hits in 1999 to 4,984,770 hits in 2000. Between 1999 and 2000, hits on the National Youth Anti-Drug Media Campaign's web sites increased 108% from 41,422,127 hits to 86,516,880 hits.

5. **Advancing U.S. International Drug Control Program Initiatives.** In FY00, ONDCP briefed leaders from key drug production and trafficking nations on the international component of the National Drug Control Strategy. Support for U.S. drug control efforts developed among important international and multilateral organizations. These included the Organization of American States/Inter-American Drug

Abuse Control Commission (CICAD), the United Nations Drug Control Program (UNDCP), the International Olympic Committee (IOC), the International intergovernmental Consultative Group on Anti-Doping in Sport (IICGADS), and the newly created World Anti-Doping Agency (WADA). Specific initiatives forwarded include:

a. Source Zone Strategy. ONDCP continues to oversee implementation of the cocaine source zone strategy. Senior ONDCP staff-members have met repeatedly with Colombian, Peruvian, and Bolivian officials, both in Washington and in South America, to coordinate counterdrug policies and programs. ONDCP has worked through the National Security Council and the Joint Staff to ensure proper U.S. support to the source zone strategy articulated in Presidential Directives concerning U.S. Policy on International Counternarcotics in the Western Hemisphere.

b. Counterdrug Assistance to Colombia. ONDCP has been leading an effort to ensure Colombia receives adequate support for its counterdrug efforts. Recent trips to Colombia and the surrounding region and Congressional testimony by ONDCP heightened the awareness of the growing drug problem in Colombia. Working with the Departments of State, Defense, Justice, the Treasury, and Transportation, ONDCP played a pivotal role in the development of an Administration initiative to increase support to Colombia and the Andean Region. Over FY 2000 and FY 2001, this emergency supplemental appropriation provides $1.6 billion in assistance. This includes FY 2000 funding for Colombia of over $330 million, and a FY 2001 supplemental appropriation of $1.3 billion in support of the Government of Colombia's Plan Colombia.

Since Colombia's complex and inter-related problems require a comprehensive solution, the U.S. aid is an integrated combination of funds for Colombian counterdrug efforts and for other programs to help Colombia strengthen democracy and promote prosperity. ONDCP is also involved in Administration efforts to encourage U.S. allies and the international institutions to assist Colombia in implementing Plan Colombia. Further, the supplemental package provides funding to support regional counterdrug interdiction and alternative development programs to shore up significant gains against drug production in Peru and Bolivia and prevent the traffickers from moving their operations to

avoid law enforcement. This initiative clearly supports the national interest of the United States to stem the flow of illegal drugs and to promote stability and strengthen democracy in Colombia and the Andean region.

c. **Bilateral Cooperation with Mexico.** ONDCP believes these efforts will complement the ambitious work President Fox seeks to accomplish. ONDCP continues to believe that the success of efforts to control drug trafficking depends on improved coordination and cooperation between the drug law enforcement agencies and other institutions responsible for activities against production, trafficking, and abuse of illegal drugs in Mexico and the United States. In FY 2000, ONDCP continued to support the High Level Contact Group (a group of high-level U.S. and Mexican officials who met several times a year) in developing/implementing a bilateral strategy and establishing measures to track the effectiveness of this strategy.

d. **Optimization of Interdiction Resources.** ONDCP, working with The Joint Interagency Task Force (JIATF) planners focused interdiction resources on the source zone. JIATF-South and JIATF-East have been merged into a single staff focused on the flow of drugs from South America to the United States. ONDCP continues to work through the interagency to ensure manning requirements for this merged entity are adequate to meet its consolidated mission. An interagency plan has been developed to implement the source zone strategy on the key elements of the illicit drug trafficking industry. Additionally, ONDCP assisted State and DoD in developing plans and negotiating access to forward operating locations in support of the National Drug Control Strategy.

e. **Key trips undertaken by ONDCP to support these initiatives included:**

- **Mexico Trip (Feb 00):** The ONDCP Director traveled to Mexico at the invitation of Mexican Attorney General Jorge Madrazo. This trip included visits to the country's capital, Mexico City, and the southern States of Guerrero, Chiapas, and Quintana Roo. The main purpose of the visit was to review Mexican counternarcotics cooperation programs and meet with top officials.

- **Montreal, Canada (Feb 00)**: The ONDCP Director and other government experts attended the first meeting of the International Intergovernmental Consultative Group on Anti-Doping in Sport from February 16-18, 2000 where the Montréal Declaration was adopted. The declaration recognizes that ethics in sport is a matter of public interest and acknowledges the major role of governments in developing a worldwide anti-doping control programs.

- **Bogota, Colombia (Feb 00)**: ONDCP led an interagency counterdrug team to Colombia, February 22-24, 2000. The team included representatives from the Department of State; US Southern Command Operations; NSC/Transnational Threats; the Crime and Narcotics Center; and South American Section of the DEA. Discussions were held regarding the future direction of Colombian counterdrug efforts and the major challenges faced to get the assistance package passed by the US Congress.

- **Lausanne, Switzerland (Mar 00)**: The ONDCP Acting Deputy Director attended the World Anti-Doping Agency (WADA) board meeting on March 22, 2000 in Lausanne, Switzerland, to coordinate governments' roles and establish issues for WADA. In particular, objectives of the trip were to provide USG senior representation on the WADA Board and support implementation of the goals and objectives of the *Sydney Communiqué* and *Declaration Montréal*.

- **UN New York Trip (May 00)**: The ONDCP Director met with Ambassador Holbrooke, UNDCP Executive Director Pino Arlacchi, and UN Secretary General Kofi Annan at the UN in New York on May 26, 2000. The purpose of the trip was to inform and update UNDCP Executive Director on U.S. drug policy and progress in confronting drug problem. Additionally, follow-up was conducted on the actions adopted at UN General Assembly Special Session on Drugs, June 8-10, 1998 which called for multilateral cooperation to address international illicit drug demand and supply reduction. The ONDCP Director also informed and encouraged support for specific regional initiatives in Latin America and Asia.

- **Asia Trip (June 00)**: ONDCP led a U.S. delegation to Beijing and Kunming China; Hong Kong, Hanoi, and Bangkok from June 16-25, 2000. The delegation included senior representatives from State, DEA, JIATF-West, NSC, DCI/CNC, and the National Institute on Drug Abuse. The purpose of the visits were to: 1) explain U.S. Drug Policy and share experiences in addressing prevention, treatment, and law enforcement issues; 2) assess the drug situation in China and the SEA region and advance U.S. drug policy interests; and 3) establish a mechanism for continuing US-China/SEA dialogue on drug demand and supply reduction issues.

- **Cape Town/Pretoria, South Africa (Jul 00)**: The ONDCP Deputy Director traveled to Pretoria, South Africa to speak and attend the US/SA conference on Substance Abuse, Crime, Violence and HIV/AIDS and South Africa. The Deputy Director presented an overview of issues facing the United States, Pretoria, and South Africa. Subsequent meetings were held to discuss drug policy issues with UNDCP representatives, DEA Attaché, Legal Attaché, and Police Officials in Cape Town/Pretoria.

- **Cartagena, Colombia (Aug 00)**: Under Secretary of State for Political Affairs Thomas Pickering and the ONDCP Director visited Colombia from August 9-10, 2000. They were joined by General Charles Wilhelm, Commander-in-Chief of the Southern Command and a high level interagency team of experts. With Colombia authorities, the ONDCP Director reviewed the implementation of the U.S. Government assistance to Plan Colombia, which was passed in the Congress in July 2000.

- **Cartagena, Colombia (Aug 00)**: ONDCP was a part of the high level interagency delegation traveling with President Clinton on his official visit to Cartegena, Colombia on August 30, 2000.

- **Sydney, Australia (Sep 00)**: ONDCP was part of the official delegation for the White House for the Olympics held in Sydney, Australia. Travel included participation in WADA meetings from September 15-26, 2000.

- **Bogota, Colombia (Nov 00):** The ONDCP Director and Under Secretary of State Pickering led an interagency team to Colombia. The team met with President Pastrana and his administration to discuss issues related to implementation of the US assistance package, including security, eradication, alternative development, and human rights. The team included new Commander-in-Chief of the Southern Command General Peter Pace, AID Deputy Director Harriet Babbitt, and representatives from State and Justice.

6. **Conferences and Meetings.** ONDCP briefed participants in numerous gatherings of organizations such as the Conference of Mayors, the American Bar Association, Boys and Girls Club of America, D.A.R.E., PRIDE, National Families in Action, and the National Association of Police Officers. Additionally, ONDCP convened or participated in the following conferences and meetings to promote greater coordination of international, Federal, State, local, and private anti-drug efforts:

   a. **Central America Demand Reduction Conference:** ONDCP sponsored, with Guatemala, an earlier Counterdrug conference that requested this conference. This group met on October 27 - 29, 1999 in Guatemala City, Guatemala. With the participation of the ONDCP Deputy Director, the meeting focused on data collection and community mobilization - two factors that need strengthening in Central America. The objective was to clarify the importance of obtaining good data on the nature of drug consumption so that programs to address the problem are based on empirical evidence.

   b. **U.S./Mexico High Level Contact Group (HLCG) on Drug Control:** Created in March 1996, this group met on November 9-10, 1999 in Washington, DC and in Mexico City on August 8, 2000. At the conclusion of the Mexico City meeting, the HLCG agreed on a summary report on bilateral drug control cooperation between Mexico and the United States from 1995-2000. The HLCG recommended that when new administrations are installed in the United States and Mexico, prompt and serious consideration be given to the desirability of continuing to implement cooperative counter-drug actions that are coordinated through a cross-cutting high-level policy mechanism.

c. **Meetings of the Interdiction Committee (TIC)**: The Interdiction committee is an advisory body to the Director, ONDCP and the United States Interdiction Coordinator (USIC) that is chartered to discuss and resolve interagency issues related to interdiction coordination. TIC is composed of Commissioner, USCS; the DoD Drug Coordinator; the State A/S INL; Commandant, USCG; Administrator, DEA; Commissioner, INS; Director of Operations, Joint Staff; and the Deputy Director of Supply Reduction, ONDCP. TIC seeks to promote a seamless and effective integration of international, border, and domestic interdiction efforts in support of the National Drug Control Strategy.

d. **Monthly Meetings of the Counter-Narcotics Interagency Working Group (CN-IWG)**: ONDCP hosted monthly interagency meetings in Washington, DC to address key issues affecting international counter-narcotics policy. Membership included high-level representatives from the relevant U.S. Government agencies and organizations. The CN-IWG reported the results of its policy deliberations to the National Security Council structure.

e. **The J-3/USIC Quarterly Counter-drug Conferences**: Held in Washington, D.C., these quarterly meetings provide a bridge between field operations and policy development in Washington. The conference is a forum for high-level interagency discussions of international drug-interdiction.

f. **Meeting of the Intergovernmental Working Group on the Multilateral Evaluation Mechanism**: ONDCP participated in the October 1999 Organization of American States sponsored Intergovernmental Working Group meeting when Western Hemisphere leaders formally signed an agreement enacting the Multilateral Evaluation Mechanism in Montevideo, Uruguay. The Multilateral Evaluation Mechanism is a process that will enable consistent and cooperative evaluation of counterdrug programs throughout the Western Hemisphere.

g. **U.S./Mexico Demand Reduction Conference (May 31, 00 - June 1, 00)**: ONDCP cosponsored this meeting in Phoenix, Arizona, that brought together approximately 350 experts and community leaders from both countries. It provided intensive training sessions on specific issues in

substance abuse treatment and prevention, and on methods to enable the public health and public safety/criminal justice systems to work together to address substance abuse problems. In the area of treatment, a two-day training on all aspects of opiate treatment was held, and a session was held on "engagement, retention and relapse prevention" in the criminal justice system. Plenary sessions provided overviews in each of these areas, and focused on the crosscutting issues of evaluation and youth with regard to treatment.

h. **The Western Hemisphere Drug Policy Leadership Conference:** The Conference was sponsored by the Office of National Drug Control Policy (ONDCP), the Department of State, and the Inter-American Drug Abuse Control Commission (CICAD) and was held in Washington, D.C. November 3-5, 1999. This first-ever Western Hemisphere Drug Policy Leadership Conference provided ministerial level officials an opportunity to discuss the significant counter-drug challenges that we will face in the first decade of the new millennium. National drug policy leaders and delegations representing 34 countries of the Americas to the Conference heard detailed presentations on a variety of drug-related topics and held comprehensive discussions on how to address new challenges in the new century.

7. **Advancing U.S. Domestic Drug Control Efforts.**

The 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, requires ONDCP to oversee domestic activities in reducing drug availability and use, including: coordination of Federal, State, and local drug law enforcement activities; promotion of coordination and cooperation among State and local-level drug supply and demand reduction agencies; promotion of cooperative governmental activities for a comprehensive approach to drug control activities at the national, State, territory, and local levels; and coordination of domestic drug law enforcement, including law enforcement directed at drug users.

In 2000, a HIDTA National Conference was held December 4-6, 2000 at the Mayflower Hotel in Washington, D.C. The event attracted 375 individuals from across the country to discuss a number of topics relevant to the HIDTA Program including: the national drug threat, national drug strategy, counterdrug intelligence, production, distribution,

transportation, money laundering and use trends. Speakers included the Director of ONDCP as well as the nation's leading Federal law enforcement officials including US. Attorney General Janet Reno, Director of the Bureau of Alcohol, Tobacco and Firearms Bradley Buckles, DEA Administrator Donnie Marshall, and the US. Customs Commissioner Ray Kelly.

The office developed and coordinated Federal, State and local law enforcement policies, programs and initiatives in such diverse areas as Federal, State and local law enforcement coordination at the Southwest Border, drug courts, D.A.R.E., economic empowerment, and law enforcement; and assisted in the evaluation of those efforts. The office established partnerships and facilitated other active relationships among Federal, State and local governmental entities as well as public interest groups and non-governmental organizations (NGOs). The office also promoted coordination and cooperation among the drug supply reduction and demand reduction agencies of the various States, territories, and local governments. The office also pursued outreach efforts with State and local government agencies as well as NGOs and public interest groups.

The ONDCP Director and the Acting Deputy Director for the Office of State and Local Affairs were keynote speakers at major national and regional non-governmental organization conferences. Major national conferences, such as the 68th Winter Meeting of the U.S. Conference of Mayors held in Washington D.C., focused on "Drugs in Cities and Rural Communities". Other conferences and meetings, that included significant ONDCP participation, included the following:

a. Arizona Narcotic Officers Association Conference. Over 500 narcotics investigators attended this event in Arizona.

b. Project North Star Conference. Project North Star Conference, a bi-national event that included law enforcement and military attendees from the U.S. and Canada. To anticipate new trafficker routes, coordinate and augment interdiction along the 4,000-mile 'frontier' between the U.S. and Canadian border.

c. Regional Information Sharing Systems (RISS) Conference. This event served as a "cluster conference," and involved all six RISS Executive Boards and RISS Directors and 150 attendees including leading police chiefs and Department of Justice officials. RISS boards are comprised of State and

local law enforcement executives from all 50 States and operate similarly to the HIDTA Executive Committees. The RISS projects, in conjunction with the HIDTAs, are critical to implementation of the General Counterdrug Intelligence Plan (GCIP) in establishing a State and local intelligence backbone.

d. National Alliance of State Drug Enforcement Agencies (NASDEA) and the Association of State Criminal Investigative Agencies (ASCIA) meeting. NASDEA and ASCIA combined represent the leadership of State drug investigative agencies from across the country.

e. International Association of Chiefs of Police (IACP). This is the annual meeting of the premier police organization consisting of 15,000 police chiefs from around the nation. ONDCP held a seat on one of four prestigious IACP committees for the past six years. ONDCP held a National HIDTA Director's meeting during the conference as well as a workshop for all IACP attendees.

8. **CTAC Technology Conferences.** ONDCP/CTAC sponsors periodic international technology symposia to gather the world-class experts in technology with the leaders of the user community to assess the state of the art technology and explore directions of future development activities. The meeting was organized as a Gordon Research Conference, considered the most prominent international forum for the discussion of scientific and technological developments. The July 2000 conference was held in conjunction with the Police Scientific Development Branch of the Home Office (United Kingdom) and the Federal Aviation Administration. The sixth ONDCP International Counterdrug Technology Symposium, will be held during June 25-28, 2001 in San Diego, CA. Over 100 technical papers will be presented with an expected attendance of 400 medical research scientists, engineers and law enforcement professionals from academic, Federal, State and local government organizations.

An outreach program was begun several years ago that included one-day regional workshops held at strategic locations across the country. These workshops increase the awareness of technologies developed by Federal agencies that could improve operations for State and local law enforcement agencies. Since the demand for technologies from the program were outpacing the funding available, four of the six one-day workshops were cancelled during FY 2000.

Training sessions, however, were held throughout the year with over 600 agencies. The most recent workshop was held on March 22-23, 2001 in Seattle, Washington.

9. **Demand Reduction Efforts.**

a. **Methadone Reform** - Methadone is the most widely researched (almost 40 years) of all opiate addiction medications available on the market today. In 1995 the Institute of Medicine (IOM) was tasked by DHHS and Congress to review the current Federal regulation of methadone. At the time the study was undertaken, the regulations had been in place for over 20 years and reflected a three-tiered system of oversight: FDA for safety, effectiveness, and consistency in quality; DEA to prevent diversion and illicit use, and; DHHS to regulate how and under what circumstances methadone may be used to treat opiate addiction.

The IOM study found that Federal methadone regulations had little impact on the quality of services and could probably be streamlined. ONDCP and DHHS undertook a full review of how best to regulate methadone treatment. The end result of this effort was a plan to replace most of the process-oriented regulatory oversight with accreditation standards that focus on quality and permit greater use of clinical judgement in the prescription of methadone. ONDCP was instrumental in assuring the field that necessary safeguards (including accreditation standards and a pilot feasibility study of the impact of accreditation on the almost 900 methadone treatment clinics and hospitals in the United States would be put in place prior to such a transition. The partnership between ONDCP, DHHS and DOJ on this matter resulted in a jointly released document. In July 1999, a Notice of Proposed Rulemaking (NPRM) was issued to the field on the proposed changes. In October 1999, a hearing was held for public comment. The feedback to the NPRM and the public comments overwhelmingly favored the transition to accreditation. The final rule, "Opioid Drugs in Maintenance and Detoxification Treatment of Opiate Addiction," was published in the Federal Register on January 17, 2001.

ONDCP will continue to work closely with DHHS, particularly CSAT (which will assume primary oversight responsibilities from FDA with the implementation of the final rule) to ensure adequate funding for CSAT to provide necessary technical assistance to clinics and hospitals transitioning to accreditation.

b. **Drugs and Criminal Justice**

- **Substance Abuse Treatment for Incarcerated Offenders**

Both State and Federal agencies have established substance abuse treatment programs in prisons and other correctional institutions. Incarcerating offenders without treating underlying substance abuse problems simply defers the time when they are released back into our communities to start harming themselves and the larger society. Between 60 and 75 percent of untreated parolees with histories of cocaine and/or heroin use reportedly return to those drugs within three months of release. As a crime-control measure alone, drug treatment for criminally active addicts is strikingly cost-effective. It offers the potential of reducing crime by about two-thirds for about half the cost of incarceration alone.

According to the Federal Bureau of Prisons (BOP), the number of Federal inmates receiving residential substance abuse treatment increased from 1,236 in 1991 to 12,541 in 2000. BOP provides drug treatment for inmates prior to release. In FY 2000, four existing residential drug abuse treatment programs expanded their capacity, and three institutions opened new residential drug abuse treatment programs, bringing the number of institutions providing residential drug abuse treatment to 47, up from 32 in 1994. Six female institutions currently house residential drug abuse treatment programs and two more female sites will be implemented by the end of FY 2002. The Federal Medical Center (FMC) in Carswell, Texas also includes a specialized program for female inmates with co-occurring disorders. In 2000, over 44,500 inmates participated in all types of BOP drug treatment services. Since 1992, the number exceeds 330,000.

A joint BOP/NIDA study to examine the program has provided a report addressing the first 36 months after release from custody. Unlike most studies of prison treatment effects, the BOP/NIDA study employs sophisticated methods (e.g., weighting) to remove any selection bias and accurately characterize treatment outcomes. Nonetheless, the study found that, after 36 months, the male treatment population was 19 percent less likely to be re-arrested on a new offense and 16 percent less likely to use drugs than a comparison group that received no treatment. The male treatment population was 16 percent less likely to be re-

arrested or revoked for parole violation. The female treatment population was 18 percent less likely to be rearrested or revoked and 18 percent less likely to use drugs. The female treatment population was employed about 70 percent of the time, during the 36 months, compared to the control group employment of about 60 percent of the time. These results demonstrate savings in incarceration costs, an extended period of public safety for the community, and an increased contribution to local economies.

- **The Drug-Free Prison Zone Demonstration Project**

The Drug Free-Prison Zone demonstration project is being conducted jointly by ONDCP, the National Institute of Corrections, and BOP to interdict and control the availability of drugs in prisons. The program combines policy, testing, technology, treatment, and training, including a program of regular inmate drug testing, the use of advanced technologies for detection of drugs entering facilities, and the training of correctional officers and other institutional staff.

Twenty-eight BOP facilities are participating and gathering information on visitor screening, inmate drug testing, and five types of inmate misconduct. Interim results from the BOP show that through June 2000, over 140,000 visitors had been screened using a drug detection device and over 3,000 (2.6%) tested positive for one or more drugs and thus were denied the opportunity to visit. At the 28 institutions where visitor screening is being conducted, before and after comparisons of randomly tested inmates show substantial decreases (23% or more) in drug detections in medium security, low security, and administrative facilities. Among inmates tested in the suspect category (past history of drug use, etc.), drug detections were down substantially (22% or more) in high security, medium security, and administrative facilities. Other types of misconduct such as fighting, assaults, alcohol use, etc. were down somewhat in medium security facilities and considerably in administrative facilities.

Eight States (Alabama, Arizona, California, Florida, Kansas, Maryland, New Jersey, and New York) began participating in the demonstration January 1999 and are employing a variety of education, training, interdiction, and treatment measures. The States have reviewed approaches to drug detection previously unknown to them. California has linked technology and intelligence with law enforcement agencies

such as DEA, leading to arrests. New Jersey has created a highly effective mobile interdiction team that moves among State prisons. New York and Maryland are linking treatment with enforcement efforts. All States are putting comprehensive policies in place and making extensive use of testing and detection equipment. The initiative is being independently evaluated.

- **Operating Standards for Prison-Based Therapeutic Communities (TCs)**

The field testing of operating standards was conducted by Therapeutic Communities of America (TCA), with ONDCP funding a contract to provide financial support. The resulting document was made available in December 1999. This is a groundbreaking contribution that brings a new level of discipline to practitioner discussion of drug treatment. This comprehensive set of operating standards for prison-based TCs - over 120 standards across 11 program domains - has now been validated in operational prison settings. In its present form, the standards document provides a blueprint for State and local leaders, and it will eventually be put into a format appropriate for use by national accrediting organizations.

- **Breaking the Cycle (BTC)**

Breaking the Cycle (BTC) is a criminal justice system-wide intervention strategy designed to identify, supervise, and treat all drug-using defendants and delinquents. It tests the premise that continuous drug testing, treatment and supervision -- enhanced by proactive judicial involvement -- will reduce an arrestee population's level of drug use. This, in turn, should result in a decline in criminal behavior, an improvement in social functioning, and more effective use of criminal and juvenile justice resources. The principal components of BTC are: drug testing of all defendants at arrest; placement of the defendants in appropriate treatment; monitoring of compliance with the treatment conditions imposed by the court; and imposition of formal graduated sanctions for those not in compliance with treatment conditions.

ONDCP and NIJ awarded the first Breaking the Cycle grant in 1996 to the University of Alabama at Birmingham Treatment Alternatives to Street Crime Program (TASC). Disposition

alternatives, including deferred and expedited dockets, were established to utilize BTC compliance information to qualify defendants for early dispositions. By diverting these cases prior to the grand jury, additional circuit court docket space became available, allowing Birmingham to postpone construction of a new jail pending full review of needs.

In 1998, three additional jurisdictions were selected to participate under the Breaking the Cycle initiative. Jacksonville, Florida and Tacoma, Washington are conducting Breaking the Cycle in their adult criminal justice systems. Lane County (Eugene), Oregon is conducting a juvenile Breaking the Cycle program. These sites began implementation in October 1999 (Jacksonville and Tacoma) and May 2000 (Eugene). During the first year of implementation, over 5,500 drug-using offenders in Jacksonville and Tacoma combined and over 100 minors in Eugene have been ordered into BTC.

All sites are subject to process and outcome evaluations. An outcome evaluation of Birmingham BTC, conducted by the Urban Institute, found arrests, illegal activities, drug use, family problems, and employment problems significantly lower for the BTC population than for the control group. In addition, Birmingham determined that drug testing in concert with structured case management was a sufficient intervention with many offenders and that sanctions were only effective when they were administered in a formal manner, preferably by a judge.

For Fiscal Year 2001, the Jefferson County (includes Birmingham) Council set aside $1.4 million in State and local funds to continue the innovations begun under BTC, effectively transitioning the program from Federal grant to locally-owned initiative. In addition, Birmingham received $150,000 from the Bureau of Justice Assistance to implement a mental health court. The assessment, screening, and judicial oversight features of this court are patterned after those initiated under BTC.

- **Future Focus and Initiatives-- National Assembly**

Over the past three years, ONDCP has joined with the Departments of Justice and Health and Human Services to lay the foundation for systemic collaboration between justice and public health. A March 1998 consensus meeting of scholars, policy makers, and practitioners, ONDCP, DOJ, and HHS, took stock of existing knowledge regarding drug

treatment and the justice system and probing scientific research and clinical experience to determine best practices. This was followed by a June 1999 meeting of forty stakeholder organizations to advise DOJ, HHS, and ONDCP, regarding policy to reflect established knowledge. Building on these efforts, in December 1999 a National Assembly on Drugs, Alcohol Abuse, and the Criminal Offender was co-sponsored by ONDCP, DOJ, and HHS. This unprecedented gathering of over 800 health and justice officials presented and discussed approaches to link the justice system with other service systems to provide a series of opportunities for intervention with drug and alcohol disordered offenders:

- to prevent entry into the criminal/juvenile justice system for those who can be diverted safely to community social service systems;
- to limit penetration into the criminal/juvenile justice system for adult and juvenile nonviolent offenders through community justice interventions in concert with other social service systems; and
- to intervene with those who must be incarcerated or securely confined, through appropriate treatment and supervision, both during and after confinement.

The National Assembly yielded widespread consensus regarding: (a) the need for public safety and public health agencies to work together in a consistent, collaborative manner, in order to provide the breadth of services required that maximizes full use of limited funding; (b) the need for formal agreements to overcome the obstacles presented in bringing all of the essential actors to the table; (c) the need to seize the opportunity presented by the juvenile and criminal justice systems' authority to mandate treatment; (d) the critical importance of thorough assessment of the individual's drug use at the beginning of the process, in order to properly match services with needs and manage compliance with treatment requirements; (e) the critical importance of post-incarceration transitional and follow up services and support to foster safe re-entry into the community; and (f) the need to make specific guidance on best practices available to practitioners.

Interagency follow up includes: a web site; policy paper and proceedings; State Assemblies held in Nevada and Colorado and being planned by other States; technical assistance through the one stop shopping site; a compendium of promising practices is being created; and interagency agreements are being developed among CSAT, CPO, and the

Surgeon General's office. Planning has begun on a summer 2001 conference that will bring State mental health directors together with public health and public safety officials to address the needs of dually-diagnosed offenders.

c. **Evidence-Based Principles of Prevention**: - The Performance Measures of Effectiveness required ONDCP to develop and implement a set of research-based principles upon which prevention programming can be based. A set of principles were drawn from literature reviews and guidance support by the Federal Departments of Education, Justice, Health and Human Services, and the ONDCP. Some prevention interventions covered by these reviews have been tested in laboratory, clinical, and community settings using the most rigorous research methods available. Additional interventions have been studied with techniques that meet other recognized standards. The principles and guidelines presented are broadly supported by a growing body of research.

These principles include the following general headings:

1. Address appropriate risk and protective factors for substance abuse in a defined population.
2. Use approaches that have been shown to be effective.
3. Intervene early at important stages and transitions.
4. Intervene in appropriate settings and domains.
5. Manage programs effectively.

Representatives from the major prevention agencies worked on the development of the fifteen discrete principles. They do not take the place of Congressional mandates required in the enabling legislation of various prevention grant programs. The purpose of the principles is to provide students in grades K-12 with programs and policies that are supported by research. Such a general reference document has been found to assist preventionists across all prevention domains in an effort to use data to track drug outcome measures.

10. **Managing for Performance.**

a. **Nationalizing the Performance Measures of Effectiveness System.** The National Performance Measures of Effectiveness (PME) System, the first comprehensive measurement system to assess the effectiveness of the

National Drug Control Strategy (NDCS), was introduced in February 1998. Interagency working groups, comprised of subject area experts designed a crosscutting system that identified targets and measures associated with the five Goals and 31 Objectives of the NDCS. During the latter half of 1998, 21 interagency working groups developed supporting logic models, actions plans, and glide paths for annual targets, and resolved data issues associated with measuring progress toward achieving the 99 targets comprising the PME System. These logic models and action plans primarily addressed the roles of the 50 Federal agencies comprising the Federal drug control community. Of the 99 targets, 20 targets require development of new data systems or modifications of existing systems, including the design of a comprehensive interagency drug flow model currently being developed under ONDCP leadership.

The focus in FY 2001 will be the institutionalization of the process for reporting on the annual progress of the national drug control community. The Information Management System, which includes data related to the performance targets, has been updated with the latest PME information and made user-friendly, the most notable feature of which is its ability to print out the PME Report's Appendix in Targets and Measures.

b. **Performance Partnerships.** Performance partnerships operate on the principle of mutual need for cooperation to achieve common goals and a belief that collaboration will improve the effectiveness of drug control activities at all levels of government. In 1999, ONDCP initiated three exploratory performance partnerships with the States of Oregon and Maryland, and with the city of Houston, Texas. The goal of the Oregon partnership is to reduce youth drug use and related crime in Oregon. Together, ONDCP and Oregon will evaluate and quantify the scope of youth drug use within the State and collaborate to reduce use and related crime. Partnership activities include exploring ways to raise community awareness, identifying cost savings for prevention programs, and disseminating information on effective programs, best practices, and evaluation systems. The Maryland Partnership is focused on two goals: (a) to reduce overall youth drug use and (b) to reduce drug-use by juvenile and adult offenders. These goals highlight the character of the nation's drug problems as reflected in Maryland. Efforts are underway to develop specific

recommendations for joint initiatives that support Maryland's focus on preventing delinquent behavior and helping children develop core values, as well as creating a 'seamless system' of drug testing, sanctions, and treatment for adult and juvenile offenders. The Houston Partnership is unique for several reasons. The partnership provides insight into community-based (county, city, and private) contributions as well as challenges faced by large metropolitan areas. Specifically, the partnership focuses on reducing illicit drug use among youth and adults and drug-related crime among youth.

B. APPROPRIATIONS LANGUAGE

General and special funds:

Salaries and Expenses
(Including Transfer of Funds)

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of division C of Public Law 105-277); not to exceed [$8,000] *$12,000* for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement, [$24,759,000] *$25,100,000* of which [$2,100,000] *$2,350,000* shall remain available until expended, consisting of [$1,100,000] *$1,350,000* for policy research and evaluation, and $1,000,000 for the National Alliance for Model State Drug Laws[, and up to $600,000 for the evaluation of the Drug-Free Communities Act]: *Provided,* That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office. *(Executive Office Appropriations Act, 2001,as enacted by section 1(a)(3) of P.L. 105-554.)*

C. SALARIES & EXPENSES FY 2002 BUDGET REQUEST

NARRATIVE OVERVIEW - SALARIES AND EXPENSES

The Fiscal Year 2002 budget request for Salaries & Expenses is $25,100,000 and 115 FTE. The requested resources reflect an increase of $395,470 above the FY 2001 enacted level. The request consists of resources to fund and support 115 FTE ($22,750,000), Policy Research ($1,350,000) and the National Alliance for Model State Drug Laws ($1,000,000). Funds for the CTAC Program are discussed in a separate section. Funds for the High Intensity Drug Trafficking Area (HIDTA) program and the Special Forfeiture Fund (SFF) are reflected as Other Independent Agencies, Federal Drug Control Programs. ONDCP is responsible for policy guidance and oversight in both of these program areas. Information about the High Intensity Drug Trafficking Areas and Special Forfeiture Fund programs are discussed in separate sections below.

Budget Initiatives

1. ONDCP Operations: The request for Operations is $22,750,000, an increase of $140,850 over the FY 2001 enacted level of $22,609,150. The increase is a current service adjustment for pay and non-pay items with an offset for a one-time contract. Additionally, ONDCP is reducing personnel positions by 10 FTE. This FTE reduction is based on several factors: First, this reflects the staffing level - 115 FTE -- at which ONDCP has operated in recent years. Due to attrition and the time required to fill vacancies, ONDCP has typically not been able to staff to the 125 FTEs authorized. Second, this request aligns the FTE with the amount of personnel compensation provided by Congress over the past few years for ONDCP.

FY 2002 request includes resources to support 145 positions (115 FTE and 30 non-reimbursable detailees) to allow ONDCP to meet its statutory responsibilities. This level of staff will enable ONDCP to assess and respond to the drug threat facing the nation. ONDCP will be able to monitor agency implementation of the *National Drug Control Strategy* programs and improve interagency coordination. Additionally, ONDCP will be able to carry out the Congressional mandate to evaluate programs and identify those that work. A key priority is to examine closely the issue of drug treatment and prevention program effectiveness, with the goal of identifying those programs that are effective and determine why. ONDCP will closely monitor the desired outcome components of the international and interdiction programs as

well. ONDCP will strive to be the catalyst to make the sum of unified counter-drug efforts greater than the individual parts.

In Salaries & Expenses (operations), ONDCP is requesting sufficient resources to maintain the current services level for operational and administrative requirements. These initiatives are described below:

a. Personnel Compensation and Administrative Requirements - ONDCP is requesting sufficient resources for personnel compensation to allow funding for all authorized FTE, including PAS personnel. ONDCP also requests sufficient resources to maintain operational requirements. These requirements include replacement of ADP and secure communications equipment; increased telecommunication costs; and supplies/materials.

b. Representation Allowance- A total of $12,000, or a $4,000 increase, is requested for official reception and representation expenses. This funding will allow the Director to: (a) sponsor focus groups; (b) host U.S./Mexico Bi-National Demand Reduction events; (c) host periodic advisory research and evaluation committee technical briefings; (d) host Mexican High Level Contact Group functions when held in the United States; and, (e) allow for the purchase of gifts and mementos for presentation during foreign travel. The Representation Allowance has not been increased since the inception of ONDCP in 1989.

2. ONDCP Policy Research: ONDCP is requesting $1,350,000 for policy research in FY 2002, an increase of $252,420 over FY 2001. This increase of $252,420 is requested to support an expanded role for policy research to better inform the policy process. A major focus of the research program in FY 2001 will be to begin to extract and assess information on State and local trends from national data-sets in order to deepen understanding of the nature and extent of the drug problem. The release of State-based prevalence estimates in 2000, the expansion of DOJ's ADAM system, more in-depth information about hardcore drug users, and improved estimates of drug prices for different regions of the nation will provide an opportunity to better understand the local nature of the drug problem. Half of the increase in resources is requested to support contract research to illuminate the drug problem and variations in outcomes at the local level.

The balance of the increase is required to support ONDCP research issues related to the continued development of the Performance Measures of Effectiveness (PME) System. ONDCP continues to lead the interagency review of methodological matters related to estimating the flow of drugs into the United States. More

research is anticipated in this area, including estimation of the availability of marijuana in the United States. This will require an interagency effort to estimate the amount of domestic cultivation, both indoor and outdoor growth. Finally, additional research is expected to support ONDCP's Federal Data Advisory Committee, which is responsible for recommending courses of action to improve the scope, quality, and coverage of Federal drug related data systems.

ONDCP conducts research to develop and assess drug policy, identify and detail changing trends in the supply of and demand for illegal drugs, monitor trends in drug use and identify emerging drug problems, assess program effectiveness, and improve the sources of data and information about the drug situation. Funding for policy research has supported analyses that result in the following publications: the Pulse Check, the Grants Directory, the Gallup - Consultation with America Poll, the Technical Paper: What America's Users Spend on Illegal Drugs, and the Chicago Study of Hardcore Drug Users. In addition, these funds support data analyses such as the estimation of the nation's only drug price series for illicit drugs.

ONDCP's policy research program will accommodate additional requirements posed by the PME system and to expand research into new policy areas. The PME system requires that ONDCP "undertake in-depth examinations of causal factors" that contribute to outcomes. This includes program evaluations to understand relationships between inputs, outputs, and outcomes. ONDCP must also expand its policy research agenda to include topics such as: regional and State patterns of drug use; expansion of the Pulse Check to include more regions of the nation; Southwest Border-related evaluations; secondary analyses of the life history data collected from the Chicago study to learn more about use, crime, and treatment episodes in the addicts drug career; a study of local hardcore drug use markets to learn more about how those markets can be manipulated to reduce drug abuse and drug trafficking. These funds will also support a wide range of continuing policy research areas, such as:

a. Drug-Flow Modeling. ONDCP is currently leading an interagency process to estimate the flow of drugs, from source country to distribution in the United States. The four drugs of interest are cocaine, heroin, marijuana, and methamphetamine. No single agency provides the data for the entire process; rather many agencies have key pieces. For example, the CIA's Crime and Narcotics Center provides data on potential cultivation, the Coast Guard and DOD provide data on events and seizures in the transit zone, and Customs provides data on seizures at ports of

entry. ONDCP is working with the relevant agency staff to review their data, improve their estimates, and fit their data into the overall model. The resulting estimates will be used to measure progress in achieving several of the targets in the Performance Measures of Effectiveness system.

b. Price of Illicit Drugs. This yearly project generates quarterly and annual illicit drug prices and purities for the United States and selected cities. Results of the project are used to monitor market trends and support other research projects related to the illicit drug market. Statistical models based on data from the DEA are used to estimate typical prices for standardized purchases of heroin, cocaine, and marijuana. The paper includes price trends for these standardized purchases over time.

c. Deterrence Study. The purpose of this study is to develop a reliable functional relationship between the allocation and application of interdiction resources and the deterrence of illegal drug smuggling. The analysis is principally confined to deterrence associated with interdiction operations against all routes and modalities of illegal drug smuggling in the Source, Transit, and Arrival Zones. It addresses domestic U.S. disruption activities only to the extent that these activities affect interdiction operations or suggest changes in smuggling routes likely to alter the flow of drugs in the Source, Transit, and Arrival Zones. The first half of the study was supported with FY 1998 funds from ONDCP, the Coast Guard, and Customs Service.

d. Federal Grant Directory. The Directory produced every 2-3 years assists State and local governments, community coalitions, researchers, and others in identifying and applying for Federal grants by cataloging Federal programs that award drug-related grants. It also provides information on how to identify and contact private foundations that may also provide valuable resources in the field.

e. Pulse Check. This twice-yearly report provides details on current drug use and emerging trends based on qualitative information from the police, ethnographers, and epidemiologists working in the field and providers of drug treatment services across the country. The report contains separate sections on marijuana, cocaine, and heroin markets and patterns of use. ONDCP recently redesigned the Pulse Check to cover more cities, including coverage of HIDTAs, and an enlarged focus on law enforcement and treatment. The first report under this redesign was released March 2001.

f. Retail Value of U.S. Drug Market: What America's Users Spend on Illegal Drugs. The report is prepared once every two years and estimates the amount of drugs available in the United States and how much Americans spend to purchase them. The report focuses on the retail sales value of cocaine, heroin, marijuana, and other illegal drugs. It currently provides ONDCP's estimates of the size of the hardcore user population.

3. **National Alliance for Model State Drug Laws**: The request for the National Alliance for Model State Drug Laws (Alliance) is $1,000,000. The Alliance encourages States to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences. The Alliance's success in promoting model laws among the States has prompted interest in assessing outcomes associated with such laws. In the coming year the Alliance will develop, with ONDCP guidance, an evaluation project to gauge the impact of model laws. This will integrate the Alliance work into the overall PME system and provide a means for broadening the base of stakeholders to better accomplish the goals and objectives of the *National Drug Control Strategy*.

4. **Gifts and Donations**: The FY 1990 appropriation for Salaries and Expenses established a Gift Fund (GF) for ONDCP. The GF is a trust fund into which all private gifts and donations made to ONDCP for the purpose of aiding or facilitating the work of the Office are deposited.

D. SUMMARY TABLES OF PROGRAM AND FINANCING

SALARIES AND EXPENSES
($ in thousands)

		FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
	Program by activities:			
00.01	Salaries & Expenses	$20,810	$22,609	$22,750
00.01	Policy Research and Model States Drug Laws	$2,012	$2,095	$2,350
10.00	**Total Obligations**	**$22,823**	**$24,705**	**$25,100**
	Financing:			
21.40	Unobligated Balance Available, Start of Year			
24.40	Unobligated Balance Available, End of Year			
25.00	Unobligated Balance Expiring			
25.00	Unobligated Balance Rescinded/Transferred			
39.00	Budget Authority	$22,823	$24,705	$25,100
	Budget Authority:			
40.00	Appropriation	$22,823	$24,705	$25,100
41.00	Transferred to Other Accounts			
42.00	Transferred from Other Account			
43.00	Appropriation (adjusted)	$22,823	$24,705	$25,100
	Relation of Obligations to Outlay:			
71.00	Obligations Incurred, Net	$22,823	$24,705	$25,100
72.40	Obligated Balance, Start of Year			
74.40	Obligated Balance, End of Year			
90.00	Operations Outlays			
90.00	Total Outlays			

Totals may not add due to rounding.

(SUMMARY TABLES OF PROGRAM AND FINANCING, Con't)

GIFTS AND DONATIONS

		FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
	Financing:			
21.40	Unobligated Balance Available, Start of Year	$190	$189	
24.40	Unobligated Balance Available, End of Year	$189		
60.00	Budget Authority (Appropriation) (Permanent/Indefinite)			
	Relation of Obligations to Outlays:			
71.00	Obligations Incurred, Net	$1	$189	
72.40	Obligated Balance, Start of Year			
74.40	Obligated Balance, End of Year			
89.40	Budget Authority (net)			
90.00	Outlays (net)			

E. SUMMARY TABLES OF PERSONNEL

PERSONNEL	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
Total Number of Appropriated Full-Time Permanent Positions	124	125	115
Total Compensable Workyears:			
Full-Time Equivalent Employment	124	125	115
Full-Time Equivalent of Overtime and Holiday Hours	1	1	1

F. DETAIL OF PERMANENT POSITIONS

Permanent Positions	**FY 2000 Actual**	**FY 2001 Enacted**	**FY 2002 Request**
EX 1	1	1	1
EX 2	0	1	1
EX 3	1	3	3
EX 4	1	0	0
SES	13	15	15
GS/15	24	25	23
GS/14	18	22	18
GS/13	8	11	12
GS-12	5	9	8
GS-11	4	4	4
GS-10	3	3	3
GS-9	12	14	12
GS-8	8	8	8
GS-7	6	7	5
GS-6	0	0	0
GS-5	1	1	1
GS-4	1	1	1
Total Filled Permanent Positions at year-end	**106**	**125**	**115**
Unfilled Positions	18	0	0
Total Appropriated Permanent Positions	124	125	115

G. SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS ($ in thousands)

	Salaries and Expenses Operations	**FY 2000 Actual**	**FY 2001 Enacted**	**FY 2002 Request**
	Personnel Compensation:			
11.1	Full-Time Permanent	$8,700	$9,296	$9,156
11.3	Other than Full-Time Permanent	$56	$58	$62
11.5	Other Personnel Compensation	$162	$160	$160
11.8	Special Personal Services Payments	$400	$205	$478
11.9	Total Personnel Compensation	$9,318	$9,719	$9,856
12.1	Civilian Personnel Benefits	$2,099	$2,166	$2,022
13.0	Benefits for Former Personnel	$11	$11	$11
	Total Comp. & Benefits	**$11,428**	**$11,896**	**$11,889**
21.0	Travel & Transportation of Persons	$737	$776	$776
22.0	Transportation of Things	$34	$29	$37
23.1	Rental Payments to GSA	$2,170	$2,160	$2,432
23.3	Comm., Util., & Misc. Charges	$345	$500	$701
24.0	Printing & Reproduction	$390	$451	$488
25.0	Other Contractual Services	$5,417	$6,278	$5,342
26.4	Representation Funds	$8	$8	$12
26.0	Supplies & Materials	$206	$285	$213
31.0	Equipment	$75	$226	$860
99.0	**Total Obligations**	**$20,810**	**$22,609**	**$22,750**

SALARIES AND EXPENSES - RESEARCH AND DEVELOPMENT

		FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
40.04	National Alliance for Model State Drug Laws	$956	$998	$1,000
40.05	Policy Research	$1,056	$1,097	$1,350
99.0	**Total Budget Authority**	**$2,012**	**$2,095**	**$2,350**

(SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS, Con't)
($ in thousands)

	GIFTS AND DONATIONS	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
	Personnel Compensation:			
11.1	Full-Time Permanent			
11.3	Other than Full-Time Permanent			
11.5	Other Personnel Comp.			
11.8	Special Personal Services Payments			
11.9	Total Personnel Compensation	$0	$0	$0
12.1	Civilian Personnel Benefits			
	Total Comp. & Benefits	**$0**	**$0**	**$0**
21.0	Travel & Transportation of Persons			
22.0	Transportation of Things			
23.1	Rental Payments to GSA			
23.3	Comm., Util., & Misc. Charges			
24.0	Printing & Reproduction			
25.0	Other Services	$1	$189	
26.0	Supplies & Materials			
31.0	Equipment			
99.0	**Total Obligations**	**$1**	**$189**	**$0**

H. EXPLANATION OF CHANGES BY OBJECT CLASS
($ in thousands)

Personnel Compensation & Benefits	FY 2001 Enacted	FY 2002 Request	Net Change
	$11,896	$11,889	-$7

Funds in this object class provide full-year salaries and benefits for 115 FTE, overtime pay, transportation subsidy, and cash awards.

Travel and Transportation	FY 2001 Enacted	FY 2002 Request	Net Change
	$776	$776	$0

The requested funds will cover the full-year cost of travel for ONDCP staff and invitational travel.

Transportation of Things	FY 2001 Enacted	FY 2002 Request	Net Change
	$29	$37	$8

This object class includes express mail, UPS, and miscellaneous mover expenses.

Rental payments to GSA (SLUC)	FY 2001 Enacted	FY 2002 Request	Net Change
	$2,160	$2,432	$272

This amount reflects the full year cost of office space at rates established by the General Services Administration for office space in the Washington, D.C. central business district.

Communications, Utilities, and Miscellaneous Charges	FY 2001 Enacted	FY 2002 Request	Net Change
	$500	$701	$201

This amount will fund increased telephone and telecommunications cost, postage, and ADP equipment.

H. EXPLANATION OF CHANGES BY OBJECT CLASS (CONT.)
($ in thousands)

Printing and Reproduction	FY 2001 Enacted	FY 2002 Request	Net Change
	$451	$488	$37

This amount will provide for basic printing needs and for the publication (as required by law) of the Annual Report and *National Drug Control Strategy*, the Consolidated National Drug Control Budget, the Performance Measures of Effectiveness, the Counterdrug Research and Development Blueprint and Reports, and other Congressionally-mandated studies and commission reports.

Other Services	FY 2001 Enacted	FY 2002 Request	Net Change
	$6,278	$5,342	-$936

This amount will fund a wide variety of contract services including clearinghouse services, ADP software development, equipment maintenance contracts, facilities contract to operate ONDCP's telecommunications center, personnel training, Director's protection, and contract building security services. Additionally, included in this amount is funding to support conferences.

Supplies and Materials	FY 2001 Enacted	FY 2002 Request	Net Change
	$293	$225	-$68

These funds will pay for the estimated full-year cost of acquiring supplies, materials, and publications for ONDCP. This also includes representation funds.

Equipment	FY 2001 Enacted	FY 2002 Request	Net Change
	$226	$860	$634

The resources requested will provide for the purchase of required office equipment (including replacement equipment), such as Personal Computer Systems, ADP equipment and secure communications equipment. Life-cycle replacement of reproduction equipment and conference room furniture will also be purchased.

Total All Object Classes	FY 2001 Enacted	FY 2002 Request	Net Change
	$22,609	$22,750	$141

IV. COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

A. PROGRAM OVERVIEW

Research and Development:

The Counterdrug Technology Assessment Center (CTAC) was reauthorized within the Office of National Drug Control Policy (ONDCP) in 1998 (Public Law 105-277) to serve as the central counterdrug technology research and development organization of the U.S. Government with the following responsibilities:

- identify and define the short, medium, and long-term scientific and technological needs of Federal, State, and local drug enforcement agencies;

- identify demand reduction basic and applied needs and initiatives, in consultation with affected National Drug Control Program agencies, including improving treatment through neuroscientific advances, improving the transfer of biomedical research to the clinical setting, and in consultation with the National Institute on Drug Abuse, and through interagency agreements or grants, examining addiction and rehabilitation research and the application of technology to expanding the effectiveness or availability of drug treatment;

- make a priority ranking of such needs according to fiscal and technological feasibility, as part of a National Counterdrug Research and Development (R&D) Program; and

- oversee and coordinate counterdrug technology initiatives with related activities of other Federal civilian and military departments.

Technology Transfer Program:

In 1998, Congress authorized a Technology Transfer Program (TTP) for CTAC to provide successfully developed technologies to State and local law enforcement agencies. Congress has continued the TTP based on the success of the program.

Originally funding was provided in the Salaries and Expenses Account. Beginning in FY 2000, a separate appropriations account was established for CTAC for the core research and assessment activities of CTAC, and the counterdrug technology transfer program.

Program activities related to nonintrusive inspection, tactical technology, demand reduction, and technical assessments/operational

test and evaluation fall within the counterdrug R&D program budget request shown in the table below. The budget request for the Technology Transfer Program is broken out separately on the table. A brief discussion of each item is given in the following sections.

CTAC Total Request ($in thousands)	**FY 2000 Actual**	**FY 2001 Enacted**	**FY 2002 Request**
Counterdrug R&D Program	$16,000	$17,764	$18,000
Technology Transfer Program	$13,052	$18,210	$22,000
USOC Anti-doping Program	$3,000	$0	$0
Total	$32,052	$35,974	$40,000

B. APPROPRIATION LANGUAGE

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

(Including Transfer of Funds)

For necessary expenses for the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of Division C of Public Law 105-277), [$29,053,000] *$40,000,000*, which shall remain available until expended, consisting of [$15,803,000] *$18,000,000* for counternarcotics research and development projects, and [$13,250,000] *$22,000,000* for the continued operation of the technology transfer program: *Provided*, That the [$15,803,000] *$18,000,000* for counternarcotics research and development projects shall be available for transfer to other Federal departments or agencies. *(Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

[For an additional amount, $7,000,000: *Provided*, That $5,000,000 shall be available for continued operation of the technology transfer program: *Provided further*, That $2,000,000, to remain available until expended, shall be available for counternarcotics research and development projects, to be used for the continued development of a wireless interoperability communications project in Colorado.] *(Department of Transportation and Related Agencies Appropriations Act, 2001, as enacted by section 101(a) of P.L. 106-346.)*

C. CTAC FY 2002 BUDGET REQUEST

The FY 2002 budget request for the Counterdrug Technology Assessment Center is $40,000,000. This request consists of two parts: Research and Development of Technology ($18,000,000) and the Technology Transfer Program ($22,000,000).

Category: **Research and Development: Nonintrusive Inspection**

Nonintrusive Inspection	FY 2001 Enacted	FY 2002 Request
($in thousands)	$955	$2,500

Nonintrusive inspection technology plays an important role in safeguarding our borders from the flow of illicit drugs. To examine shipments as they enter the country, coded aperture arrays and neutron probe technologies are being developed to improve those capabilities over the next five years. These advanced nonintrusive inspection technology concepts will, in time, augment the x-ray and gamma ray systems now used to search conveyances and cargo for hidden drugs at ports-of-entry. Plans include continuing work on advancements in hand-held devices to detect drug particles and vapor using techniques as Raman and ion mobility spectroscopy.

Category: **Research and Development: Tactical Technologies**

Tactical Technologies	FY 2001 Enacted	FY 2002 Request
($in thousands)	$1,450	$2,500

Technologies that improve the capabilities of police officers, narcotics investigation units, and prosecuting attorneys to apprehend and successfully prosecute drug traffickers are also being pursued. These technologies provide improved communications, tracking and surveillance capabilities, and case management and advanced methods to share drug crime investigative information. After these systems are proven at the Federal level, they are provided to State and local law enforcement agencies through the continuing Technology Transfer Program.

Category: **Research and Development: Demand Reduction**

Demand Reduction	FY 2001 Enacted	FY 2002 Request
($in thousands)	$10,433	$10,000

The Demand Reduction R&D program will continue to support the expansion of advanced neuroimaging research facilities and training of research teams that are devoted to studies of drug abuse and therapeutic medications. Advanced technology will provide neuroimaging research equipment suites and facilities with the best positron emission tomography, functional magnetic resonance imaging, brain scan image processing and interpretation, and other noninvasive brain imaging techniques. Brain imaging research initiatives will contribute to systems development or improvements:

- to image the drug's metabolic and chemical processes,
- to map brain reward circuitry, blood volume and flow associated with drug metabolism, and
- to analyze interactions with potential therapeutic medicines.

Investigations using micro-PET with stereotactic probes/injectors will be conducted to enhance ligand development and to support studies on small localized areas of the brain and on non-human primates. Scientific studies and technologies that could provide the platform for key research areas will be supported such as: catalytic antibodies to serve as peripheral blockers or circulating drug interceptors; substitute medications and partial agonists for addiction; blocking drug effects by regulating uptake of neurotransmitters; curtailment of drug-induced adaptive behavior such as compulsive self-administration; assessment of functional neuroanatomy and effects of cognitive impairment; pharmacological phenomena and neurochemical effects relating to sensitization and tolerance; cue induced craving; significance of various rewards; the study of the effects and degree of genetic contributions to drug use; and sound clinical techniques, rehabilitation, and treatment protocols to deal with overdoses, withdrawal, and long term maintenance.

Psychology, pharmacology, and chemical assay techniques will be employed to improve our understanding of the effects of drugs on the body, the techniques for assessing and monitoring drug addiction and abuse severity, and the techniques for treatment/client matching.

Category: **Research and Development: Testbeds, outreach and technical support**

Testbeds and technical support	FY 2001 Enacted	FY 2002 Request
($in thousands)	$4,926	$3,000

This program element provides testbeds, instrumentation and engineering support to perform testing of prototype systems in operational environments. Planned testbed efforts include hand-held drug detection devices, covert tags, video stabilization, wireless intercept systems, methamphetamine laboratory analysis techniques, tactical communications systems and communications interoperability technology. Federally sponsored tactical and nonintrusive inspection systems qualified as mature by the testbed program will be considered for the Technology Transfer Program. CTAC also sponsors international technical symposia, leadership conferences and workshops to gather the latest developments in prevention, treatment and counterdrug law enforcement technologies for world-class research scientists and user experts to evaluate the advancing state-of-the-art technology.

Category: **Technology transfer to State and local law enforcement organizations**

Technology Transfer Program State and Local	FY 2001 Enacted	FY 2002 Request
($in thousands)	$18,210	$22,000

The Technology Transfer Program (TTP) was established to provide technologies developed with Federal funding directly to State and local law enforcement agencies. The technology areas available for transfer include information technology and analytical tools, communications, tracking and surveillance, and drug detection devices. Hands-on training and limited maintenance support are provided to all recipients. Over the past three years, TTP has made possible the delivery of 1,808 pieces of equipment to 1,325 State and local law enforcement agencies. The periodic evaluation reports submitted by the recipient agencies indicate that the technologies have been readily integrated into the operations of these State and local agencies and the technologies have contributed to improved counterdrug operations.

The demand for this program grew two folds in FY 2000. Current unmet demand for FY 2000 exceeds $10 million. The FY 2001 appropriation will address the unmet demand from FY 2000, as well as a portion of the anticipated FY 2001 demand.

D. SUMMARY TABLES OF PERSONNEL

Personnel associated with the administration of Counterdrug Technology Assessment Center programs are funded from ONDCP's Salaries and Expenses account.

V. SPECIAL FORFEITURE FUND

A. PROGRAM OVERVIEW

The Assets Forfeiture Amendments Act of 1988, as amended, established the Special Forfeiture Fund (SFF) in order to provide ONDCP with supplementary resources for critical, unanticipated counter-narcotic programs.

In FY 2001, the Congress appropriated $233,086,080 for the Special Forfeiture Fund and specified that the funds be used as follows:

a) $184,593,000 for a National Media Campaign for the third year of a five-year media campaign to target young people on the dangers of drug use.

b) $39,912,000 to support matching grants to drug-free communities as authorized in the Drug-Free Communities Act of 1997.

c) $997,800 for the National Drug Court Institute.

d) $2,993,400 for Intelligence Architecture.

e) $1,297,140 for the Metro Intelligence Support and Technical Investigative Center.

f) $3,292,740 for the United States Olympic Committee Anti-doping efforts.

B. APPROPRIATION LANGUAGE

FEDERAL DRUG CONTROL PROGRAMS

SPECIAL FORFEITURE FUND

Federal Funds

General and Special Funds:

Special Forfeiture Fund
(Including transfer of funds)

For activities to support a national anti-drug campaign for youth and other purposes, authorized by Public Law 105-277, [$233,600,000] *$247,600,000*, to remain available until expended[: Provided, That such funds may be transferred to other Federal departments and agencies to carry out such activities: *Provided further,* That of the funds provided] *of which, $185,000,000* shall be to support a national media campaign, as authorized in the Drug-Free Media Campaign Act of 1998[: *Provided further,* That of the funds provided, $3,300,000]; *of which* $3,000,000 shall be made available [to the United States Olympic Committee's anti-doping program no later than 30 days after the enactment of this Act: *Provided further,* That of the funds provided, $40,000,000] *by grant or other appropriate transfer to the United States Anti-Doping Agency for their anti-doping efforts; of which $50,600,000* shall be to continue a program of matching grants to drug-free communities, as authorized in the Drug-Free Communities Act of 1997[: *Provided further,* That of the funds provided,]; *of which* $1,000,000 shall be available to the National Drug Court Institute; *of which $5,000,000 shall be for the Parents for a Drug-Free Future program; and of which $3,000,000 shall be for the Counterdrug Intelligence Executive Secretariat: Provided, That such funds may be transferred to other Federal departments and agencies to carry out such activities. (Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

C. SPECIAL FORFEITURE FUND FY 2002 BUDGET REQUEST

The FY 2002 budget request for the Special Forfeiture Fund is $247,600,000. These funds will be used to carryout six programs.

For FY 2002, ONDCP is requesting $185,000,000 for the National Youth Anti-Drug Media Campaign to support Goal 1 of the 2000 *National Drug Control Strategy*, which is to "educate and enable America's youth to reject illegal drugs, as well as alcohol and tobacco." The importance of full funding for the Campaign has never been more acute than it is now. Between 1998 and 2000, broadcast network advertising costs rose 46 percent and larger increases were realized in certain shows that provide prime audiences for the Campaign. Further increases are expected in 2001. This cumulative increase has effectively reduced the amount of advertising the Campaign could purchase by about 50 percent in just three years. FY 2002 funding at the full $185 million level is crucial to prevent risking the Campaign's ability to sustain progress in this long-term national communications effort.

The campaign, which began full scale, nationwide implementation only 19 months ago, is the subject of a sophisticated and comprehensive evaluation being conducted under a NIDA contract. The first report on the evaluation's findings, which was issued in November 2000, was encouraging. Although, the report primarily presented data used to establish the baseline of youth and parent attitudes and behaviors, it did identify a number of findings that suggest the Campaign is achieving the desired outcomes. These findings include:

- Recall of exposure to general anti-drug advertising was substantial, with 93 percent of youth and 90 percent of parents being exposed to one or more ads each month - the median recall was 10 ads per month for parents and 11 ads per month for youth.
- Most parents and youth have seen between 2 and 3 ads per week across all media.
- Initial respondent reactions to the anti-drug ads were generally favorable.
- Estimates of the prevalence of use of marijuana and inhalants from the evaluation are consistent with those obtained from the National Household Survey on Drug Abuse.

The NIDA evaluation includes a nationally representative longitudinal household survey. A parent and up to two children from each household are sampled. These parent/child dyads will be re-interviewed up to three times over the course of the

evaluation. The first wave of data collection was completed between November 1999 and June 2000. Subsequent waves of data are being collected every 6 months (i.e., July through December, January through June, etc.). Subsequent reports will be released every 6 months (approximately 3 months after the completion of data collection). The second evaluation report is scheduled for release in April 2001. That report, and subsequent reports, will provide continuing assessment against the baseline measures and will measure the effectiveness of the Media Campaign over time.

In FY 2002, ONDCP will continue the successful efforts of the Media Campaign. Strategically targeted, high impact, paid ads - at both the national and local levels - are the most cost effective, quickest means of changing drug use behavior through changes in adolescent perceptions of the danger and social disapproval of drugs. It is also the most cost-effective means of reaching baby-boomer parents who may be ambivalent about sending strong anti-drug messages to their children, or who may doubt their own ability to communicate effectively with their children about drugs. Although public service messages (PSAs) are part of this campaign, it is impossible to reach the specific audiences at the times and with the frequencies required to affect drug use attitudes through PSAs alone.

The pro bono match program of the Campaign implements a statutory requirement that the Campaign receive a dollar-for-dollar value in donated public service for every dollar of paid advertising it purchases from media outlets. Through this program, since July 1998 United States media organizations have contributed to the Campaign more than $504 million of value in match time or space.

The public outreach component of the anti-drug campaign delivers anti-drug messages through radio and television, print media, the Internet, faith communities, health professionals, community coalitions, schools, parents, coaches, and organized sports. The drug prevention campaign also includes an entertainment industry component designed to measure drug portrayals in entertainment media, and help ensure that drug use is depicted accurately on television and in film and music.

Through strategic partnerships, the Campaign is increasing the number of organizations through which accurate drug messages reach their target audiences. These alliances are extending Campaign messages to reach youth and parents in the communities where they live and in places where they spend most of their time - including schools, on line, at work and at play - helping build long-term substance abuse prevention activities. Media and advertising partnerships bring expertise to every aspect of the Campaign; all major television networks donated airtime and other forms of broadcast message delivery. Significant national

partners playing critical roles in the Campaign include the Partnership for a Drug Free America, The Ad Council and the American Advertising Federation.

Other Campaign partners include organizations that have focused historically on young people, parents and substance abuse issues, education, and other fields with broad reach into target audiences. These include the Campaign's newest entertainment industry partner, the *Hollywood Reporter,* Youth Development partners such as *YMCA of the USA* and *National FFA Organization* (formerly the Future Farmers of America), and the *Girl Scouts USA.* Education partners helping to communicate anti-drug messages include the National Education Association, National Middle School Association and the National Association of Student Assistance Professionals, as well partnerships with major news organizations such as the Annie E. Casey School of Journalism for Children and Families, *Chicago Tribune, USA Today* and *New York Times.* In addition, through partnerships with the Ad Council and the Community Anti-Drug Coalitions of America, ONDCP created a parallel public service campaign that promotes community anti-drug coalitions and calls on Americans to volunteer their time to support youth.

Interactive communications expanded with application of the "surround sound" strategy in the Internet environment, blending work on a family of ONDCP web sites and online areas (eight in all with additional areas for Hispanic and Asian parents). The interactive strategy includes an aggressive online partnership program, online and offline events, promotions and sponsorships, and special projects, such as the Freevibe Teachers Guide. The campaign developed internet sites with industry giants like America Online (AOL). Campaign-related Web sites address youth and parent audiences, Campaign stakeholders and members of the press and other interested members of the public. *Freevibe.com* helps youngsters make positive, well-informed, life-style decisions. The Parents' Drug Resource Center -- on AOL at Keyword "Drug Help"-- teaches parents about underage drug use, connects them to drug-help resources, and offers expert advice on child-rearing. The Campaign's parenting site, *Theantidrug.com* tells parents what to look for, how to talk to their children about drugs, and reinforces parents in their crucial role as the single most effective influence on their children's attitudes about drug use. Other internet initiatives include paid internet advertising on sites youth frequent, online banner ads on educational sites, online sponsorships, promotions and interactive events.

These activities have created an unprecedented social marketing effort on the web. Highlights include:

- More than 7 million pages viewed on *Freevibe.com*, the Campaign's site for teens and tweens. Time spent per visitor averaged 10 minutes. Online partnerships with other popular teen sites have earned more than 53 million impressions during 2000.

- Nearly 2 million visitors have accessed *Theantidrug.com* and the AOL Parents Drug Resource Center to obtain drug-prevention information and parenting tips. Other parent-targeted partnerships were established with online giants *Lycos.com* and Oxygen Media.

- The Campaign established parenting web sites in Spanish, Chinese, Korean, Vietnamese and Cambodian languages, with in-language anti-drug parenting tips and information.

- Online paid advertising and pro bono match internet donations have produced more than 600 million impressions.

As the Campaign evolved, "branding" was introduced to unite message platforms, create synergy between advertising and non-advertising programs and maximize campaign awareness and impact. "The Anti-Drug" branding launched in September 1999 reinforced to parents that they are one of the most effective deterrents to drug abuse and demonstrated that they can make a huge difference and equip themselves with the skills needed to succeed.

In 2000, the youth brand, "My Anti-Drug", was developed to parallel "The anti-drug" parent brand. The youth branding campaign was launched in two phases, kicking off in the early fall 2000 as kids headed back to school.

The first phase of the launch, the "submission" phase, invited youth to identify their anti-drugs, whether "soccer," "family," "Spanish," "friends," or "poetry," and provided a forum to express them. Youth could write, paint, make a movie, or record a song to identify their "anti-drug." They submitted their "anti-drugs" on an internet site (www.whatsyourantidrug.com) or sent in their submission through the mail. The submission phase began September 1, 2000 and ran through mid-November 2000, addressing the increased vulnerability of kids as they transition into new schools and new peer groups.

The submission phase was followed by the "launch" phase in mid-November 2000 with ads whose creative contents were inspired by selected examples from the tens of thousands of anti-drug entries submitted by youth across the country. Submissions will be highlighted on the web indefinitely, where youth will have the opportunity to see other "kids like me" delivering the proof that

choosing not to do drugs is a widespread reality shared by kids everywhere. The youth branding launch used both traditional (television, radio, print) and non-traditional (posters, malls, movie theatres, basketball backboards, postcards) media vehicles in order to generate a grassroots "groundswell" that aims to reach youth where they live, hang out, learn and play. The launch of "My Anti-Drug" represents a call to action to every young person to consider what it is in his or her own life important enough to keep them off drugs, and to express their anti-drug for everyone to see or hear.

During the past year, the campaign reached 90 percent of America's youth at least four times a week through advertising, and communicated advertising messages to youth and adults of various ethnic groups. The campaign represents the largest multicultural advertising and communications effort ever undertaken by the Federal government, with messages and delivery tailored to ethnic audiences. It combines culturally competent and relevant messages designed by African American, Hispanic, and Asian-owned companies, to ensure the credibility of the messages and to enhance their impact.

During Phase III, the campaign's effectiveness was reflected in increased demand for anti-drug information. Since the national launch of the campaign in July of 1998, inquiries received by the National Clearinghouse for Alcohol and Drug Information (NCADI) have increased dramatically and continued at a high level, averaging nearly 2,000 per day. The number of inquiries received between July 1998 and November 2000 doubled over the previous two-year period. NCADI currently distributes 2,000 lbs of prevention and treatment literature per day in response to inquiries. On peak days - which corresponded with specific anti-drug campaign events (e.g. an article in TIME magazine, media coverage of national launch, and media "roadblocks") - requests surged by 40 percent over average daily levels. Per month internet requests for substance abuse information have increased tenfold since July 1998.

Media Campaign	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
($in thousands)	$184,297	$184,593	$185,000

In FY 2002, ONDCP is requesting $50.6 million to continue and expand the Drug-Free Communities Program. As part of the $50.6 million budget, $46.55 million represents grants to be made directly to more than 440 coalitions throughout the United States. As required by the Drug-Free Communities Act of 1997 (DFCA), coalitions must match their Federal grant funds with other non-Federal sources of support, including in-kind support.

Grantees may receive a maximum amount of $100,000 for years one and two, up to $75,000 for year three, and no more than $50,000 for years four and five. Grants awarded in the first year of the program (FY 1998) were scheduled to decrease to a level of 50% of their original award in year 4 (FY 2001).

Based on recommendations from the Administrator and the Drug Free Communities Advisory Commission, the Acting Director of ONDCP approved a one-year waiver of this policy. As a consequence, 91 grantees will remain eligible for funding at the 75% level rather than decreasing to 50%. The DFCA caps administrative costs to $1.52 million in 2002 (3% in FY 2002 of the appropriated funds). For FY 2002, ONDCP requests the administrative cap to increase to 8% the equivalent of $4.05 million. This amount is needed to cover the increase in administrative costs associated with a greater number of grants.

In FY 2000 the program had 307 grants. It is anticipated that another 145 grants will be awarded in FY 2001. In FY 2002, it is anticipated that approximately 150 new grants will be awarded for a five-year total of over 600 grants. OJJDP needs additional staff to manage the new grants, promote program expansion, especially in traditionally underserved or rural areas; and make site visits to grantees in need of direct technical assistance. Funds are also needed to continue the evaluation and technical assistance activities to assist coalitions. Funds appropriated for the program will be used in five areas.

- **Grants to Communities ($46.55 million)**

Grants to communities will comprise approximately $46.55 million of the total request of $50.6 million.

- **Grants Administration (OJJDP) ($2.35 million)**

OJJDP has provided the grants management function through an Interagency Agreement (IAA) between ONDCP and OJJDP, since the inception of the program. With an increasing number of grants to monitor and administer, OJJDP needs a budget of approximately $2.35 million for FY 2002. This amount will provide adequate funding for the grant review process which includes processing both new and continuing grant awards and ongoing project monitoring for the existing pool of over 400 grants.

- **Training and Technical Assistance ($0.75 million)**

The DFCA authorizes the administrator to offer technical assistance and training directly to the grantees. (Sec. 1034, P.L. 105-20). The most effective mechanism for offering high-quality, low-cost training and technical assistance is to fund each of the six regional Centers for the Application of Prevention Technology (CAPTS) an additional $125,000. The Center

for Substance Abuse Prevention (CSAP) and Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services funds the CAPTS through a competitive awards process. The supplemental budget support to the CAPTS enables the Centers to provide targeted training and technical assistance in the latest research-based substance abuse prevention practices to the grantees. The provision of this assistance is achieved through an IAA between ONDCP and CSAP/SAMHSA.

- **Evaluation ($0.75 million)**

DFCA authorizes the administrator to carry out an evaluation of the Program (Sec. 1033, P.L.105-20) and to collect and disseminate of information about the program to the general public, other coalitions, and substance abuse organizations. The Congress and the advisory commission continue to emphasize the importance of tracking outcome measures of effectiveness in the program. The number of coalitions has tripled since the first year of the program. The need to continue funding the evaluation budget is paramount to the integrity of the program.

- **Program Administration (ONDCP) ($.2 million)**

ONDCP requires administration monies for activities of the advisory commission and for the office of the administrator. Approximately $200,000 is required.

Drug Free Communities Program	FY 2000 Actual	FY 2001 Enacted	FY 2002 Planning
($in thousands)	$30,000	$39,912	$50,600

ONDCP requests $3 million for FY2002 from the Special Forfeiture Fund Appropriations for administration and operations of the Counterdrug Intelligence Executive Secretariat (CDX). The CDX, established to coordinate the implementation of the General Counterdrug Intelligence Plan (GCIP), was signed by former President Clinton and eight cabinet officers in February 2000. The CDX is primarily staffed by non-reimbursable professional personnel representing their departments/agencies. However, administrative staff are paid from this appropriation. This staff facilitates implementation of the GCIP and identifies emerging interagency drug intelligence issues and solutions for consideration by the CDX oversight body, the senior level Counterdrug Intelligence Coordination Group.

Counterdrug Intelligence Executive Secretariat	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
($in thousands)	$0	$2,993	$3,000

In FY 2002, ONDCP is requesting $1,000,000 for National Drug Court Institute. The Institute's research program requires these funds to continue the expansion of its drug court training program for practitioners; to convene special advisory groups to develop curricula in new disciplines; to develop a national community probation initiative; and to expand and update the Institute's video instruction Library.

National Drug Court Institute	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
(in thousands)	$1,000	$998	$1,000

In FY 2002, ONDCP is requesting $3,000,000 for the United States Olympic Committee anti-doping effort. This is a continuation of the effort to educate athletes on the dangers of drug use and eliminate its use in Olympic sports. These funds would be used to assist the United States Anti-doping Agency in administering a transparent and effective anti-doping program for the Olympic, Pan Am, and Paralympic games. Specifically, these funds would support research and administrative initiatives, educational programs, and efforts to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

United States Olympic Committee Anti-doping Effort	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
($in thousands)	$0	$3,293	$3,000

In FY 2002, ONDCP is requesting $5,000,000 for the "Parents for a Drug-Free Future Act." This initiative will establish a program to support and encourage parents to help children stay drug free.

The five-year program will provide matching funds to national parents' organizations to train parents in communities nationwide in how to reduce drug abuse and form parent drug prevention groups. Specific goals of the program are:

- To assist national parents' organizations to train thousands of parents in communities nationwide in skills, methods, and information that assist them in preventing drug abuse by young people.
- To promote cooperation among national parent efforts and increase their impact through fostering partnership with the network of parent organization affiliates and chapters, regional and State-level entities that involve parents, and local community anti-drug coalitions.
- To provide parents and parent-serving organizations with science-based and state-of-the-art methods for strengthening their ability to protect their children from the risks of drug use.

The Parents for a Drug-Free Future Program Support will provide technical assistance and training to support the program. Items include:

(a) Dissemination of science-based prevention program material;
(b) Sponsoring meetings and conferences promoting the sharing of best practices in family-based prevention and integration of family-based prevention in comprehensive, community prevention efforts;
(c) Coordination of parent-based prevention information; and
(d) Evaluation of activities supported by the Program.

Parents for a Drug Free Future	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
($in thousands)	$0	$0	$5,000

D. SUMMARY TABLES OF PERSONNEL

Personnel responsible for providing policy direction and oversight for the SFF programs are funded from ONDCP's Salaries & Expenses account.

VI. HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

A. PROGRAM OVERVIEW

The Anti-Drug Abuse Act of 1988 authorized the Director of The Office of National Drug Control Policy (ONDCP) to designate areas within the United States which exhibit serious drug trafficking problems and harmfully impact other areas of the country as High Intensity Drug Trafficking Areas (HIDTA). Initial designations occurred in January 1990, in conjunction with the publication of the first *National Drug Control Strategy*.

In designating these areas, the Director, ONDCP considered certain criteria as required by law, including:

- The extent to which the area is a center of illegal drug production, manufacturing, importation, and distribution;
- The extent to which State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;
- The extent to which drug-related activities in the area are having a harmful impact in other areas of the country; and
- The extent to which a significant increase in the allocation of Federal resources is necessary to respond adequately to drug-related activities in the area.

HIDTA-designated counties comprise approximately 10 percent of U.S. counties; they are present in 41 States, Puerto Rico, the U.S. Virgin Islands and the District of Columbia. Since January, 1990, counties in the following 28 areas have been designated as HIDTAs: Houston, Los Angeles, South Florida, New York/New Jersey, and the Southwest Border, which includes partnerships in South Texas, West Texas, New Mexico, Arizona and Southern California (in 1990); Washington/Baltimore and Puerto Rico/U.S. Virgin Islands (in 1994); Atlanta, Chicago, Philadelphia/Camden (in 1995); Gulf Coast (Alabama, Louisiana, and Mississippi), Lake County (Indiana), the Midwest (Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota), Northwest (Washington), Rocky Mountain (Colorado, Utah, and Wyoming) (in 1996); Northern California (San Francisco Bay Area) and Southeast Michigan (in 1997); Appalachia (Kentucky, Tennessee and West Virginia), Central Florida, Milwaukee, and North Texas (in 1998); Central Valley California, Hawaii, New England (Connecticut, Maine,

Massachusetts, New Hampshire, Rhode Island, and Vermont), Ohio, and Oregon (in 1999), and Northern Florida and Nevada (in 2001).

The HIDTA Program helps to improve the effectiveness and efficiency of drug control efforts by facilitating cooperation between drug control organizations through resource and information sharing, collocating and pooling resources, coordinating and focusing efforts, and implementing joint initiatives. HIDTA funds help Federal, State and local law enforcement organizations invest in infrastructure and joint initiatives to confront drug-trafficking organizations. Funds are also used for demand reduction and drug treatment initiatives. The HIDTAs have developed unique strategy-driven teamwork. Local, State, and Federal law enforcement agencies have invested in joint systems that horizontally integrate other drug control programs. The HIDTA's will be focused on specified near-term performance targets for FY 2001 and long-term performance targets for FY 2002.

Each HIDTA coordinates its teamwork through participating local, State, and Federal officials who develop a joint threat assessment, a strategy which addresses the threat, initiatives which implement the strategy, and annual reports which reflect the impact on the threat.

Typically, a HIDTA includes:

- An executive committee composed of equal numbers of local/State and Federal officials. Executive committee members alternate the chair and vice-chair positions between Federal and State or local affiliates;

- Major collocated law enforcement task forces led by a local, State, or Federal agency; and

- A regional information sharing center and network that exchanges relevant information with the appropriate law enforcement agencies.

Each HIDTA attempts to horizontally integrate drug control programs that enables the HIDTA to maximize the use of resources available from a variety of agencies. It reduces duplication, synchronizes diverse activities, and provides the focus for reducing drug trafficking.

High Intensity Drug Trafficking Areas
($ in thousands)

	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
High Intensity Drug Trafficking Areas (HIDTA)	$191,271	$206,046	$206,350

Funding for the HIDTA program is reflected as Other Independent Agencies, Federal Drug Control Programs. However, program operation and control resides with the Director of ONDCP.

B. APPROPRIATION LANGUAGE

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS

Federal Funds

General and special funds:

HIDTAs Program
(Including Transfer of Funds)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Area Program, [$206,500,000] *$206,350,000* for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of enactment of this Act: *Provided,* That up to 49 percent, to remain available until September 30, [2002] *2003,* may be transferred to Federal agencies and departments at a rate to be determined by the Director: *Provided further,* That, of this latter amount, [$1,800,000] *not less than $2,100,000* shall be used for auditing services[: *Provided further,* That HIDTAs designated as of September 30, 2000, shall be funded at fiscal year 2000 levels unless the Director submits to the Committees, and the Committees approve, justification for changes in those levels based on clearly articulated priorities for the HIDTA program, as well as published ONDCP performance measures of effectiveness] *and activities. (Executive Office Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

C. HIGH INTENSITY DRUG TRAFFICKING AREA FY 2002 BUDGET REQUEST

($ in thousands)

HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTAs)	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
Federal Initiatives	$35,613	$34,446	$34,350
State and Local Support	$155,658	$171,600	$172,000
Total HIDTAs Funding	$191,271	$206,046	$206,350

HIDTAs Budget Request

In FY 2002 ONDCP is requesting a budget of $206,350,000 for the HIDTA Program.

a. **HIDTA Internal Review and External Audits ($2.1 million).** Requested funds will be used to continue an internal review program for the HIDTA Program and to provide for independent financial audits.

HIDTA Internal Review and External Audits	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
	$1,530	$1,796	$2,100

b. **Grants and Federal Transfers ($204,250).** Grants and Federal transfers required to support the 28 designated HIDTA areas.

HIDTA Grants and Federal Transfers	FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
	$189,741	$204,250	$204,250

D. **SUMMARY TABLES OF PROGRAM AND FINANCING**

($ in thousands)

	HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA)	**FY 2000 Actual**	**FY 2001 Enacted**	**FY 2002 Request**
	Program by Activities:			
00.01	High Intensity Drug Trafficking Areas	$191,271	$206,046	$206,350
10.00	Total Obligations	$191,271	$206,046	$206,350
	Financing:			
21.40	Unobligated Balance Available, Start of Year			
22.00	Unobligated Transferred, Net	$191,271	$206,046	$206,350
24.40	Unobligated Balance Available, End of Year			
25.00	Unobligated Balance Expiring			
39.00	Budget Authority	$191,271	$206,046	$206,350
	Budget Authority:			
40.00	Appropriation	$191,271	$206,046	$206,350
41.00	Transferred to Other Accounts	($35,613)	($34,446)	($34,350)
43.00	Appropriation (adjusted)	$155,658	$171,600	$172,000

E. SUMMARY TABLES OF PERSONNEL

PERSONNEL

Personnel responsible for providing policy direction and oversight for the HIDTA program, are funded from ONDCP's Salaries and Expenses account.

F. SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS

HIGH INTENSITY DRUG TRAFFICKING AREAS
($ in thousands)

		FY 2000 Actual	FY 2001 Enacted	FY 2002 Request
25.0	High Intensity Drug Trafficking Areas - Obligations	$155,658	$171,600	$172,000
99.0	Transfer to Federal Accounts	$35,613	$34,446	$34,350
99.0	Total Budget Authority	$191,271	$206,046	$206,350

The Honorable Carrie Meek
U.S. House of Representatives
Washington, DC 20515

Dear Representative Meek:

Thank you again for the opportunity to discuss the President's Budget at the May 10, 2001, hearing before the House Appropriations Subcommittee on Treasury, Postal Service, and General Government. As promised, I am writing in response to the questions you raised at the hearing. Your questions focused on three issues: First Accounts, the Community Development Financial Institutions (CDFI) Fund, and Secret Service staffing.

First, the Administration supports efforts to assist low-and moderate-income individuals to establish bank and savings accounts. As we were putting together our FY 2002 Budget, we looked across the government to ensure that adequate resources were being focused on this and other important issues. We discovered that Treasury already has an active program that promotes the Electronic Transfer Account (ETA), which allows Federal beneficiaries to receive their payments electronically. As of March 1, 2001, nearly 600 financial institutions with more than 9,800 branch locations nationwide were certified to offer the ETA and over 8,300 ETA accounts had been issued. State efforts in this area include the Electronic Benefits Transfer (EBT) program, which is available in over 40 states, and has been successful in establishing over 14 million bank accounts and debit cards.

The President's 2002 Budget also provides incentives to encourage savings and asset accumulation by low-income households through the Individual Development Accounts (IDA) initiative. This new program will improve access to savings institutions by creating a mechanism to subsidize the savings of eligible participants. Financial institutions would be allowed a tax credit in exchange for matching contributions to participants' deposits. Individuals would then be able to withdraw their contributions and matching funds, along with earnings, for qualified purposes, such as education expenses, first-time home purchases, and business start-up expenses, that help facilitate entrance into the country's economic mainstream. Given these multiple efforts to encourage access to our financial institutions by low and moderate income households who do not presently maintain bank and savings accounts, we do not believe it is necessary to support the creation of the First Account program, that promotes that same objective. Consequently, the 2002 Budget does not seek further funding for Treasury's First Accounts program.

I would also like to mention the President recently established a commission to study ways to make social security more efficient and rewarding for those who will become seniors in the decades to come, while not effecting the benefits of current seniors or those who are near retirement. The Commission will examine how to establish voluntary personal savings accounts for younger workers who want them.

Second, the Administration recognizes CDFI has leveraged private resources to support community development and we expect CDFI to continue this important work. The budget includes $68 million for the CDFI Fund. We will continue to rely on staff expertise at CDFI to help us implement the New Markets Tax Credit. This credit is expected to stimulate $15 billion in new private capital investment in CDFIs and other qualified entities over the next 10 years. However, we believe that some of the Fund's activities overlap with other Federal programs, including those in the Department of Housing and Urban Development, the Small Business Administration, the National Credit Union Administration, and others. The Administration is committed to providing resources to the most efficient Federal efforts to revitalize distressed communities. While some progress has been made, it is difficult to measure the Fund's impact relative to other programs. Given this, we believe that the recommended level for the Fund is appropriate.

Finally, the Administration is acutely aware of the importance of the U.S. Secret Service and its protective operations. We recognize that workforce quality of life issues are essential to the ability of any agency in carrying out its mission successfully. We also share your concerns in the overtime trends of recent years. As I noted at the hearing, our budget will allow the completion of the hiring of over 478 Secret Service agents, a 21-percent increase, over a two-year period. The Administration will continue to monitor and evaluate the various factors that contribute to the Secret Service's protective workload in order to respond accordingly.

I look forward to working with you during the appropriations process on these and other important issues.

Sincerely,

Mitch Daniels

INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Salaries and Expenses

For necessary expenses to carry out the functions of the Committee for Purchase From People Who Are Blind or Severely Disabled established by the Act of June 23, 1971, Public Law 92-28 [$4,158,000] $4,498,000 (Independent Agencies Appropriations Act, 2000.)

(FOR OFFICIAL USE ONLY)

Agency Request
Package 1 of 1

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

FUNDING LEVEL 0001-01

Salaries and Expenses: 95-2000-0-1-505

Agency Request

Activity Description:

Assist entities of the Federal Government in expanding their procurement from nonprofit organizations employing persons who are blind or have other severe disabilities under the Javits-Wagner-O'Day (JWOD) Act. Establish fair market prices for items added to the Procurement List and adjust pricesto assure that they continue to represent fair market values. Provide technicalassistance to the nonprofit agencies to contribute to the successful implementationof the JWOD Act. Assure nonprofit agency compliance with Committee regulationsand procedures. Designate, establish appropriate fee structure, and provide guidance to central nonprofit agencies which facilitate the distribution of Government orders and help nonprofit agencies participating in the JWOD Program. Analyze Committee impacts and operations as a tool for improving performance and educating Federal officials about the Program. Respond to reports that procuring entities are not complying with JWOD requirements.

Resource Requirements:

	2000	2001	This Package	2002 Cumulative Total
Budget Authority ($000)	2657	4158	340	4498
Outlays ($000)	2622	3888	549	4437
Full-time equivalent employment (Workyears)	23	29	0	29

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

STATEMENT OF PERSONNEL RESOURCES

	Total Full-time Equivalents		
	2000 Actual	2001 Estimate	2002 Estimate
1. Agency personnel resources	23	29	29
2. Supplementals and legislative program items	0	0	0
3. Overtime and holiday work	0	0	0
4. FTEs exempt from employment ceilings	0	0	0
Personnel resources shown in budget schedules (sum of lines 1 through 4)	23	29	29
Workyears subject to ceilings (sum of lines 1 and 2)	23	29	29
Financed by allocations from other agencies	0	0	0

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

FY 2002 BUDGET PROPOSAL
NARRATIVE JUSTIFICATION

The Committee's mission is to generate employment opportunities for people who are blind or have other severe disabilities as authorized by the Javits-Wagner-O'Day (JWOD) Act. The JWOD Program accomplishes this by directing the Federal Government to purchase supplies and services to nonprofit agencies employing such individuals. Currently, approximately 34,000 adults annually work on JWOD contracts, receiving in excess of $200 million wages for their efforts. These individuals, in varying degrees, have significantly reduced their dependence on Social Security, Food Stamps, Aid for Dependent children, and other public income transfer payments. In total, the quantifiable benefits of the JWOD program far exceed the costs.

The JWOD Program is playing a key role in many small communities in reducing the overall unemployment rate among persons with disabilities and continues to help draw attention to the vocational needs and abilities of such individuals. It also provides resources to hundreds of local nonprofit organizations whose goals are to provide employment and other services to people who are blind or have other severe disabilities. Without question, given its demonstrated cost-effectiveness and the excessive employment among Americans with disabilities, the JWOD Program deserves continued support.

More intensive and comprehensive efforts must be taken by the Committee to address the ever changing procurement environment that is affecting the JWOD Program's continued success. Although the JWOD Program continues to receive support from the Office of Federal Procurement Policy, this support has not insulated it from the massive changes in Federal procurement practices and policies. Trends such as decentralized purchasing, the proliferation of purchase cards and a reduction in the overall size of the Federal workforce have combined to flatten growth and risk decline in the products portion of the JWOD Program—especially the common-use items. This situation affects persons with the most severe disabilities the hardest, as they are most in need of the type of work offered by such products, which are made on site at nonprofit agencies using equipment that has been tailored to accommodate severe disabilities.

In addition, major changes in the JWOD Program's distribution channels, most notably with the General Services Administration, have caused uncertainty and the potential for losses in JWOD employment. In 1999, GSA announced the closure of the Federal Supply Service depots and distribution centers, which had an immediate result of drying up orders for JWOD products through the GSA depot system. Although the closure plans were put on hold, the fact remained that this primary distribution channel for

JWOD Program products would eventually go away. (GSA has announced its intent to more forward to close 6 of its 8 remaining distribution centers.) In order to preserve current employment levels, it is critical for the Committee, in coordination with National Industries for the Blind (NIB) and NISH (an agency serving the severely disabled) to continue to develop and expand alternate channels of distribution. Of equal importance will be marketing and education efforts to ensure that Federal customers know about and use these other sales and distribution channels.

The Committee has undertaken many initiatives to adapt to the new environment including expanding commercial distribution channels for JWOD Products to government customers, launching a JWOD electronic commerce website, offering a JWOD Single Award Schedule under the GSA Federal Supply Schedule system, increasing marketing and promotion efforts for JWOD Products and Services, improving JWOD Program education efforts, upgrading internal information management systems and implementing new policies to improve operations. All JWOD Program stakeholders (Federal Customers, NIB, NISH, nonprofit agencies, and people with disabilities) have experienced both positive and negative effects of the changes in the new environment. Our continued efforts must solidify all entities in the JWOD Program and strengthen its ability to achieve the mission of maximizing job opportunities for the millions of Americans with disabilities.

Of growing importance to this mission is the Committee's ability to build and maintain information technology (IT) capabilities to implement the Federal Government's variious IT mandates, such as the Government Paperwork Elimination Act (GPEA), Electronic Freedom of Information ACT (E-FOIA), Section 508 of the Rehabilitation Act and the Clinger-Cohen Act. Meeting the objectives of "paperless" government, electronic FOIA, Internet access to customers, security, and universal accessibility require resources far beyond those ever requested by the Committee in the past. The Committee will work cooperatively with NIB and NISH to analyze business processes and to develop systems that enable it to meet its goals, provide better service to our customers and provide full accessibility to information resources. This budget request includes resources for procurement of consulting services to assist the Committee in defining system requirements and developing information systems to meet the emerging electronic government (e-Gov) goals, and for maintaining and upgrading technology capabilities in database management, website hosting and LAN maintenance within this new environment.

To continue to support the initiatives already undertaken, which are imperative to the fulfillment of the JWOD mission, the Committee is requesting **$4,498,000** for FY 2002 This is an increase of **$340,000 or approximately 8 percent** over FY 2001 appropriation.

Justification of Requested Resources

Salaries and Benefits

The Committee is seeking **$2,550,000** in salaries and benefits for FY 2002 **This is an increase of $409,000 over the amount requested for FY 2001**. The salaries and benefits dollars sought cover locality pay, promotions and/or within grade increases for all current staff; private citizen member attendance at ten Committee meetings and two conferences, as well as performance of a few additional assignments; and recognition awards (extremely important for a small agency).

Travel

The Committee is requesting **$243,000** for travel resources, **a decrease of $38,000 from that requested for FY 2001**.

The resources are requested to cover expenses of the compliance staff to conduct reviews of nonprofit agencies around the country, for business development staff members who will be required to make at least one overnight trip per month to attend key business meetings, speak at courses, make presentations at conferences and seminars, and set up exhibits, and for the operations staff to travel to contracting agencies or nonprofit agencies to resolve contract and operational issues. Travel by key management staff will also be required for meetings, conferences, special events and problem-solving.

Rent

Rental payments are estimated at **$327,000** for FY 2002. This is based on the current Rent charges for the space in which the Committee is located. A need for additional space is not anticipated in FY 2002.

Communications, Utilities and Miscellaneous Charges

We are requesting **$65,000** for these expenses–**$5,000 over those for FY 2001**. The majority of these resources are for telecommunication charges. In addition to normal telecommunication costs (telephone, fax), the Committee must maintain broadband Internet access and remote access ISP accounts to enable effective implementation of Internet-based information systems. Also, with alternative work environments, we must be able to provide staff members access to network and email accounts while on travel or telecommuting.

Printing

The **$205,000** requested for printing is **$129,000 less than that requested for FY 2001**. As a result of the significant changes in the GSA Depot System and the resultant emphasis on selling JWOD products as a "vendor" with a Federal Supply Schedule, the JWOD Program will have increased responsibility for marketing and education. According to statistics compiled by the General Services Administration, as of February 2001, there were approximately 650,000 small purchase cardholders who have the capability to purchase JWOD products. In FY 2002, the focus will be on raising their awareness of the JWOD Program and available products. While the Committee will make a concerted effort to steer customers to our Program's web site for product identification and ordering to cut down on paper and printing costs, it remains absolutely necessary to have print catalogs available for the many Federal employees who lack access to the Internet or who prefer to use hard-copy catalogs. Having mandatory source status under the law is not enough to ensure the JWOD Program sale of our common-use items. Given the wide range of commercial firms selling common-use products that are similar to JWOD Program items, we must have a quality catalog displaying JWOD items in a professional and competitive manner. In addition to needing the catalog as a tool to educate our customers about the JWOD Program's products, our Federal Supply Schedule requires us to provide up-to-date price lists quarterly to those customers who express a desire to receive them. The success of the JWOD Program's common-use products division, and the jobs of thousands of individuals who are blind or severely disabled, depend on our ability to effectively market the quality and value of JWOD products.

The funds requested for FY 2002 will also provide for the development of the Committee's Annual Report to Congress and other communication materials to support the Federal and public communication needs of the JWOD Program. These publications are coordinated by the Committee to represent the entire JWOD Program and to reach our intended audiences with relevant and useful information. Some of the funds requested will be used to print educational brochures and flyers and to print materials for inclusion in Federal employee training kits for purchase cardholders, acquisition professionals, environmental specialists and senior executives. These kits, which were first implemented in FY 1999, are routinely provided to training facilities to assist in teaching prospective purchase cardholders the requirement for and benefits of buying JWOD products.

Consulting Services

As stated in past budget submissions, the size of the Committee staff–now coupled with the breadth of its growing responsibilities--makes it necessary to procure consulting services. Due to little or no expertise and/or the lack of human resources requires the Committee to obtain professional assistance in the areas of business process reengineering, system development, strategic planning, market research, and an overall

marketing plan for the JWOD Program. These areas are critical to accomplish the necessary transition to a new business model, with minimal loss of jobs for Americans who are blind or have other severe disabilities. Contracting for these services will ensure that best practices are reviewed, all options are considered and the most appropriate choices are made. We are requesting **$500,000** in total consulting funds which are elaborated below.

In FY 2001, the Committee will conduct a systems review and evaluate its business process to identify methods that will insure the most efficient operations, as well as to identify electronic data interchange processes in compliance with GPEA. In FY 2002, the Committee is proposing **$100,000** to develop system requirements and implementation plans based on the FY 2001 Business Process Reengineering (BPR) study of current processes in data submissions from NIB/NISH, nonprofit agencies and government activities to establish requirements for a "paperless" system as required by GPEA.

The BPR study and implementation plan will result in requirements for system development to implement paperless processes in database systems and web applications. The Committee proposes to use **$250,000** to contract for services to design the system, develop the required database systems, and deploy those systems in a web-based, secure system. The services will include working with NIB/NISH to identify how they can most effectively interface with the system, maintain information confidentiality, and provide program data as required by Committee procedures. The Committee currently has limited electronic interfaces with external sources and will require consulting services to insure the Committee's database system and web-based access protects confidential information and remains secure.

With the diminished role of the GSA Depot system in the JWOD Program's future, it is more important than ever for the Committee to understand the total Federal marketplace, including our customers' needs and preferences. Only through proactive market research and customer needs analysis can the JWOD Program assure that our products are correctly targeted to and priced for Federal customers. With the necessary research in hand, it will be possible for the Committee to work with consultants on an overall marketing plan to guide JWOD product development and marketing. We are proposing **$80,000** for contracted market research and another **$40,000** for a marketing plan.

At the present time, the largest potential growth for the Program is in the area of janitorial, laundry and food service industry contracts. The Committee proposes to use **$30,000** to contract for services to study each of these fields. Since the Committee is responsible for setting prices for items on the Procurement List, it is imperative that accurate benchmarking tools for direct labor and management of these types of contracts be developed, and that the prices established by the Committee are based on commercial prices and practices.

Other Services

With regard to other services, the Committee is requesting **$545,000**, **a decrease of $98,000 from the FY 2001 request**. These resources are for the performance of a service by a commercial firm or other government agency. Other services includes equipment maintenance contracts, computer related services, training, administrative support from GSA and any other expense for the performance of a service.

Some of the requested resources–**$150,000**–will be used for the design and implementation of a JWOD Program national promotional campaign targeted to Federal customers. This campaign will use a variety of media to spread the word about the JWOD Program and the new initiatives for supplying Federal agencies with common-use office supplies, such as the Federal Supply Schedule and online ordering.

An additional **$25,000** is requested to create JWOD informational tools in electronic format, including the production and copying of JWOD videotapes and compact discs (CDs). Videos are an exceptionally cost-effective way to communicate the JWOD message to Government acquisition training courses nationwide, while CDs are effective supplements to program or product information used at the individual user level. As CDs allow large amounts of data to be stored, it could be possible to develop a "JWOD Library" in which several publications and/or informational items would be available on one CD. To support these efforts as well as the printed publications mentioned previously, it will be necessary for the Committee to purchase the services of graphics design and digital photography, for which **$20,000** has been requested.

The Committee's LAN, VPN, electronic mail and Internet systems have grown both in terms of sophistication and complexity. The Committee proposes **$35,000** for services to perform maintenance and provide technical services for the LAN, electronic mail, security and Internet access. The Committee's LAN Administrator provides basic day-to-day operations of these systems, however, the Committee requires a higher level of technical capability and on-going technical support for its systems.

Upgraded operating systems will be required for the Committee to operate with up-to-date software and hardware systems, as well as with improved Internet-based connectivity. We are currently operating under Windows NT 4.0/Windows 98 environment. Windows 2000 has been released and history has demonstrated that organizations must upgrade to the new operating systems within two releases in order to continue to remain compatible with and utilize the currently supported software/hardware systems. The FY 2002 budget request includes **$20,000** for the cost of migrating to a new operating system on the servers, including contract labor services. This is in addition to costs for upgrading client software packages as reflected in the Supplies category.

We are requesting **$50,000** for maintenance of the JWOD Program Information Database (JPID) 2000 system, including software upgrades required to function within the new operating system environment. The JPID 2000 database is critical to maintaining JWOD product and service data and to accept and disseminate data in a paperless environment. The Information Specialist will perform basic day-to-day oversight and maintenance of the information input and output processes. However, the Committee requires a higher level of technical support to maintain the software and database systems.

The Committee also requires services for hosting the JWOD.gov website and/or provide services for technical support on maintaining the website in-house on the Committee's servers. We are proposing **$20,000** for this purpose.

The remaining **$225,000** includes the cost of administrative support from GSA (personnel, payroll and financial services) and routine services that the Committee does not have the ability or resources to perform. It also includes resources for staff training (approximately 4 percent of our staff payroll costs) and tuition assistance as proposed by the Office of Personnel Management.

Supplies

In the supplies category, the Committee is requesting **$42,000, a decrease of $8,000 from the FY 2001 request**. The funds will enable the Committee to continue the distribution of sample products and other promotional materials at training classes, as well as of training kits for Federal instructors and in-person JWOD presentations at hundreds of seminars or conferences. Placing JWOD products in the hands of potential customers has proven to be particularly effective in communicating JWOD quality, which is essential to acquiring and maintaining supporters in today's, and tomorrow's, procurement environment. It is imperative that the Committee continue to supply information, as well as the actual products, to the Federal customers who relied on the GSA depot system as a source for JWOD products.

The remaining supply funds will be used for regular supply items and references. The Committee will also use these funds to purchase upgrade licenses for office software packages for all or selected staff members (i.e. Office Suite, Corel, MS Project), adaptive software upgrades (JAWS, Magic, OCR, and Dragon), backup/virus software for the servers and miscellaneous computer supplies.

Equipment

For FY 2002, the Committee is requesting **$21,000, a decrease of $9,000 from the FY 2001 request**. Most of the resources will be used to replace computer workstations. The current staff workstations were purchased in 1998. Rapid advances in technology require workstation replacement about every 3 years to maintain system productivity

and compatibility. The Committee intends to replace most workstations in FY 2001, with the remaining workstations being replaced in FY 2002.

The remaining **$6,000** will be used to purchase miscellaneous computer equipment for staff and Committee members (i.e. cables, adaptive equipment, monitors) and miscellaneous furniture items.

PLANNING ESTIMATES

	2002	2003	2004	2005	2006
Budget Authority ($000)	4498	4598	4701	4806	4913
Outlays ($000)	4437	4580	4682	4787	4894

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

FUNDING UNIT 0001-1

Budget Account: 95-2000-0-1-505

Analysis of Resources
(in thousands of dollars)

	2000	2001	2002
Budget Authority:	2657	4158	4498
Outlays:	2622	3888	4437
Full-time equivalent employment: (Total Workyears)	23	29	29

	2002	2003	2004	2005	2006
Budget Authority:	4498	4598	4701	4806	4913
Outlays:	4437	4580	4682	4787	4894

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

Priority Ranking of Funding Levels, 2002 Budget
(in thousands of dollars)

RANK	FUNDING LEVEL Name and Number	AMOUNTS Outlays	AMOUNTS Total FTE	CUMULATIVE AMOUNTS Outlays	CUMULATIVE AMOUNTS Total FTE
1	Agency Request (0001-1)	4437	0	4437	29
	Agency planning ceiling			4498	29

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

Relationship of Funding Units to Account Structure
(in thousands of dollars)

Funding Levels by Account	2002 Budget Estimates BA	OUTLAYS
Committee for Purchase from People Who Are Blind or Severely Disabled (95-2000-0-1-505)		
Salaries and Expenses (0001-1)	4498	4437

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES
OBJECT CLASSIFICATION (in thousands of dollars)

Identification Code: 95-2000-0-1-505		2000 Actual	2001 Estimate	2002 Estimate
111.101	Full-time permanent	1,245	1,719	2,013
111.301	Other than full-time permanent	50	49	50
111.501	Other personnel compensation	84	25	40
111.901	Total personnel compensation	1,379	1,793	2,103
112.101	Civilian personnel benefits	269	348	447
121.001	Travel and transportation of persons	111	281	243
123.101	RENT payments to GSA	241	319	327
123.301	Communications, utilities and miscellaneous charges	55	60	65
124.001	Printing and reproduction	49	334	205
125.101	Consulting services	181	300	500
125.201	Other services	146	580	505
125.301	Purchases of goods and services from Government accounts	95	63	40
126.001	Supplies and materials	33	50	42
131.001	Equipment	98	30	21
199.901	Total obligations	2,657	4,158	4,498

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STANDARD 306
July1968, Bureau of the Budget
Circular No. A-11, Revised.
306-103

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES
DETAIL OF PERMANENT POSITIONS

95-2000-0-1-505	2000 ACTUAL	2001 ESTIMATE	2002 ESTIMATE
ES	1	1	1
GS-15	3	3	3
GS-14	1	6	7
GS-13	5	4	3
GS-12	3	5	8
GS-11	2	4	3
GS-10	1	1	0
GS-9	1	2	2
GS-8	0	1	1
GS-7	2	1	0
GS-6	0	0	1
GS-5	1	1	0
Total permanent positions	23	29	29
Unfilled positions, end of year	3	0	0
Total permanent employment, end of year	20	29	29
	(Mono cast 16-3)	(Mono cast 4-9)	(Mono cast 4-9)	(Mono cast 4)

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Program and Performance

The Committee for Purchase From People Who Are Blind or Severely Disabled was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to use the purchasing power of the Federal Government to provide people who are blind or have other severe disabilities with employment and training that will develop and improve job skills as well as prepare them for employment options outside the JWOD Program. In the year 2002, approximately 43,000 people who are blind or have other severe disabilities are projected to be employed in 750 producing nonprofit agencies. The Committee's duties include promoting the program; determining which products and services are suitable for Government procurement from qualified nonprofit agencies serving people who are blind or have other severe disabilities; maintaining a procurement list of such products and services; determining the fair market price for products and services on the procurement list; and making rules and regulations necessary to carry out the purposes of the Act. In FY 2002 the Committee expects to have sales of $1.7 billion.

The Committee staff's responsibilities include promoting and assessing the overall program; supervising the selection and assignment of new products and services; assisting in establishing prices; reviewing and adjusting these prices; verifying the qualifications of nonprofit agencies; and monitoring their performance.

COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED

PERSONNEL SUMMARY
AVERAGE GRADES AND SALARIES

Identification Code: 95-2000-0-1-505	2000 Actual	2001 Estimate	2002 Estimate
Total number of permanent positions	23	29	29
Average SES Salary	$115,811	$125,883	$136,616
Average GS Grade	12	12	12
Average GS Salary	$55,905	$63,306	$68,587
Average salary of ungraded positions	$469.00 Per day	$481.00 Per day	$481.00 Per day

Committee for Purchase From People Who Are Blind or Severely Disabled
1421 Jefferson Davis Highway, Suite 10800
Arlington, VA 22202

FY 2000 - FY 2005
Strategic Plan

and

FY 2002
Annual Performance Plan

Submission to Congress
April 9, 2001

MISSION STATEMENT

In accordance with the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. 46-48c) and its legislative history, the Committee's mission is to use the purchasing power of the Federal Government to provide people who are blind or have other severe disabilities with employment and training that will develop and improve job skills, as well as prepare them for employment options outside the JWOD Program.

STRATEGIC PLAN GOALS and OBJECTIVES[1]

EXPAND JOB OPTIONS

1. *Consolidate adjustments in JWOD Program operations aimed at preserving existing JWOD jobs and training opportunities for people who are blind or have other severe disabilities.*
2. *Expand the number and types of jobs and training opportunities offered through the JWOD Program, including offering people who are blind or have other severe disabilities a greater range of choice in vocational pursuits.*
3. *Expand the opportunity for upward mobility for people who are blind or have other severe disabilities within participating nonprofit agencies in terms of increased compensation and/or greater supervisory, technical or management responsibility.*
4. *Encourage non-JWOD employment and training opportunities for people who are blind or have other severe disabilities.*

ENHANCE COMMUNICATIONS

5. *Increase awareness of the JWOD program and build partnerships among Federal customers and others involved in Federal procurement (e.g., procurement personnel and senior procurement executives, purchase card users, and commercial distributors).*
6. *Encourage awareness of and support for the JWOD Program by State and National vocational service programs (e.g. agencies administering vocational rehabilitation, mental health and developmental disabilities programs) and other agencies serving people who are blind or have other severe disabilities.*
7. *Communicate JWOD Program requirements and information clearly and concisely to National Industries for the Blind (NIB), NISH (serving people with severe disabilities), participating nonprofit agencies, Federal procuring activities and commercial distributors or vendors involved in selling JWOD-type products to Federal customers.*

IMPROVE PROGRAM OPERATIONS

8. *Ensure that JWOD products and services meet the Federal customers' requirements at a fair market price and at the required delivery times.*
9. *Perform agency actions regarding additions, pricing, contract administration, compliance and other activities within the shortest time possible.*
10. *Promote the use of modern and accessible technology for people who are blind or have other severe disabilities.*

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[1] The Strategic Plan Goals and Objectives were revised November, 1999 for FY2000-FY2005

FISCAL YEAR 2002 3/23/01
ANNUAL PERFORMANCE PLAN

INTRODUCTION

The Committee for Purchase From People Who Are Blind or Severely Disabled (the Committee) is an independent Federal agency which operates under authority of the Javits-Wagner-O'Day (JWOD) Act of 1971 (41 U.S.C. 46-48c). The Committee accomplishes its mission by working in close collaboration with National Industries for the Blind (NIB), and NISH, a national organization serving people with other severe disabilities, to identify Government procurement requirements that can generate employment for individuals who are blind or have other severe disabilities. The Committee places such products and services on the JWOD Procurement List, and they are furnished by nonprofit organizations who are currently employing in JWOD jobs over 36,000 people who are blind or severely disabled. Federal agencies are required to procure such items and services from nonprofit agencies designated by the Committee at fair market prices established by the Committee.

The traditional government channels for JWOD products and services are dramatically changing how they serve Federal customers - with greater reliance on electronic commerce and performance-based contracting. The JWOD Program is meeting this challenge by embracing the advances in Federal procurement practices. We have established an aggressive program-wide goal of 50,000 jobs by the end of 2003. To achieve this goal, JWOD Program stakeholders - the Committee, NIB, NISH and the nonprofit agencies - will improve business processes, increase electronic commerce and distribution channels for JWOD products, expand job opportunities on service contracts, and educate Federal customers about the capabilities of people with disabilities employed through the JWOD Program.

The Committee's FY 2002 Budget and Performance Plan reflect our goals for expanding the use of electronic commerce and electronic delivery of JWOD information and services. The Committee supports initiatives for de-layering management levels, and as a micro-agency, the Committee operates with an extremely streamlined staff. Staff additions in the past year have been targeted for positions that achieve the objectives for increased education and communications about the JWOD Program and application of information technology for improved e-Government. The Committee is an extremely small Federal agency that takes pride in the unique public-private partnership in which it administers the JWOD Program in cooperation with NIB, NISH and the participating nonprofit agencies - without whom the JWOD Program could not achieve its collective mission. Many of the Committee's objectives are intricately linked to the achievements of all JWOD stakeholders.

The JWOD Program has made significant strides adjusting to the uncertainty surrounding the General Services Administration's plans to close depots that serve as the primary distribution channel for JWOD Products. The Committee, NIB and NISH, have already initiated reform efforts to improve delivery of JWOD products and services to Federal customers. The FY2002 performance plan reflects the objectives of the Committee to achieve its goals and to provide 50,000 JWOD jobs by the end of 2003.

EXPAND JOB OPTIONS

1. *Preserve existing JWOD jobs and training opportunities for people who are blind or have other severe disabilities.*
   (a) 4,400 Maintain comparable numbers of actual work years performed by employees who are blind/severely disabled working on JWOD products.

   (b) 10,750 Maintain comparable numbers of employees who are blind/severely disabled working on JWOD products.

   (c) Entire FY Continue to assess the effectiveness and expand the new distribution strategy and implement improvements where required.

2. *Expand the number and types of jobs and training opportunities offered through the JWOD Program.*
   (a) 3,000 New work years for people who are blind/severely disabled added to the Procurement List for both products and services.

   (b) 13,200 Increase number of actual work years by employees who are blind/severely disabled working on JWOD service contracts.

   (c) 32,250 Increase number of employees who are blind/severely disabled working on JWOD service contracts.

3. *Expand the opportunity for upward mobility for people who are blind or have other severe disabilities within JWOD-participating nonprofit agencies.*
   (a) $306m Total wages paid to JWOD employees who are blind/severely disabled.

   (b) $8.69 Average hourly wage of JWOD employees who are blind/severely disabled.

   (c) 1,400 Number of JWOD employees who were promoted into positions, other than supervisory and management, with increased wages and/or benefits.

   (d) 250 Number of JWOD employees who were promoted into supervisory or management level positions with increased wages/benefits and increased responsibilities or skill levels.

4. *Encourage non-JWOD employment and training opportunities for people who are blind or have other severe disabilities.*
   (a) 2,700 Number of JWOD employees placed in competitive or supported employment

ENHANCE COMMUNICATIONS

5. *Increase awareness of the JWOD program and build partnerships among Federal customers and others involved in Federal procurement (e.g., procurement personnel and senior procurement executives, purchase card users, and commercial distributors).*

(a) 120 Public appearances made by Committee members or staff to promote the JWOD Program to Federal personnel with purchasing authority.

(b) 40 Articles published about the JWOD Program in Federal procurement bulletins, newsletters and other publications with Federal audiences, including 10 such publications that have not featured JWOD Program information in the past two years or more.

(c) 16 Meetings with Government contracting activities and/or commercial distributors regarding the distribution of JWOD Products to their Federal customers or the provision of JWOD services to their Federal customers (business development).

(d) 15 Speaking opportunities, articles, product/service ideas or other measurable activities in support of the JWOD Program directly resulting from renewed contacts with existing JWOD liaisons or establishment of new JWOD liaisons.

(e) Entire FY Develop partnerships with other Federal agencies and commercial businesses to promote JWOD environmental products and services and increase visibility of JWOD environmental initiatives.

(f) 12 Visits to members of Congress or their staff to brief them on the current challenges facing the JWOD Program, and the Program's activities.

6. *Encourage awareness of and support for the JWOD Program by State and National vocational service programs (e.g. agencies administering vocational rehabilitation, mental health and developmental disabilities programs) serving people who are blind or have other severe disabilities.*

(a) 6/30/02 Complete coordination with RSA on the issuance of an updated Technical Assistance Circular to State and National vocational service programs in support of the JWOD Program.

(b) 4/30/02 Establishment of a Memorandum of Understanding between SBA and the JWOD Program, which is currently under discussion with SBA.

(c) 9/30/02 Establishment of a Memorandum of Understanding to increase awareness of and communications between the JWOD Program and SSA field offices regarding SSA programs that provide incentives for people with disabilities to return to work.

7. *Communicate JWOD Program requirements and information clearly and concisely to NIB, NISH, participating nonprofit agencies, Federal procuring activities and commercial distributors or vendors involved in selling JWOD-type products to Federal customers.*

(a) 75% Percentage of newly authorized nonprofit agencies that receive an initial Committee staff compliance review within eight months following their first visit by NIB or NISH (assuming full contingent of Committee travel staff).

(b) 50 Number of direct contacts with JWOD NPAs by Committee leadership through public appearances or written communications.

(c) 12 Unique program messages communicated to the JWOD-participating nonprofit agencies through the Committee's web site.

(d) Entire FY Maintain updated JWOD commercial distributor information, including procedures, criteria and application, on the Committee's web site.

(e) Entire FY Modify and implement procedures to streamline the process for authorizing distributors who clearly demonstrate compliance with the Committee's requirements.

(f) Entire FY Continue and assess the implementation of "How to Green Products" and "Green Custodial Services" for JWOD participating nonprofit agencies.

IMPROVE PROGRAM OPERATIONS

8. *Ensure that JWOD products and services meet the Federal customers' requirements at a fair market price and at the required delivery times.*

(a) Entire FY Continue to implement and improve the JWOD system for ordering and distributing products through electronic commerce.

(b) Entire FY Identify, establish and supervise other distribution channels for JWOD Products such as the JWOD single award schedule with GSA, other Internet sources, Base Supply Centers, and authorized commercial vendors.

(c) 5 Maximum number of projects referred for resolution by the Committee following impasse between NIB/NISH/NPA and government customer on pricing, performance or quality issues.

(d) < 5% Decrease delinquency rates for order deliveries to federal agencies and commercial vendors.

9. *Perform agency actions regarding additions, pricing, contract administration, compliance and other activities within the shortest time possible.*

(a) 100% Percentage of addition actions in which the decision package is issued within three working days after receipt of all required information.

(b) 45 days Compliance reports will be issued on average within 45 calendar days following compliance visits.

(c) 100% Percentage of NPAs that confirm resolution of compliance problems identified during compliance visits within 30 days of the deadline established.

(d) 75% Percentage of NPAs due for a compliance visit that are visited by either NISH/NIB or the Committee Staff (assuming full contingent of Committee travel staff).

(e) 1/31/02 Complete systems analysis and business process review to incorporate requirements into design of information technology systems.

(f) 6/30/02 Develop and implement electronic records management plan according to Electronic FOIA and NARA standards.

(g) 9/30/02 Implement web-based application with electronic signature capability for electronic "paperless" submission of Committee forms for annual reporting, requests for additions, deletions and changes to PL.

10. *Promote the use of modern and accessible technology for people who are blind or have other severe disabilities.*

(a) 100% Percentage of authorized nonprofit agencies that are capable of electronic or paperless commerce as required by contracting activities.

(b) 10/31/01 Implement acquisition and support systems to maintain compliance with Section 508 of Rehab Act requiring universal accessibility for employees and the general public who are disabled accessing JWOD program information.

Testimony for the Record

Submitted by
David M. Mason, Vice Chairman
Federal Election Commission

to the
Subcommittee on Treasury, Postal Service and General Government
of the
U.S. House Committee on Appropriations

in support of the FEC's
Fiscal Year 2002 Appropriation Request

Mr. Chairman and members of the Committee, I submit for your consideration the Federal Election Commission's (FEC's) fiscal year 2002 appropriation request.

While the FEC is aware of the general budgetary climate, and has striven to reach agreement with OMB on our budget request, we did not reach agreement for the FY 2002 request. Therefore, we exercised our concurrent submission authority to make a special appeal to Congress to pursue the staff and resources critical to fulfilling our statutory mission. Furthermore, depending upon the scope of campaign finance reform legislation under consideration, the FEC could face significant additional resource needs.

The FEC's fiscal year 2002 budget request is for $47,671,000 and 375 FTE. This amount represents an increase of $7,261,100 (18%) and an increase of 18 FTE (5%) over our FY 2001 appropriation of $40,410,900 and 357 FTE. It is a continuation of funding from FY 2001, as adjusted to cover inflation and federal COLAs, and supplemented by programmatic increases.

The FY 2002 incremental increase over the FEC's FY 2001 level can be briefly summarized as follows. Approximately $2,386,600 is for inflation in costs at our present level of operations: $1,581,500 in additional costs for existing personnel, including normal within grade increases; career ladder promotions; cost of living adjustments; mandated increases in retirement fund contributions and insurance costs; and $805,100 in ongoing non-personnel costs, including GSA rental rates; normal overhead costs such as phones, equipment, and supplies; IT initiatives; legal document imaging and indexing; and the mandated transit subsidy. This brings us to our current services level of $42,797,500 to fund 357 FTE. The FEC needs at least the current services level in order to adequately perform our statutory

mission.

The $4,873,500 remaining increase is for additional resources in program areas. This includes:

- $2,542,000 and 6 FTE for the Office of Election Administration's (OEA) to increase federal assistance to state and local election officials charged with administering federal elections to further update and enhance the technical Voting Systems Standards (VSS), to develop operational standards for elections administration, and to identify needs and resource requirements of state and local election officials.
- $425,000 for 5 additional FTE for the Data Systems Development Division to complete and support current and future IT initiatives.
- $440,000 for 4 additional Executive Assistants to enable each Commissioner, not just the Chairman and Vice Chairman, to have an additional position.
- $700,000 to acquire one additional floor in the current FEC building to house the additional staff requested and better support existing staff.
- $250,000 to increase the capability to use data mining to expand comprehensive, automated review of reports to review patterns of behavior that may extend to more than one filer.
- $200,000 to implement a Human Resources automated system as a supplement to the finance and accounting system installed in FY 2001.
- $190,000 to upgrade the analyst grade levels in the Reports Analysis Division (RAD) as part of the further automation and increased scope of the review process.

- $126,500 for 3 additional FTE, one each in the Personnel, Information, and Alternative Dispute Resolution Divisions to enhance the disclosure, compliance and support functions at the FEC by replacing temporary clerical staff with permanent staff.

These increases are explained in more detail in our Budget Justification concurrently submitted to Congress and the Office of Management and Budget.

Before discussing our core budget request further, I am pleased to report the FEC is nearly complete with initial implementation of all the PricewaterhouseCoopers (PwC) recommendations. For the benefit of the new members on the Committee, the PwC study was a detailed, comprehensive examination of how fairly and effectively the FEC meets its statutory mission. The results of this study were presented to Congress in January 1999. While the PwC's overall evaluation of the agency generally was favorable, the Commission recognized the audit offered an opportunity to further improve its management and operations, particularly in the areas of disclosure and compliance. The budget request before you today will enable the Commission to continue conducting our statutory functions and to address the many ongoing management and policy changes, including the continuous monitoring and evaluation of the 21 PwC recommendations. The most recent status report detailing our progress is appended as Attachment E to the Budget Justification.

Furthermore, this budget request will allow the FEC to build upon the many accomplishments made in the past several fiscal years. A number of initiatives were a direct response to the PwC report. Several others were undertaken by the Commission to improve productivity and better utilize resources or were in response to legislative requirements.

We are pleased to report that we have implemented the three statutory changes included in the fiscal year 2000 Treasury bill, which were identified in the PwC report as having significant importance to the efficient and effective functioning of the agency. Specifically, we have successfully launched the Mandatory Electronic Filing Program and the Administrative Fine Program for reporting violations. Additionally, the new rules on campaign cycle reporting became effective for the reporting periods beginning after December 31, 2000. More details on these programs, as well as other initiatives, are addressed in the overview of the FEC's four core programs.

We also are moving forward with respect to the three statutory changes included in the Department of Transportation and Related Agencies Appropriations Act, 2001. On May 9, we issued a Notice of Proposed Rulemaking (NPRM) on two amendments relating to independent expenditure reporting, with the comment period closing on June 8, 2001. We will soon issue an NPRM on the amendment addressing lines of credit for loans to candidates. We are confident these legislative changes will result in many efficiencies, not only for the FEC, but also for the regulated community.

As noted, we are requesting four additional FTE for the four Commissioner offices having only one EA. Commissioners have found that more direct involvement by their immediate staffs has been essential in implementing a number of administrative, programmatic and policy changes in the last several years. Over the past few years, in particular, it has become virtually impossible for one legal advisor to manage this increased workload. The additional person will enable all Commissioners to meet the increased demands stemming from the many new administrative tasks and legal and policy changes the Commission is undertaking.

At the same time, the Commission has suggested several other important changes requiring Congressional action. In its annual review of legislative recommendations, the Commission unanimously endorsed and submitted to Congress two high-priority recommendations for legislative action. Subsequently, a comprehensive package of all legislative recommendations was sent forward. Briefly, these priority recommendations ask Congress to: (1) extend the Administrative Fine Program for reporting violations for another two years; and (2) clarify that the Commission's Office of Election Administration (OEA), which already serves as a national clearinghouse for the review of procedures relating to federal election administration, would have primary responsibility for updating and enhancing the voluntary VSS program and to provide statutory authorization for the FEC's Advisory Panel of state and local election officials to advise the OEA on best practices in election administration.

I now will provide a brief overview of the FEC's four core program areas and relate those areas to the agency's FY 2002 budget request.

A. Disclosure

The FEC's disclosure program includes not only the review and placement of information on the public record, but also educational outreach, including campaign finance workshops and seminars, a toll-free line for consumer requests, and automatic fax transmission of our publications 24 hours a day, 7 days a week. With few exceptions, nearly all of our publications are available on our web site. Our disclosure program accounts for over a third of the agency's staffing (108 FTE), distributed among the Public Records Office, Data Systems Development Division, Reports Analysis Division, Press Office, Information Office

and those sections of the Office of General Counsel that formulate proposed regulations and draft responses to advisory opinions.

Despite large increases in Commission workloads because of increasing federal election related campaign finance activity, the FEC has been relying on management initiatives and information technology (IT) advancements to improve productivity, rather than adding staff. Total disbursements in federal elections have increased by over 1000% since 1976: from $300 million to over $3.8 billion in the 2000 cycle. This has translated into workload increases, such as a 27% increase in disclosure documents filed per cycle since 1984, and a 400% increase in the number of transactions entered into the database since the 1984 election cycle. We have accomplished these increased workloads with minimal increases in the staff processing and reviewing the reports. Every election cycle since 1992 has seen a new record in total spending in federal elections for Congressional and Presidential elections. The FEC anticipates close to $3 billion in total disbursements for federal campaigns in the 2002 Congressional election cycle, from over 8,000 committees, filing over 80,000 reports, and generating 2 million itemized transactions in the FEC disclosure database.

With your support, the FEC continues to make great technical strides in our disclosure program. We rapidly and successfully inaugurated an Internet service to enable anyone with access to the World Wide Web to view digital images of most campaign finance reports. In addition, we have successfully implemented a state filing waiver program. This program allows state election offices to apply for and receive a waiver from maintaining paper copies of reports at state offices, by making the FEC reports available online. The FEC assists the states to obtain waivers by providing their elections offices with surplus computer equipment. This program relieves state offices of filing and maintenance burdens, relieves committees of

duplicative state filing, and maintains or increases the level of state disclosure. The new rules to implement this program took effect on June 7, 2000. To date, 48 states or similar jurisdictions have been granted a filing waiver and are therefore included in the program. Additionally, the FEC's State Waiver Program was entered in the John F. Kennedy School of Government's "Innovations in American Government Awards Program." I am pleased to inform you that we have been selected as a semifinalist. Fewer than eight percent, only 100 programs from the initial pool of 1,263 applicants, advance to the semifinalist selection round.

As previously noted, we have implemented a Mandatory Electronic Filing System, enabling committees to file either by diskette, dial-up modem or, in some situations, over the Internet. This software is free to registered committees and to vendors serving political committees. The first mandatory electronic filings were received for the monthly reports due on February 20, 2001. Of the 605 reports received for the February 20 filing, 440 reports were filed electronically. More than 1000 committees filed electronically during the 2000 election cycle under the voluntary electronic filing program.

With your help, we continue to build a communications system capable of handling our Information Technology (IT) needs well into the future. This system offers the capability of instantly updating our database and expanding the types of information collected. As you are aware, however, this system is expensive. The average annual cost is about $3.8 million. The FY 2001-2007 costs for establishing and maintaining this capability is about $27 million.

The agency has developed the security protecting the agency's computer operations, particularly the Web-based operations. As these operations expand through the World Wide Web, the Commission will remain vigilant about ensuring the integrity of the data.

B. Compliance

The compliance program is based on the premise that the FEC's first responsibility is to foster a willingness, on the part of the regulated community, to voluntarily comply with the law's reporting requirements, fundraising restrictions and public funding statutes. This is the foundation of the FEC's strategic and performance plans, and is at the core of our mission statement. A credible enforcement program, however, is necessary to provide sufficient incentive to the regulated community to achieve this voluntary compliance. Congress has provided funds for information technology to support our enforcement program. We continue to apply those funds to image and organize in a database the hundreds of thousands of pages of documents involved.

Over the last several years the Commission has embarked on an effort to improve timeliness of enforcement actions, and to increase the percentage of the caseload actively worked. To augment its traditional enforcement efforts, the Commission has implemented an Alternative Dispute Resolution (ADR) Program, an Administrative Fine Program, a Case Management System, and an Enforcement Priority System (EPS).

The FEC implemented the Administrative Fine Program in July 2000. Since the inception of the program, 96 cases have been placed on the public record, and civil money penalties totaling $124,068 have been collected. There are many additional cases in various stages of the administrative fine process.

The ADR program is designed to promote compliance with the federal election law by encouraging settlements outside the traditional enforcement or litigation processes. The program aims to expedite resolution of enforcement matters and to reduce the cost of processing complaints, and, therefore, enhance overall FEC enforcement. Since the inception

of the program in October 2000, 12 agreements have been concluded in the ADR process. Settlements were obtained in an average of 99 days.

Since 1995, with the institution of the EPS, the Commission's enforcement workload has averaged about 240 total cases per month, with about 100 of those cases actively being worked on. Historically, the FEC has closed about 40 percent of its cases with substantive Commission action. From FY 1998-2000, the Commission increased the number of cases activated to over 50 percent of the incoming cases, and the average active to inactive caseload percentages improved to over 50 percent in FY 1999-2000. In addition, the number of cases dismissed, or closed without substantive Commission action, dropped significantly from an average of about 60 percent (FY 1995-1999) to 25 percent in FY 2000. This was accomplished without a major increase in authorized staff.

The goal of all of the above compliance initiatives has been to focus limited enforcement resources on the more substantive cases, to increase the percentage of cases activated, and to improve the ratio of cases closed with substantive Commission action compared to those dismissed with no action. We are pleased to have met our goals in this area.

In past budget requests, the Commission requested additional resources for its compliance program. The Commission is not seeking additional staff resources, above 357 FTE, for its compliance programs in this budget request. Instead, OGC, the largest component of the compliance program, expects to maintain current performance levels. At the same time, however, maintaining staffing levels from FY 2000 and 2001 will limit the Commission's capability to handle new major cases that may arise from the 2002 cycle. In FY 2002, we

anticipate assigning 107 FTE to the compliance function, including supervisory and support staff from OGC, Data and the Audit Division.

In the audit track, we are pleased to report the successful implementation of a program to allow the agency to focus more resources on the Title 2 audit-for-cause program. Commencing with the audits of the 2000 cycle candidate committees, we plan to conduct 40-45 Title 2 "for cause" audits per election cycle, as opposed to an average of 20-25 over the three election cycles from 1992-1996. While we increased the Title 2 audits in the 1998 cycle, the 2000 cycle represents the first time the FEC has a true "stand alone" Title 2 audit capability that will not lose most of its resources to the statutory Title 26 audits during presidential election cycles.

C. Public Funding

The Commission also administers the program providing a public subsidy to Presidential election campaigns. During FY 2002, approximately 38 FTE from the Audit Division, Office of General Counsel, and Data Systems Development Division will be directly involved in this program, including completing the audits of the ten candidates that received matching funds for the 2000 election to verify public funds were handled properly, three general election candidate committees, two host committees, and three convention committees, for a total of 18 Presidential audits.

On a related matter, we believe it is appropriate to call to your attention the possibility of a shortfall for the 2004 Presidential Public Funding Program. The Treasury Department maintains the accounts from which funds are disbursed on a matching basis to the primary candidates, and provides grants for both the national nominating conventions and the general election candidates. Funds for these accounts are derived by tallying the number of taxpayer

check-offs on each year's personal income tax returns. Absent Congressional action, the Public Funding Program faces shortfalls because of declining participation in the check-off program, and the failure to index contributions to inflation while the pay-outs are indexed. This shortfall adversely affected the 2000 primary candidates competing for their party's nomination. In fact, the January 3, 2000, pay-out was about 50 cents on the dollar to each candidate. Several candidates were compelled to secure bank loans and incur related interest charges as a result. We ultimately paid all funds certified to eligible candidates with the June 20, 2000, payments. If the current law is not revised, however, it is likely the primary matching fund program, and perhaps the other public funding components, will be impaired significantly in future elections.

D. Election Administration

The FEC has a five-person Office of Election Administration providing technical and information support to the thousands of election administrators at the state and local level. We are seeking six additional FTE in FY 2002 to increase federal assistance to state and local election officials. The 2000 Presidential election raised issues about both the adequacy of voting machines and the standards and practices of local election officials. Apparently, there is a general consensus the federal government could provide valuable and timely assistance to the state and local jurisdictions to improve their election administration. We believe the FEC is well positioned to provide that assistance.

The FEC has already taken steps to help state and local election officials make informed decisions about voting equipment. In response to requests from states for technical assistance, Congress authorized the FEC to develop national voluntary Voting Systems Standards (VSS). These standards, first published in 1990, established minimum performance

requirements for reliable voting systems. Adopted by over 30 states, they assure that voting machines, software, and counting equipment pass muster with an accredited independent testing authority. The FEC has established an Advisory Panel of election officials from around the country to assist with this and other election administration projects.

Thanks to this Committee's support over the past several years, the FEC's OEA is in the process of updating the existing standards. In fact, the FEC began this modification of VSS in FY 1999, long before the 2000 election. The FEC plans to release Volume I (Technical Standards) of the updated VSS for public review and comment in June 2001. Volume II (Test Criteria) will be released for public comment in October 2001, with the FEC issuing the final updated standards (Volumes I and II) in March 2002.

With numerous House and Senate hearings held in recent months to address voting technology and election reform issues, we hope Congress will consider the role of the FEC in improving election systems nationwide. Coupled with an on-going commitment to gathering data on actual voting equipment performance, up-to-date standards in areas of most interest to election administrators can go a long way toward ensuring the quality of voting systems, while still allowing innovation and improvement to occur.

The FEC believes a comprehensive approach is needed to improve federal election administration. While federal funds to acquire new voting machinery would be helpful to states and localities, we should also address ballot design standards, operational standards for testing and performance measurement of voting equipment, acquisition and maintenance of voting systems, and system security practices.

We have submitted, for the record, a proposal previously submitted to Congress and the Administration, which was designed to improve the nation's voting systems by building

upon the work already begun by the FEC's OEA. It was prepared in response to the numerous calls for reform of election administration. This enhanced support for OEA is sought to assist state and local election administrators in developing election administration standards and guidelines. We also submit for the hearing record numerous resolutions in support of the FEC's enhanced OEA budget request.

Apart from any increased responsibilities, during FY 2002, the OEA will perform its statutory responsibilities under the National Voter Registration Act. In June 2001, the Commission will submit a report to Congress on the impact of this Act during the 2000 election cycle. The FY 2002 work will focus on gathering information and working with election jurisdictions regarding the 2002 election cycle.

For a more detailed review of the FEC's FY 2002 budget request, I urge members of the Committee to consult our Budget Justification, which includes charts delineating how our budget request would be allocated and how it compares to previous years. The Budget Justification also details how the FEC has developed and used strategic and performance planning.

Again, I thank you, Mr. Chairman and members of the Committee, for your continued support and the opportunity to present our FY 2002 budget request.

Questions for the Record Submitted by the Committee

Issue: Information Technology

1. The FY 2001 appropriation was $4,689,500; the amount identified in the budget justification documents is $4,679,183. Is the difference based on the FY 2001 across-the-board rescission?

Answer. Yes, the across-the-board guidance from OMB for the rescission reduced the information technology budget by $10,317.

2. The President's budget includes $4,453,000 for information technology and the FEC request is $5,578,000, including Electronic Filing and Single Point of Entry. Please itemize the differences between these two requests. Which projects, and for what amounts, would be funded under the President's request?

Answer. The President's budget provides that no less than $4,453,000 shall be available for internal automated data processing systems. The FY 2002 current services budget for information technology initiatives is $4,703,000, and the FEC request is $5,578,000. The table in Attachment 1 provides the allocation among object classes of the information technology initiatives in the current service and full request budgets, as presented in the Commission's FY 2002 budget submission. The table in Attachment 2 presents the funding of information technology enhancements, by project, under the current services budget, and the table in Attachment 3 presents the funding for these projects under the FEC request. The itemization of electronic filing funding is provided in Attachment 4, and point of entry itemization is provided in Attachment 5. As indicated in Attachment 1, please note that the funding for electronic filing and point of entry remains the same under both the current services budget and the FEC request.

If the Commission were to fund the information technology initiatives at $4,453,000, $250,000 less than the current services budget of $4,703,000, the purchase of the human resources software module ($106,000) and part of the implementation of the Commission-wide personal computer upgrade ($144,000) would be delayed until FY 2003. The remaining projects would be funded as presented in the current services budget in Attachments 2, 4 and 5.

3. The FEC request includes a total increase of $898,817 for information technology. Of this, $269,000 is requested for a business process review of the Reports Analysis Division (see also question #3 under "Other Increases") and $250,000 is requested for the data-mining project.

   ⇒ Please itemize the requested increase of $898,817.
   ⇒ Describe the proposed business process review of RAD. Who will conduct this review and when do you anticipate it will be final? Will the review include a cost-benefit analysis?
   ⇒ Describe the data-mining project. Which division will use this project?

Answer. The $898,817 increase in information technology in the FEC request is attributable to increases totaling $1,505,500 ($425,000 for five additional FTE in the Data Systems Division, $306,000 for the purchase and implementation of the human resources software, $269,000 for the RAD business process review, $255,500 for electronic filing, and $250,000 for the data mining project) offset by a net decrease of $606,683 in other information technology projects.

An independent contractor will conduct the RAD business process review. The purpose of the review is to identify potential improvements and efficiencies in the Commission's report review process in an electronic filing environment. We hope to substantially automate the review process. The review will include a cost-benefit analysis. The anticipated completion date is September 2002.

The data mining project will be used Commission wide to perform expanded and comprehensive automated review of reports to look for patterns of behavior that may extend to more than one filer. As a result, data mining will enhance the review and compliance programs.

Please note that the RAD and data mining projects were recommended by PriceWaterhouseCoopers.

4. The FEC current services request for IT (excluding Electronic Filing and Single Point of Entry) is $4,067,000, an increase of $10,317. What is this increase for? Please itemize the IT projects proposed to be funded under the current services request.

Answer. The $10,317 restores the amount of the FY 2001 rescission to the information technology budget.

As shown in Attachment 1, the $4,067,000 non-personnel current services request for information technology initiatives includes information technology enhancement ($2,891,000), electronic filing ($1,078,000), and point of entry ($98,000). The IT enhancement projects funded under the current services request are itemized in the table in Attachment 2. The itemization of electronic filing and point of entry funding is presented in Attachment 4 and Attachment 5, respectively, and is the same for both the current services budget request and the FEC request.

5. What is the total information technology appropriation request (including Electronic Filing and Single Point of Entry) under a current services budget?

Answer. See response to question 4 above; the current services budget request for IT initiatives including personnel is $4,703,000.

6. The FEC's request includes $200,000 to implement a Human Resources automated system as a supplement to the finance and accounting system installed in FY 2001.

⇒ Describe the current Human Resources system.
⇒ Describe the system proposed to be funded in FY 2002.
⇒ Describe the finance and accounting system installed in FY 2001.
⇒ What are the costs and benefits of upgrading the Human Resources system?

Answer. The current Human Resources (HR) system was developed in the late 1970s and cannot operate in a client/server environment. It also is not compatible with the new accounting software being installed in FY 2001. In addition, generation of personnel actions is largely manual, and therefore, cumbersome and inefficient. The HR system will be compatible with the new financial management system and also share the client/server architecture with the other FEC initiatives currently under development.

The HR system will automate and integrate the core functions of the personnel office, including: automated generation and tracking of personnel actions; creation of a database of employee records containing personnel actions, performance plans, and appraisals; maintenance of recruitment records to support the hiring function; position classification management and organizational structure information; automated processing of training requests and maintenance of training records; tools for development of workforce planning models for strategic planning; track labor union activity, including official time tracking system, required reports, and employee grievances; capture EEO information to comply with reporting requirements.

The finance and accounting system automates the core accounting functions: purchasing, accounts payable, general ledger and reporting. The upgrade is part of the ongoing client/server conversion included in the information technology modernization project. In the "Preliminary Client/Server Strategy Report" prepared April 6, 1999 by American Management Systems, Inc. (AMS), major computer systems were identified and targeted for enhancement or replacement. AMS recommended that the accounting system be replaced.

The new system meets the core financial system requirements of the Joint Financial Management Improvement Program (JFMIP). JFMIP tests and certifies software to ensure that it meets federal financial management system requirements and helps agencies to comply with specific guidance such as OMB Circular A-127, which requires agencies to utilize a single, integrated financial management system and OMB Circular A-130 which mandates the use of "off the shelf" software to meet financial management needs. In addition to meeting the JFMIP requirements and general improvements in flexibility, performance and productivity as indicated in the AMS report, a new accounting system benefits the FEC by tightly integrating funds management with strict budgetary controls.

The FY 2002 budget includes $306,000 for the purchase ($106,000) and implementation ($200,000) of the HR system. The primary benefits of the HR system are automation of the manual processing of personnel actions, integration with the financial management system, creation of a human resources management database to track documents, and the ability to provide necessary statistics for required reports and strategic planning

documents. The automated HR system will allow Personnel Office staff to increase the time spent on long-term personnel matters, including workforce planning issues.

7. As part of its annual appropriations request, the FEC submits a 7 year IT strategic plan. What is the process used to review and update this strategic plan? Who is involved in this review and update? Who approves the final strategic plan? Is this plan based on the 1995 ADP Requirements and Cost-Benefit Analyses prepared by the independent contractor, AMS?

Answer. The Data Systems Development Division annually updates the IT Strategic Plan and includes initiatives requested by Commission offices and divisions. The plan is then reviewed and approved by the Commission's Finance Committee and the full Commission.

The 1995 ADP Requirements and Cost Benefit Analysis produced by AMS provided the foundation for the FEC IT modernization. AMS also is the contractor that is implementing the client/server-based disclosure system and the document management system. These are large, multi-year projects, and therefore, a significant portion of the IT budget consists of projects that are based on the architecture designed by AMS in 1995.

In addition, in 1997 AMS conducted a second Commission-wide Requirements and Cost Benefit Analysis. In 1999, PriceWaterhouseCoopers conducted a Technology and Performance Audit and Management Review. A number of programs were initiated as a result of these studies including voluntary electronic filing, document management, digital imaging for financial disclosure reports, and the transition to the client/server environment.

8. Typically, complex IT systems development efforts are based on explicit architectures, which are further broken down into two components –a logical component and a technical component. The logical component ensures the IT systems support the agency's specific missions and the technical component provides detailed guidance to develop these systems. Although the FEC's efforts are not considered to be "complex", what process is in place to ensure that each project supports FEC's mission and statutory responsibilities? What process is used to oversee the technical component of IT development?

Answer. As described in the response to question 7, AMS designed the client/server architecture for the Commission' s system. The design was based on the Commission's mission to provide disclosure and to enforce the Federal Election Campaign Act of 1971, as amended. The Commission worked closely with AMS to ensure that the architecture met all objectives to ensure that the new system would allow the Commission to carry out its mission.

As the client/server disclosure system is being developed, the Data Division holds frequent meetings and requires regular updates to confirm that the Commission requirements as defined in the contract statement of work are addressed. In addition, the Data Systems Division also ensures that the project remains on schedule.

As also described in the response to question 7, the Finance Committee and the full Commission approve all prospective IT projects. Once a project has been approved, the Data Division uses the same collaborative process with all IT contractors and internal users to ensure that IT systems and services meet the needs of the Commission.

9. It appears that the FEC has included a major new initiative in the 7 year plan, the "Enhancement Accessibility Program." Please describe this project. Has this project undergone a cost-benefit analysis?

Answer. The Enhanced Accessibility Program is the portal development project and is the culmination and integration of the IT modernization projects begun in 1995.

The Commission plans to complete the current IT initiatives by FY 2004. The Portal Development Project (PDP) is the next step in which the IT initiatives will become accessible to all users in a logical, integrated manner. The goal of PDP is to provide simple but powerful access to the upgraded system(s) providing both internal and external users with custom browsing techniques for accessing the system functions. These tools will allow users to efficiently query the FEC databases.

Integrated access to FEC data will occur through the development and implementation of an Internet Web portal. A portal is a personalized single point of entry to internal and external applications and information. Portals allow users to create and save their own customized Web view of FEC databases and resources. For example, a public user might access the FEC Website on a regular basis to review specific campaign reports, search contributor databases, or learn about new regulations. By accessing a customized FEC Web page, the user will be able to maintain a template containing pre-defined searches that can be readily executed.

The PDP design also will give internal users Web access to databases and applications that have been developed through other IT initiatives. Audit Management, Electronic Campaign Disclosure Filing, Case Management, Document Management, Accounting/Finance, Human Resource and other systems will be readily available to employees and others who require access.

A separate cost-benefit analysis for this piece of the Commission's IT modernization was not undertaken. Rather, as previously noted, the portal development project is the final step to integrate the Commission's upgrade of the IT systems modernization begun in 1995. Also, it corresponds to the recommendation by PriceWaterhouseCoopers that relational databases should represent more advanced and comprehensive analytical tools that are more in line with the needs of the public and the staff.

10. Please identify all new initiatives included in the FY 2002 7 year strategic plan; include a description of each project and the total cost estimate.

Answer. All IT initiatives, including the new initiatives, and their total cost from FY 2001 through FY 2007 are summarized in Attachment 3.

The new initiatives planned for FY 2002 are the purchase and implementation of the human resources software described in the response to question 6 in information technology ($306,000), the RAD business process review described in the response to question 3 in information technology ($269,000), and the data mining project described in the response to question 3 in information technology ($250,000).

The new initiatives planned for FY 2003 are the upgrade of the Commission hearing room audio/video system to incorporate computers and the implementation of electronic voting for Commissioners ($158,000), assessment of electronic procurement to streamline the procurement process ($200,000 over FY 2003 and FY 2004), and implementation of the enhancement accessibility program (portal development program) described in the response to question 9 in information technology ($2,500,000 from FY 2003 through FY 2006).

The new initiatives planned for FY 2004 are the implementation of optical character recognition scanning of non-electronically filed documents to streamline the processing of paper documents ($150,000), the Commission-wide cyclical upgrade of personal computers ($915,000 from FY 2004 through FY 2006), the provision for funds to conduct business process reviews throughout the Commission to streamline processes ($800,000 from FY 2004 through FY 2007).

Please note that the timing of these initiatives is contingent upon receipt of the five additional Data Division FTE included in the FY 2002 budget request.

Issue: Other Increases

1. For salaries and expenses, the current services request includes an increase of $245,500. What is this for?

Answer. The increase of $245,500 represents career ladder promotions and changes in the base staffing profile (including agency shares of the personnel benefits such as health and life insurance) from FY 2001 to FY 2002 within the 357 FTE level. The costs of the FY 2001 and 2002 COLAs and the projected WIG (within-grade increases) for staff are identified in the table on page 11 of the Budget Request.

2. On page 3 of your budget justification materials, you indicate a request of $4,873,500 for programmatic increases. The increases identified only total $4,873,000. The difference appears to be related to the request for Personnel, Information and ADR. What is the

amount requested for Personnel, Information and ADR? Is there another programmatic increase you are requesting that is not identified?

Answer. The programmatic increases total $4,873,500. The $126,000 provided on page 3 is a typographical error. The correct amount of $126,500 is provided in the table on page 4 of the Executive Summary of the FY 2002 budget request.

3. On page 4 of the budget justification materials, you indicate a request of $190,000 to upgrade RAD staff for the reports review program. On page 29 of the justifications, you indicate a request of $269,000. Are these the same projects? What is the amount being requested for the RAD reports review program?

Answer. The $190,000 represents an upgrade in the "journeyman" level career ladder grades for the reports analyst positions in RAD to the GS-11 level from the current GS-9. The upgrade is part of the further automation and increased scope of the report review process, and the need to retain more highly trained, technically adept staff.

As described in the response to question 3 in the information technology section, the $269,000 represents a business process review to be conducted in RAD by an independent contractor. The purpose of the review is to further enhance the ability to automate the report review process.

The cost of the basic IT infrastructure and the expansion of the RAD electronic review program itself is included in the cost for the new, client/server based disclosure system.

4. The FEC is requesting $250,000 for "DOJ Document Imaging". Please describe this project. To date, what are the total obligations for this project? Is this a permanent arrangement? Why is it necessary to contract out for this work? Has the FEC conducted a cost-benefit analysis of this work? What are the results of that analysis?

Answer. The FEC Office of General Counsel (OGC) requested funds for document imaging and indexing of legal documents for litigation and enforcement cases in FY 1997. The FEC established a contract with the Department of Justice (DOJ) for legal document imaging and indexing. In recent years, the FEC contracted directly with the DOJ contractor, LSI.

With the implementation of the document imaging and document management portions of the client/server environment expected in FY 2003, FEC staff will index and image legal documents internally, thus eliminating the LSI contract for document imaging.

Expenditures and obligations to date for legal document imaging:

FY 1997: $292,965
FY 1998: $498,082 and $26,257 in equipment and software

FY 1999: $301,326
FY 2000: $ 99,547
FY 2001: $105,000 budgeted; $33,103 expended as of 5/21/01.

Issue: Public Relations, Public Information and Public Affairs

1. How does the FEC define:

⇒ Public Relations
⇒ Public Information
⇒ Public Affairs

Answer. The FEC responds to public inquiries and educates the public through its Information, Disclosure and Press operations. The agency provides information about campaign finance statistics and FEC action on regulations, compliance matters, audits and advisory opinions, and it explains the requirements of disclosure and other aspects of the federal election campaign law. The resources outlined below are necessary to implement the existing FECA.

The roles of the three offices are provided below.

Information Division

The Information Division promotes voluntary compliance with the law by providing technical information and assistance to candidates, committees and others involved in elections through the Internet, letters, phone conversations, publications and conferences. Responding to phone and written inquiries, members of the staff provide information on the statute, FEC regulations, advisory opinions and court cases. Staff also lead workshops on the law and produce guides, pamphlets and videos on how to comply with the law.

Number of Positions in Office: 12 permanent FTE in FY 2001; 13 FTE requested for FY 2002.

How Number of Positions Are Determined: Through 25 years of experience, the agency has found that it needs 12-13 permanent FTE to adequately provide information to the regulated community and the public. The increased use of IT technologies such as the Internet and web-based information services has enabled the Division to meet increased demands for information in recent years without increases in staffing.

Management of Office: Information Division staff report to the Assistant Staff Director, Information Division. The Assistant Staff Director, in turn, reports to the Staff Director.

FY 2001 Budget: $1,105,985 and 12 FTE
FY 2002 Current Services Request: $1,200,500 and 12 FTE
FY 2002 FEC Request: $1,242,500 and 13 FTE.

Press Office

The Press Office is the Commission's liaison with the media. In addition to publicizing Commission actions and releasing statistics on campaign finance, the office responds to all questions from representatives of the print and broadcast media. The office also handles requests under the Freedom of Information Act.

Number of Positions in Office: 5 permanent FTE

How Number of Positions Are Determined: Experience has taught that, to handle the functions described above, the office requires 5 FTE. Increased use of IT technologies has enabled the Press Office to cope with increasing workloads without an increase in staff in recent years.

Management of Office: Press Office staff report to the Press Officer, who, in turn, reports to the Staff Director.

FY 2001 Budget: $494,200 and 5 FTE.
FY 2002 Current Services Request: $505,000 and 5 FTE.
FY 2002 FEC Request: $505,000 and 5 FTE.

Public Disclosure Division

The Public Disclosure Division processes incoming campaign finance reports from political committees and candidates involved in federal elections and makes the reports available to the public. The division's Public Records Office maintains a public reading room with knowledgeable staff to help researchers locate documents and computer data, including computer indexes, advisory opinions and closed MURs.

The division's Processing Office receives incoming reports and processes them into formats that can be easily retrieved. These formats include paper, microfilm and digital computer images that can be easily accessed from terminals in the Public Records Office and those of agency staff.

The Public Disclosure Division also provides information to the public through Faxline, an automated faxing service available 24 hours a day, 7 days a week.

Number of Positions in Office: 14 permanent FTE plus temporary contract personnel hired periodically during the year, depending on the report filing schedule.

How Number of Positions Are Determined: For many years, staffing totaled between 12 and 13 FTE plus temporary employees during filing periods. With the increase in reports filed (more reports and pages to process) and the growing demand for information from the public, the agency found it needed 14 FTE to adequately handle the workload. Instead of hiring temporary employees for peak filing periods, it has been found cost-effective to utilize contract employees during those heavy filing periods in order to meet compressed deadlines for processing reports. The increased use of IT technologies has enabled the office to cope with expanding workloads without requiring additional staff in recent years.

Management of Office: Public Disclosure Division staff report to the Assistant Staff Director, Public Disclosure Division. The Assistant Staff Director, in turn, reports to the Staff Director.

FY 2001 Budget: $918,500 and 14 FTE.
FY 2002 Current Services Request: $985,000 and 14 FTE.
FY 2002 FEC Request: $985,000 and 14 FTE.

IT 2/6/2001	FY 2002	FY 2002 CURRENT SERVICES			IT 2/12/2001	FY 2002	FY 2002 FEC REQUEST		
OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF	OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF
SALARIES/BENF	611,000	399,000	58,000	154,000	SALARIES/BENF	1,036,000	824,000	58,000	154,000
OVERTIME	25,000	2,000	21,000	2,000	OVERTIME	25,000	2,000	21,000	2,000
WITNESSES	-	-	-	-	WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-	CASH AWARDS	-	-	-	-
OTHER	-	-	-	-	OTHER	-	-	-	-
PERSONNEL	636,000	401,000	79,000	156,000	PERSONNEL	1,061,000	826,000	79,000	156,000
21.01 TRAVEL	12,500	4,500	-	8,000	21.01 TRAVEL	12,500	4,500	-	8,000
22.01 TRANS/THGS	-	-	-	-	22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-	23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-	23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-	23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-	23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-	23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-	23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-	23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-	24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-	24.02 MICROFILM	-	-	-	-
25.11 TRAINING	80,000	80,000	-	-	25.11 TRAINING	80,000	80,000	-	-
25.12 ADMIN EXP	-	-	-	-	25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-	25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	1,481,000	903,000	73,000	505,000	25.21 CONTRACTS	1,931,000	1,353,000	73,000	505,000
25.23 REPAIR/MAIN	-	-	-	-	25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-	25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-	25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	50,000	50,000	-	-	25.41 FACIL MAINT	50,000	50,000	-	-
25.71 EQUIP/MAINT	600,000	575,000	25,000	-	25.71 EQUIP/MAINT	600,000	575,000	25,000	-
25.72 SFT/HRDWRE	1,388,500	823,500	-	565,000	25.72 SFT/HRDWRE	1,388,500	823,500	-	565,000
26.01 SUPPLIES	-	-	-	-	26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-	26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-	26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	455,000	455,000	-	-	31.01 EQP PURCH	455,000	455,000	-	-
NON-PERSONNEL	4,067,000	2,891,000	98,000	1,078,000	NON-PERSONNEL	4,517,000	3,341,000	98,000	1,078,000
TOTAL IT SPLAN	4,703,000	3,292,000	177,000	1,234,000	TOTAL IT SPLAN	5,578,000	4,167,000	177,000	1,234,000

IT STRATEGIC PLAN: IT ENHANCEMENTS--CURRENT SERVICES LEVEL FY 2002

Attachment 2

IT ENHANCEMENTS DIVISION 52	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT; PROJECTS	3,018,823	2,136,000	1,495,000	1,544,500	1,547,000	1,546,500	487,000	11,787,823
TRAVEL	2,000	4,500	5,000	7,500	10,000	12,500	15,000	56,500
CASE MANAGEMENT/LMI--ERNST AND YOUNG	132,500	-	-	-	-	-	-	132,500
CASE MANAGEMENT/LMI--HW/SW	-	100,000	-	-	-	-	-	100,000
CASE MANAGEMENT/LMI--6TH MONTH REVIEW	88,000	-	-	-	-	-	-	88,000
DOCUMENT MANAGEMENT	353,000	-	-	-	-	-	-	353,000
CONVERSION AND IMPLEMENTATION	252,000	100,000	-	-	-	-	-	352,000
FILE NET EQUIPMENT AND SOFTWARE	-	490,000	-	-	-	-	-	490,000
CLIENT/SERVER	-	-	-	-	-	-	-	-
DEVELOPMENT/CONVERSION	715,000	292,000	-	-	-	-	-	957,000
CLIENT/SERVER OPERATIONS	188,000	282,000	282,000	282,000	282,000	282,000	282,000	1,680,000
CLIENT/SERVER SOFTWARE	550,000	-	-	-	-	-	-	550,000
CLIENT/SERVER HARDWARE	125,000	-	-	-	-	-	-	125,000
CLIENT/SERVER TRAINING	76,000	-	-	-	-	-	-	76,000
HEARING ROOM	-	-	-	-	-	-	-	-
HEARING ROOM AV COMPUTERS AND SOFTWARE	-	-	125,000	-	-	-	-	125,000
HEARING ROOM BENCH EVOTING	-	-	33,000	-	-	-	-	33,000
OTHER INITIATIVES DEVELOPED	-	-	-	-	-	-	-	-
PC DOCS TRAINING	15,000	-	-	-	-	-	-	15,000
COMMISSION WIDE PC UPGRADE (4 YEAR CYCLE)	332,823	380,000	-	305,000	305,000	305,000	-	1,627,823
OCR/SCANNING NON-ELECTRONIC FILED DOCUMENTS	-	-	-	150,000	-	-	-	150,000
AUDIT TEAMMATE	62,500	25,000	-	-	-	-	-	87,500
DATA MINING/ENHANCED AUTOMATED REVIEW	-	-	250,000	-	-	-	-	250,000
NEEDS ANALYSIS: RAD FY 02;INFO/ANALYST ONGOING	-	258,000	-	200,000	200,000	200,000	200,000	1,058,000
FY 04 PROJECT MGT PERSONNEL TRANSITION	-	-	-	-	-	-	-	-
PEOPLESOFT ACCOUNTING SW	380,000	127,500	-	-	-	-	-	507,500
PEOPLESOFT ACCOUNTING HW	100,000	-	-	-	-	-	-	100,000
PEOPLESOFT HR MODULE	-	106,000	-	-	-	-	-	106,000
PEOPLESOFT HR IMPLEMENTATION	-	-	200,000	-	-	-	-	200,000
PEOPLESOFT ELECTRONIC PURCHASING	-	-	100,000	100,000	-	-	-	200,000
ENHANCED ACCESS/FY 01 PORTAL	1,328,000	-	500,000	500,000	750,000	750,000	-	3,828,000
MAINTENANCE	114,080	756,000	1,525,500	1,501,000	1,605,000	1,696,500	1,840,000	9,007,080
BASIC EQUIPMENT/PC REPAIR AND REPLACEMENT	42,000	50,000	82,500	65,000	58,000	61,000	65,000	363,500
CASE MANAGEMENT/LMI SUPPORT	-	75,000	100,000	105,000	110,000	115,000	120,000	625,000
ORACLE SOFTWARE SUPPORT	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
GROUPWARE LOTUS NOTES	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
OPERATING SYSTEMS MS/SUN	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
FILENET EWA/W MAINTENANCE	-	80,000	85,000	100,000	105,000	110,000	115,000	615,000
DOCS OPEN MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
SAGONS MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
CLIENT SERVER SW MAINTENANCE/UPGRADE	-	200,000	240,000	225,000	235,000	250,000	268,000	1,418,000
OCR/SCANNING MAINTENANCE	-	-	-	-	50,000	52,000	55,000	157,000
PEOPLESOFT MAINTENANCE HW/SW	-	-	135,000	140,000	150,000	160,000	175,000	760,000
OTHER (ANALYSIS/STUDIES/UPDATES)	-	-	600,000	500,000	600,000	600,000	600,000	3,500,000
FACILITIES MAINTENANCE--RENOVATIONS	72,080	86,000	97,500	90,000	68,000	61,000	65,500	439,980
TRAINING		80,000	85,000	90,000	95,000	100,000	105,000	555,000
TOTAL NON-PERSONNEL	3,132,903	2,891,000	3,020,500	3,045,500	3,152,000	3,216,000	2,327,000	20,794,883
PERSONNEL	389,500	401,000	867,500	911,500	957,000	1,005,000	1,055,000	5,586,500
SALARIES	387,500	399,000	865,000	906,000	954,000	1,002,000	1,051,500	5,568,000
OVERTIME	2,000	2,000	2,500	2,800	3,000	3,000	3,500	18,300
TOTAL IT ENHANCEMENTS	3,522,183	3,292,000	3,888,000	3,957,000	4,109,000	4,221,000	3,382,000	26,381,183

FY 2001-2007 AS OF 2/08/2001 5/21/01

IT STRATEGIC PLAN: IT ENHANCEMENTS--FY 2002 FEC REQUEST LEVEL

Attachment 3

IT ENHANCEMENTS DIVISION 62	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT: PROJECTS	3,018,623	2,588,000	1,045,000	1,544,500	1,547,000	1,549,500	497,000	11,787,623
TRAVEL	2,000	4,500	5,000	7,500	10,000	12,500	15,000	56,500
CASE MANAGEMENT/LAN								
CASE MANAGEMENT/LAN--ERNST AND YOUNG	132,500	-	-	-	-	-	-	132,500
CASE MANAGEMENT/LAN--HW/SW	-	100,000	-	-	-	-	-	100,000
CASE MANAGEMENT/LAN--6TH MONTH REVIEW	88,000	-	-	-	-	-	-	88,000
DOCS OPEN MANAGEMENT								
CONVERSION AND IMPLEMENTATION	282,000	100,000	-	-	-	-	-	382,000
FILE NET EQUIPMENT AND SOFTWARE	-	490,000	-	-	-	-	-	490,000
CLIENT/SERVER								
DEVELOPMENT/CONVERSION	715,000	252,000	-	-	-	-	-	967,000
CLIENT/SERVER OPERATIONS	188,000	282,000	282,000	282,000	282,000	282,000	282,000	1,880,000
CLIENT/SERVER SOFTWARE	550,000	-	-	-	-	-	-	550,000
CLIENT/SERVER HARDWARE	125,000	-	-	-	-	-	-	125,000
CLIENT/SERVER TRAINING	76,000	-	-	-	-	-	-	76,000
HEARING ROOM AV UPGRADE								
HEARING ROOM AV COMPUTERS AND SOFTWARE	-	-	125,000	-	-	-	-	125,000
HEARING ROOM BENCH EVOTING	-	-	33,000	-	-	-	-	33,000
SOFTWARE INITIATIVES DEVELOPMENT/IMPLEMENTATION								
PC DOCS TRAINING	15,000	-	-	-	-	-	-	15,000
COMMISSION WIDE PC UPGRADE (4 YEAR CYCLE)	332,623	380,000	-	305,000	305,000	305,000	-	1,627,623
OCR/SCANNING NON-ELECTRONIC FILED DOCUMENTS	-	-	-	150,000	-	-	-	150,000
AUDIT TEAMMATE	62,500	25,000	-	-	-	-	-	87,500
DATA MINING/ENHANCED AUTOMATED REVIEW	-	250,000	-	-	-	-	-	250,000
NEEDS ANALYSIS: RAD FY 02/INFO/AUDIT ONGOING	-	200,000	-	200,000	200,000	200,000	200,000	1,000,000
FINANCE AND PERSONNEL INITIATIVES								
PEOPLESOFT ACCOUNTING SW	380,000	127,500	-	-	-	-	-	507,500
PEOPLESOFT ACCOUNTING HW	180,000	-	-	-	-	-	-	180,000
PEOPLESOFT HR MODULE	-	106,000	-	-	-	-	-	106,000
PEOPLESOFT HR IMPLEMENTATION	-	200,000	-	-	-	-	-	200,000
PEOPLESOFT ELECTRONIC PURCHASING	-	-	100,000	100,000	-	-	-	200,000
MANAGEMENT ACCOUNTABILITY PROGRAM (MAP)	-	-	500,000	500,000	750,000	750,000	-	2,500,000
MAINTENANCE	114,060	755,000	1,525,500	1,501,000	1,605,000	1,565,500	1,840,000	9,007,060
BASIC EQUIPMENT/PC REPAIR AND REPLACEMENT	42,000	50,900	52,500	55,000	58,000	61,000	65,000	383,500
CASE MANAGEMENT/LAN SUPPORT	-	75,000	100,000	105,000	110,000	115,000	120,000	625,000
ORACLE SOFTWARE SUPPORT	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
GROUPWARE LOTUS NOTES	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
OPERATING SYSTEMS MS/SUN	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
FILENET SW/HW MAINTENANCE	-	80,000	85,000	100,000	105,000	110,000	115,000	615,000
DOCS OPEN MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
SACONS MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
CLIENT SERVER SW MAINTENANCE/UPGRADE	-	200,000	240,000	225,000	235,000	250,000	265,000	1,415,000
OCR/SCANNING MAINTENANCE	-	-	-	-	50,000	52,500	55,000	157,500
PEOPLESOFT MAINTENANCE HW/SW	-	-	135,000	140,000	150,000	160,000	175,000	760,000
OTHER (ANALYSES/STUDIES/UPDATES)	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000
FACILITIES MAINTENANCE--RENNOVATIONS	72,060	50,000	97,500	65,000	58,000	51,500	50,000	438,560
TRAINING	-	90,000	85,000	90,000	95,000	100,000	105,000	555,000
TOTAL NON-PERSONNEL	3,132,683	3,341,000	2,570,500	3,045,500	3,152,000	3,216,000	2,337,000	20,794,683
PERSONNEL	389,500	826,000	867,500	911,500	957,000	1,005,000	1,055,000	6,011,500
SALARIES	387,500	824,000	865,000	909,000	954,000	1,002,000	1,051,500	5,993,000
OVERTIME	2,000	2,000	2,500	2,500	3,000	3,000	3,500	18,500
TOTAL IT ENHANCEMENTS	3,522,183	4,167,000	3,438,000	3,957,000	4,109,000	4,221,000	3,392,000	26,806,183

FY 2001-2007 AS OF 2/12/2001 5/21/01

ELECTRONIC FILING DIV 63	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT	502,500	513,000	515,000	517,000	519,500	522,500	526,000	3,615,500
TRAVEL	7,500	8,000	10,000	12,000	14,500	17,500	21,000	90,500
INTERIM SYSTEM OPERATIONS	-	-	-	-	-	-	-	-
SURVEY FULL SYSTEM	-	-	-	-	-	-	-	-
DESIGN/DEVELOP FULL SYSTEM	-	-	-	-	-	-	-	-
DEFINE/DIST. FILE FORMAT	-	-	-	-	-	-	-	-
INFORMIX UNIVERSAL SERVER	-	-	-	-	-	-	-	-
INTEGRATE EF AND DISCL DATAB.	-	-	-	-	-	-	-	-
(ADDL DATABASE/EXPENDITURES)	-	-	-	-	-	-	-	-
FILER SOFTWARE	-	-	-	-	-	-	-	-
PILOT PROGRAM ROLL-OUT	-	-	-	-	-	-	-	-
CONTRACT TO PROMOTE EF	-	-	-	-	-	-	-	-
OPERATIONS/HELP DESK	495,000	505,000	505,000	505,000	505,000	505,000	505,000	3,525,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
MAINTENANCE	320,000	565,000	575,000	585,000	595,000	605,000	615,000	3,860,000
BASE SYSTEM	-	-	-	-	-	-	-	-
FULL SYSTEM	320,000	565,000	575,000	585,000	595,000	605,000	615,000	3,860,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL NON-PERSONNEL	822,500	1,078,000	1,090,000	1,102,000	1,114,500	1,127,500	1,141,000	7,475,500
PERSONNEL	151,500	156,000	164,500	172,500	181,500	190,500	200,500	1,217,000
SALARIES	149,500	154,000	162,000	170,000	178,500	187,500	197,000	1,198,500
OVERTIME	2,000	2,000	2,500	2,500	3,000	3,000	3,500	18,500
	-	-	-	-	-	-	-	-
TOTAL ELECTRONIC FILING	974,000	1,234,000	1,254,500	1,274,500	1,296,000	1,318,000	1,341,500	8,692,500

POINT OF ENTRY DIV 61	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT	76,500	73,000	77,000	73,000	77,000	73,000	77,000	526,500
IMAGES ON THE INTERNET (WEB)	36,500	37,000	37,000	37,000	37,000	37,000	37,000	258,500
SENATE OPERATIONS	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000
TEMPORARY SERVICES/SUPPLIES	30,000	26,000	30,000	26,000	30,000	26,000	30,000	198,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
MAINTENANCE	25,000	25,000	27,500	27,500	30,000	30,000	33,000	198,000
SCANNERS, ETC.	25,000	25,000	27,500	27,500	30,000	30,000	33,000	198,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL NON-PERSONNEL	101,500	98,000	104,500	100,500	107,000	103,000	110,000	724,500
PERSONNEL	81,500	79,000	88,500	87,000	97,000	95,500	107,000	635,500
SALARIES	56,500	58,000	61,000	64,000	67,000	70,500	74,000	451,000
OVERTIME	25,000	21,000	27,500	23,000	30,000	25,000	33,000	184,500
OTHER	-	-	-	-	-	-	-	-
TOTAL IT POINT OF ENTRY	**183,000**	**177,000**	**193,000**	**187,500**	**204,000**	**198,500**	**217,000**	**1,380,000**

FEDERAL ELECTION COMMISSION

CONGRESSIONAL JUSTIFICATION BUDGET REQUEST FOR FY 2002

PRESENTED TO THE UNITED STATES CONGRESS

PURSUANT TO GPRA AND OMB A-11

MARCH 27, 2001

Concurrently submitted to OMB pursuant to 2 U.S.C. §437d(d)

FEC FY 2002 Budget Request

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	2
FY 2002 BUDGET REQUEST	7
Difference Between FY 2001 Appropriation and FY 2002 Request	9
Budgetary History	13
Program/Objective Analysis	
Mission	16
Programs	16
Overview of FEC Programs	17
Program I: Disclosure (Core Program)	18
Program II: Compliance (Core Program)	20
Program III: Public Financing (Core Program)	24
Program IV: Election Administration (Core Program)	25
Program V: IT and Electronic Filing Projects	27
Program VI: Commission Policy and Administration	32

APPENDIX A: FY 1999-2000 Performance Report

APPENDIX B: FY 2001-2007 Information Technology Strategic Plan

APPENDIX C: FY 2001-2007 Strategic Plan

APPENDIX D: FY 2002 Performance Plan

APPENDIX E: Status Report on Implementation of PwC Audit Recommendations

EXECUTIVE SUMMARY

The Federal Election Commission (FEC) submits a budget request of $47,671,000 and 375 FTE for FY 2002, an increase of $7,261,100 (18%) and an increase of 18 FTE (5%) over our FY 2001 appropriation of $40,410,900 and 357 FTE. This request represents a continuation of the FY 2001 funding level, as adjusted for inflation and salary and benefits increases, supplemented by programmatic increases.

The FEC did not reach agreement with OMB with regard to the FY 2002 request for the FEC. Our request is $6,260,000 and 18 FTE greater than the amount included in the OMB budget: $41,411,000 and 357 FTE. The OMB budget for the FEC is inadequate to fund operations at a Current Services level because no provision is made for increases in non-salary costs, and the proposal does not fully cover increases due to mandatory pay and health benefit increases. The OMB budget would require significant reductions in staff or programs or a combination of both that would affect our disclosure and enforcement programs and would jeopardize support for congressionally-mandated legislative programs and initiatives the FEC must implement.

In addition, the FEC must be prepared to implement any campaign finance reform enacted. Depending on the scope of campaign finance legislation, the FEC could face significant additional resource needs. Further, the OMB budget would foreclose the opportunity for the FEC to assist state and local election officials to develop operational standards to address a variety of election administration issues, including acquisition of new voting systems, administering elections, training election workers, ballot design, and public education.

The FEC appealed the OMB passback, seeking to reach agreement at a level of $45,339,500 and 363 FTE that consisted of a Current Services Budget of $42,797,500 and 357 FTE and a supplemental request for $2,542,000 and 6 FTE for the FEC Office of Election Administration (OEA.) The budget presented in the appeal of the passback would support FEC core programs, and in response to the numerous calls for reform of election administration, the supplemental request would provide for an enhanced program of federal assistance to state and local elections officials charged with administering federal elections. OMB denied the FEC appeal. Pursuant to our authority as a concurrent submission agency, the Commission is submitting its budget request to Congress. The FEC budget request includes several items in addition to the Current Services funding and the OEA enhancements.

The FEC requires at least a FY 2002 Current Services budget of $42,797,500 to support 357 FTE. As a personnel intensive regulatory agency, 69% of the Current Services budget is allocated to salaries and benefits. The remaining funds are allocated to: information technology (IT) initiatives and operations (10%), rent (9%), programmatic support of educational outreach, informational, audit, compliance, enforcement and election administration programs (6%), and telephones, equipment, supplies, postage and printing (6%).

In addition to the Current Services level, the Commission is requesting $4,873,500 and 18 FTE for programmatic increases in FY 2002. The increases from our FY 2001 appropriation include:

- $2,542,000 and 6 FTE for the OEA to increase federal assistance to state and local elections officials charged with administering federal elections to further update and enhance the Voting Systems Standards (VSS), to develop operational standards for elections administration, and to identify needs and resource requirements of state and local election officials

- $425,000 for 5 additional FTE for the Data Systems Development Division to complete and support current and future IT initiatives

- $440,000 for 4 additional Executive Assistants to enable each Commissioner, not just the Chairman and Vice Chairman, to have an additional position

- $700,000 to acquire one additional floor in the current FEC building to house the additional staff requested and better support existing staff

- $250,000 to increase the capability to use data mining to expand comprehensive, automated review of reports to review patterns of behavior that may extend to more than one filer

- $200,000 to implement a Human Resources automated system as a supplement to the finance and accounting system installed in FY 2001

- $190,000 to upgrade the analyst grade levels in the Reports Analysis Division (RAD) as part of the further automation and increased scope of the review process

- $126,000 for 3 additional FTE in the Personnel, Information, and Alternative Dispute Resolution divisions to enhance the disclosure, compliance and support functions at the FEC by replacing temporary clerical staff with permanent staff

The funding level contained in this budget request will enable the Commission to:

- Complete the 2000 Presidential audits within two years of the election

- Conduct 40-45 Title 2 "for cause" audits per election cycle as opposed to 20-25 in the previous election cycles

- Maintain a timely and enhanced campaign finance disclosure program

- Ensure that significant efforts are made to enforce the disclosure provisions of the FECA

- Complete the revision of the Voting Systems Standards and develop new operational standards for the administration of elections

- Continue the Administrative Fine and Alternative Dispute Resolution programs

- Continue to improve the disclosure process by granting of waivers for state filings to participating state elections offices, including making IT equipment available to participating state offices and further automation of the reports review process

- Complete implementation of the PricewaterhouseCoopers audit recommendations

- Develop and maintain IT capabilities:

  * support the mandatory electronic filing program
  * complete the conversion to a client server environment
  * implement a Commission-wide document management system
  * maintain the FEC website, and
  * support the case management system.

Difference Between FY 2001 Appropriation and FY 2002 Request

	FY 2001 Appropriation	**$40,410,900**
+	Increase in pay	$ 1,581,500
+	Increase in rent	$ 140,000
+	Increase in overhead	$ 412,783
+	Increase in IT Initiatives	$ 10,317
+	Increase in legal document imaging and indexing	$ 145,000
+	Increase in Mandated Transit Subsidy	$ 97,000
	Subtotal for changes to FY 2001 for FY 2002 Current Services level:	$ 2,386,600
=	**Current Services Budget for FY 2002**	**$42,797,500**
+	6 FTE and enhanced OEA Elections Administration program	$ 2,542,000
+	5 FTE for Data Systems staff for IT Programs	$ 425,000
+	4 FTE for Commissioners' staff	$ 440,000
+	Obtain additional space in building	$ 700,000
+	Data Mining and enhanced automated review	$ 250,000
+	Implement HR package for finance and accounting system	$ 200,000
+	Upgrade RAD staff for reports review program	$ 190,000
+	3 FTE for staff in Personnel, Information, and ADR	$ 126,500
	Subtotal for programmatic initiatives in FY 2002	$ 4,873,500
=	**FY 2002 Request**	**$47,671,000**

Mission

The FY 2002 budget request will enable the FEC to perform its statutory mission and meet its program goals and objectives. The FEC budget justification is structured to reflect its mission to administer and enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- the disclosure of campaign finance information
- the contribution limitations and prohibitions, and
- the public financing of Presidential elections

Additionally, the Commission has the mandated responsibility to compile information and review procedures related to the administration of federal elections.

Programs, Objectives and Goals (See p.16)

To accomplish its mission, the FEC has established six major programs. For each program, the Commission has defined objectives and goals that are provided in the full discussion (p. 7 to 33). The programs are listed below, followed by the dollar amount and FTE needed to achieve the objectives and goals under the FY 2002 Budget:

- Promoting Disclosure (core) - $8,851,216 and 108.5 FTE (p. 18-20)
- Obtaining Compliance with the Federal Election Campaign Act (core) - $10,693,869 and 106.5 FTE (p. 20-23)
- Administering the Public Financing of Presidential Elections (core) - $3,553,588 and 38 FTE (p. 24)
- Election Administration (core) - $3,258,500 and 11 FTE (p. 25-26)
- Special IT Projects (management) - $5,578,000 and 13.5 FTE (p. 26-31)
- Commission Policy and Administration (management) - $15,735,827 and 97.5 FTE (p. 31-33)

Internal IT Enhancements (See p. 26)

The budget request funds IT initiatives as outlined in the (IT) Strategic Plan (Appendix B), including the following areas:

- Client/server environment development and conversion
- Document management system development
- Enhanced automated review of disclosure reports

- Computer security
- Case Management and related tracking systems
- Financial management and human resources IT systems
- Website enhancement

Electronic Filing (See p. 28)

By 1998, the FEC implemented the voluntary electronic filing system for use by any political committee, other than Senate committees and the national parties' Senate campaign committees that are required by law to file their reports with the Secretary of the Senate, and therefore, cannot participate in the FEC electronic filing program. The voluntary program was successful, with over 1,000 committees filing reports electronically in the 2000 election cycle.

On September 29, 1999, the President signed the FY 2000 Treasury General Government Appropriations Act that mandated electronic filing in the 2002 election cycle for political committees reaching a certain threshold, excluding Senate committees and the national parties' Senate campaign committees. The provision was effective for reporting periods beginning after December 31, 2000. Mandatory electronic filing began in February 2001 with the filing of the monthly reports due on February 20, 2001.

Educational and outreach efforts by the Commission have been successful, as the first results indicate a high compliance with the mandatory electronic filing requirements. So far, only one committee that met the activity threshold filed a paper report rather than submitting an electronic filing.

Full realization of the potential of mandatory electronic filing will require the funding of several of our programmatic requests for FY 2002. These initiatives include the enhanced automated review/data mining project and the upgrades of the Reports Analysis Division (RAD) staff engaged in the automated review process.

By the 2004 election cycle, based upon our experiences with the 2002 cycle and the results of the RAD business process review, as well as the data mining project, the FEC expects to realize the full benefits of both electronic filing and the IT enhancements in the document processing and reports review programs.

Point of Entry (See p. 30)

The IT Enhancements will support implementation and operation of an enhanced document imaging system. The updated imaging system and the new client server infrastructure will enhance both the external user interface with the disclosure process and FEC internal processing and use of in-house documents.

FEDERAL ELECTION COMMISSION
FY 2002 BUDGET REQUEST

The Federal Election Commission (FEC) submits a budget request of $41,671,000 and 375 FTE for FY 2002, an increase of $7,260,100 (18%) and an increase of 18 FTE (5%) over our FY 2001 appropriation.[1] This request represents a continuation of the FY 2001 funding level, as adjusted for inflation and salary and benefits increases, supplemented by programmatic increases. (See list below, p. 7-8.)

The FEC requires a FY 2002 Current Services budget of $42,797,500 to support 357 FTE. As a personnel intensive regulatory agency, 69% of the Current Services budget is allocated to salaries and benefits. The remaining funds are allocated to: information technology (IT) initiatives and operations (10%), rent (9%), programmatic support of educational outreach, informational, audit, compliance, enforcement and election administration programs (6%), and telephones, equipment, supplies, postage and printing (6%).

In addition to the Current Services level, the Commission is requesting $4,873,500 and 18 FTE for programmatic increases in FY 2002. The increases from our FY 2001 appropriation include:

- $2,542,000 and 6 FTE for the OEA to increase federal assistance to state and local elections officials charged with administering federal elections to further update and enhance the Voting Systems Standards (VSS), to develop operational standards for elections administration, and to identify needs and resource requirements of state and local election officials

- $425,000 for 5 additional FTE for the Data Systems Development Division to complete and support current and future IT initiatives

- $440,000 for 4 additional Executive Assistants, to enable each Commissioner, not just the Chairman and Vice Chairman to have an additional position

- $700,000 to acquire one additional floor in the current FEC building to house the additional staff requested and better support existing staff

[1] The Commission's FY 2001 appropriation of $40,500,000 was reduced by the across the board rescission of .22% or $89,100, for a total of $40,410,900. The president's budget added $1 million for pay increases to the final FY 2001 appropriation for a FY 2002 FEC budget of $41,411,000 and 357 FTE. Our request is composed of our Current Services estimate of $42,797,500 supplemented by several initiatives. The increases requested bring our total request to $47,671,000 and 375 FTE. Our Current Services funds 357 FTE, an increase from the 352 FTE originally authorized for FY 2001 due to legislatively mandated programs not funded in our original FY 2001 budget request.

- $250,000 to increase the capability to use data mining to facilitate comprehensive, automated review of reports to review patterns of behavior that may extend to more than one filer

- $200,000 to implement a Human Resources automated system as a supplement to the finance and accounting system installed in FY 2001

- $190,000 to upgrade the analyst grade levels in the Reports Analysis Division (RAD) as part of the further automation and increased scope of the review process

- $126,000 for 3 additional FTE in the Personnel, Information, and Alternative Dispute Resolution divisions to enhance the disclosure, compliance and support functions at the FEC by replacing temporary clerical staff with permanent staff

The funding level contained in this budget request will enable the Commission to:

- Complete the 2000 Presidential audits within two years of the election

- Conduct 40-45 Title 2 "for cause" audits per election cycle as opposed to 20-25 in the previous election cycles

- Maintain a timely and enhanced campaign finance disclosure program

- Ensure that significant efforts are made to enforce the disclosure provisions of the FECA

- Complete the revision of the Voting Systems Standards and develop operational standards for the administration of elections

- Continue the Administrative Fine and Alternative Dispute Resolution programs

- Continue to improve the disclosure process by granting of waivers for state filings to participating state elections offices, including making IT equipment available to participating state offices and further automation of the reports review process

- Complete implementation of the PricewaterhouseCoopers audit recommendations

- Develop and maintain IT capabilities:

  * support the mandatory electronic filing program
  * complete the conversion to a client server environment
  * implement a Commission-wide document management system
  * maintain the FEC website, and
  * support the case management system.

Difference Between FY 2001 Appropriation and FY 2002 Request

The FEC FY 2002 request of $47,671,000 and 375 FTE is $7,260,100 more than the FY 2001 appropriation. This 18% increase is attributable to $4,873,500 for program initiatives and $2,386,600 for increases in pay and benefits costs, GSA rent, and overhead (See Table 1, p. 12.)

This is $6,260,000 greater than the proposed FEC Budget for FY 2002 in the OMB Budget of $41,411,000 and 357 FTE. The FEC appealed the OMB passback, seeking to reach agreement at a level of $45,339,500 and 363 FTE that consisted of a Current Services Budget of $42,797,500 and 357 FTE and a supplemental request for $2,542,000 and 6 FTE for the FEC Office of Election Administration (OEA.) The budget presented in the appeal of the passback would support FEC core programs, and in response to the numerous calls for reform of election administration, the supplemental request would provide for an enhanced program of federal assistance to state and local elections officials charged with administering federal elections.

The OMB budget does not support the level of funding necessary to maintain the FEC's programs and does not provide sufficient staff to allow us to achieve our mission. The continuing increase in total financial activity in federal elections and the prospect of significant campaign and electoral reforms require robust and vigorous disclosure and enforcement programs. Without at least our Current Services level of $42,797,500 and 357 FTE, the FEC cannot support the costs of our programs.

The OMB budget would require significant reductions in staff or programs or a combination of both that would affect our disclosure and enforcement programs and would jeopardize support for congressionally-mandated legislative programs and initiatives the FEC must implement. In addition, the FEC must be prepared to implement any campaign finance reform enacted. Depending on the scope of campaign finance legislation, the FEC could face significant additional resource needs. Further, the OMB budget would foreclose the opportunity for the FEC to assist state and local election officials to develop operational standards to address a variety of election administration issues, including acquisition of new voting systems, administering elections, ballot design, and public education.

OMB denied the FEC appeal. Pursuant to our authority as a concurrent submission agency, the Commission is submitting its budget request to Congress. The FEC budget request includes several items in addition to the Current Services funding and the OEA enhancements.

FEC has been operating for several fiscal years under Congressional earmarks that set aside $4 to $5 million each year for IT initiatives to implement legislative mandates, including mandatory electronic filing, faster disclosure requirements, and an administrative fine program to accelerate enforcement against late and non-filers under

the FECA. The FEC requires funding above the Current Services level to ensure that these IT projects, as well as other IT initiatives are fully implemented and operational. It does not make sound management sense to delay or eliminate projects that have taken 5 to 6 years to develop and implement just as they reach fruition. Many of these projects are scheduled to provide productivity benefits in FY 2002 and 2003. Full realization of the multiyear investments in the IT infrastructure requires the funding we have requested at the full $47,671,000 and 375 FTE level.

The FEC has included an additional $2,542,000 and 6 FTE for the Office of Election Administration (OEA) in our request. This is in addition to the supplemental request for $3,000,000 and 3 FTE in FY 2001. Currently, the OEA is the only federal office directly assisting and supporting state and local election officials through the development of the updated technical Voting System Standards (VSS) and ongoing outreach efforts. The FY 2002 request and the FY 2001 supplemental request represent a comprehensive effort to update and expand the existing technical voting systems standards, develop management standards for the operation and maintenance of voting machinery, and complete a detailed census of existing voting machinery throughout the United States. The results of this effort will: improve election administration; provide the Administration and the Congress with an objective measure of the scope of the problem; estimate the cost to remedy inadequacies of the current election system; and establish criteria to be used to design a federal grant program, should one be enacted to aid state and local election officials.

Tables 1, 2 and 3 provide greater detail about the increases from FY 2001 to FY 2002.

TABLE 1 FEC FY 2001 TO FY 2002: SUMMARY DIFFERENCES
(CURRENT SERVICES AND FULL LEVELS FOR FY 2002)

FY 2002 3/01/01	FY 2001	FROM 2001	FY 2002	FROM BASE	FY 2002
OBJECT CLASS	357 FTE	INCREMENT	BASE 357	INCREMENT	375 FTE
SALARIES AND BENEFITS	27,075,000	245,500	27,320,500	1,693,500	29,014,000
2002 WIG INCREASES	-	384,000	384,000	-	384,000
2001 COLA	-	219,000	219,000	-	219,000
2002 COLA	-	715,000	715,000	-	715,000
TRANSIT SUBSIDY	215,000	97,000	312,000	-	312,000
OVERTIME	177,000	(7,000)	170,000	-	170,000
CASH AWARDS	260,000	25,000	285,000	-	285,000
OTHER	30,000	-	30,000	-	30,000
PERSONNEL	**27,757,000**	**1,678,500**	**29,435,500**	**1,693,500**	**31,129,000**
IT PROJECTS	4,056,683	10,317	4,067,000	450,000	4,517,000
GSA RENT	3,500,000	140,000	3,640,000	100,000	3,740,000
DOJ DOCUMENT IMAGING	105,000	145,000	250,000	-	250,000
OBTAIN 5TH FLOOR	-	-	-	700,000	700,000
OEA ELECT. ADMIN.	-	-	-	1,890,000	1,890,000
OTHER NON-PERS.	4,992,217	412,783	5,405,000	40,000	5,445,000
NON-PERSONNEL	**12,653,900**	**708,100**	**13,362,000**	**3,180,000**	**16,542,000**
TOTAL FEC	**40,410,900**	**2,386,600**	**42,797,500**	**4,873,500**	**47,671,000**

TABLE 2: FEC STAFFING HISTORY

30-Jan	FEC HISTORICAL FTE							
OFFICE	FY 97 ACTUAL 30-Sep	FY 98 ACTUAL 30-Sep	FY 99 ACTUAL 30-Sep	FY 2000 MPLAN 351.5 FTE	FY 2000 ACTUAL 30-Sep	FY 2001 MPLAN 357 FTE	FY 2002 C SERVICE 357 FTE	FY 2002 FULL REQ. 375 FTE
COMMISSIONERS	15.6	15.2	17.6	20.0	18.4	20.0	20.0	24.0
STAFF DIRECTOR	24.0	23.4	22.9	24.0	24.7	26.0	26.0	27.0
ADMINISTRATION	19.5	18.5	20.4	21.0	22.2	22.0	22.0	22.0
AUDIT	33.8	31.8	34.3	43.0	40.0	40.0	40.0	40.0
INFORMATION	12.9	12.2	11.9	13.0	12.8	12.0	12.0	13.0
GENERAL COUNSEL	92.8	99.4	107.8	118.0	113.3	118.0	118.0	118.0
OEA	4.8	4.8	4.9	5.0	4.9	5.0	5.0	11.0
DATA SYSTEMS	37.9	40.6	46.1	47.5	46.5	48.0	48.0	53.0
PUBLIC DISCLOSURE	12.5	13.5	13.3	14.0	13.4	14.0	14.0	14.0
REPORTS ANALYSIS	39.0	39.6	38.9	42.0	42.1	44.0	44.0	44.0
I.G. OFFICE	4.0	3.7	4.0	4.0	4.0	4.0	4.0	4.0
ADR					0.4	2.0	2.0	3.0
OAR					0.4	2.0	2.0	2.0
TOTAL	296.6	302.7	322.1	351.5	343.1	357.0	357.0	375.0

TABLE 3 FEC FY 2001 TO FY 2002: DETAILED DIFFERENCES

FY 2002 BUDGET	HOUSE	FEC	M PLAN	FY 2002 REQUEST: 375 FTE			
12-Feb-01	FY 2001	FY 2001	FY 2001	INCREASE	CURR SERV	INCREASE	FULL
OBJECT CLASS	HOUSE APP	REQUEST	357 FTE	TO FY 2002	357 FTE	TO 375 FTE	375 FTE
SALARIES/BENF	27,186,000	27,186,000	27,290,000	1,660,500	28,950,500	1,693,500	30,644,000
OVERTIME	154,000	160,000	177,000	(7,000)	170,000	-	170,000
WITNESSES	5,000	5,000	5,000	-	5,000	-	5,000
CASH AWARDS	230,000	230,000	260,000	25,000	285,000	-	285,000
OTHER	25,000	25,000	25,000	-	25,000	-	25,000
PERSONNEL	27,600,000	27,606,000	27,757,000	1,678,500	29,435,500	1,693,500	31,129,000
21.01 TRAVEL	436,500	451,500	441,500	75,500	517,000	40,000	557,000
22.01 TRANS/THGS	34,000	34,000	66,000	(13,000)	53,000	5,000	58,000
23.11 GSA SPACE	3,645,000	3,645,000	3,500,000	140,000	3,640,000	100,000	3,740,000
23.21 COM. SPACE	30,000	30,000	44,000	3,500	47,500	5,000	52,500
23.31 EQUIP RENT	191,500	191,500	160,000	17,000	177,000	5,000	182,000
23.32 TELE LOCAL	135,000	135,000	150,000	10,000	160,000	-	160,000
23.33 LDIST/TELEG	33,000	33,000	46,000	14,000	60,000	-	60,000
23.34 TELE INTCTY	50,000	50,000	70,000	5,000	75,000	-	75,000
23.35 POSTAGE	180,000	180,000	175,000	5,000	180,000	25,000	205,000
24.01 PRINTING	354,500	369,500	353,500	7,500	361,000	40,000	401,000
24.02 MICROFILM	28,000	28,000	22,000	3,000	25,000	-	25,000
25.11 TRAINING	132,000	132,000	213,000	77,000	290,000	-	290,000
25.12 ADMIN EXP	104,000	104,000	108,500	173,000	281,500	10,000	291,500
25.13 DEP/TRANSC	76,000	76,000	74,000	18,000	92,000	-	92,000
25.21 CONTRACTS	2,029,000	2,153,000	2,647,500	(364,500)	2,283,000	2,200,000	4,483,000
25.23 REPAIR/MAIN	10,000	10,000	5,000	5,000	10,000	-	10,000
25.24 TUITION	5,000	5,000	5,000	-	5,000	-	5,000
25.31 FED AGENCY	696,000	796,000	414,000	(69,000)	345,000	700,000	1,045,000
25.41 FACIL MAINT	50,000	50,000	124,000	(14,000)	110,000	-	110,000
25.71 EQUIP/MAINT	236,500	236,500	327,500	560,500	888,000	-	888,000
25.72 SFT/HRDWRE	3,225,000	3,225,000	2,499,060	(198,560)	2,300,500	-	2,300,500
26.01 SUPPLIES	337,500	337,500	363,500	(13,000)	350,500	-	350,500
26.02 PUBS	193,000	193,000	192,500	50,500	243,000	-	243,000
26.03 PUBS SERV	198,500	198,500	222,500	15,500	238,000	-	238,000
31.01 EQP PURCH	230,000	230,000	429,840	200,160	630,000	50,000	680,000
NON-PERSONNEL	12,640,000	12,894,000	12,653,900	708,100	13,362,000	3,180,000	16,542,000
		-		-	-	-	-
TOTAL FEC	40,240,000	40,500,000	40,410,900	2,386,600	42,797,500	4,873,500	47,671,000

FEC Staffing and Workloads

FY 2002 represents the peak primary and pre-general election activity of the 2002 election cycle. The general election, as well as most of the post-general election disclosure and enforcement work, will occur early in FY 2003. The 2000 elections broke all records for total financial activity in federal elections. The FEC believes this record level of financial activity will continue for the 2002 elections.

Despite large increases in Commission workloads because of increasing federal election related campaign finance activity, the FEC has been relying on management initiatives and information technology advancements to improve productivity rather than adding staff. Total disbursements in federal elections have increased by over 1000% since 1976: from $300 million to over $3.5 billion in the 2000 cycle. This has translated

into workload increases such as a 27% increase in documents filed since 1984 and an increase of 400% in the number of transactions entered into the database since the 1984 election cycle with minimal increases in the staff processing and reviewing the reports.

As a result of the dramatic increase in activity, our limited resources dictate that we audit and investigate a relatively small number of committees. With approximately 8,000 committees filing reports each election cycle, the FEC audits about 45 committees per cycle, or about .6% of the filing universe. With an average active caseload of between 100 to 150 enforcement cases in any given month, approximately 50% of the complaints received by the FEC are activated.

The Commission has attempted to maximize the effectiveness of the compliance and enforcement programs through the increased use of technology and with management initiatives to better focus the limited resources available. Due to the modest size of many of our compliance and enforcement programs, any reduction in staffing below our Current Services base will jeopardize our basic mission and objectives.

We expect new record levels of campaign finance activity for the congressional election in the 2002 election cycle. The FEC anticipates close to $3 billion in total disbursements for federal campaigns, from some 8,000 committees, filing over 80,000 reports in the 2002 election cycle, and generating 2 million itemized transactions in the FEC Disclosure Database.

Additional future efficiencies to be realized from the mandatory electronic filing program will help keep staffing needs at current levels in the disclosure program. The Commission has managed new records for total campaign finance activity in presidential and congressional elections each election cycle since 1992, with limited staff increases. Our request for FY 2002 only provides for additional staff and resources for the OEA, additional staff for the IT programs, four additional staff for the Commissioners, and three positions for the ADR program, informational and HR support functions.

Despite the prospect of continuing increases in record amounts of campaign finance activity in federal elections, the FEC has requested no additional resources for the compliance and enforcement programs. Given the expected volume of money involved in the 2002 election cycle, we believe that the FEC request for FY 2002 is fully supported and is a modest one.

Budgetary History

Table 4A provides an historical view of the FEC budget, allocated among its organizational units. Table 4B is an historical summary of the FEC budget, by object class.

TABLE 4A: COMMISSION ORGANIZATIONAL UNITS FY 1997-2002						
DIVISION/OFFICE 01-Mar-01	FY 1997 ACTUAL 306.9 FTE	FY 1998 ACTUAL 302.7 FTE	FY 1999 ACTUAL 322.1 FTE	FY 2000 ACTUAL 343 FTE	FY 2001 ENACTED 357 FTE	FY 2002 FEC REQUEST 375 FTE
COMMISSIONERS	$ 1,612,216	$ 1,657,033	$ 1,959,391	$ 2,198,783	$ 2,372,500	$ 2,913,500
STAFF DIRECTOR	$ 1,915,353	$ 1,979,493	$ 2,109,166	$ 2,293,691	$ 2,933,000	$ 3,469,500
SDO/CS/ADR/OAR	781,676	847,853	975,816	1,156,848	1,658,500	2,061,000
PLANNING/BUDGET	168,702	148,505	117,879	124,258	199,000	222,000
PERSONNEL	465,775	444,399	460,978	439,733	475,500	556,000
PRESS	407,964	446,999	489,233	471,451	482,000	505,000
EEO	91,236	91,737	65,260	101,401	118,000	125,500
ADMINISTRATION	$ 4,831,900	$ 5,261,672	$ 6,933,574	$ 6,671,251	$ 6,652,717	$ 7,767,500
AUDIT	$ 2,369,213	$ 2,294,643	$ 2,505,010	$ 3,142,326	$ 3,257,000	$ 3,426,500
INFORMATION	$ 965,088	$ 984,001	$ 962,716	$ 1,059,900	$ 1,097,000	$ 1,242,500
GENERAL COUNSEL	$ 7,789,351	$ 8,839,611	$ 9,782,429	$ 10,213,174	$ 10,905,500	$ 11,689,500
OEA	$ 523,963	$ 530,507	$ 759,662	$ 590,128	$ 804,000	$ 3,258,500
DATA SYSTEMS	$ 2,746,688	$ 2,753,863	$ 3,317,844	$ 3,363,794	$ 3,905,000	$ 3,990,500
PUBLIC DISCLOSURE	$ 733,637	$ 806,102	$ 812,399	$ 836,118	$ 918,500	$ 985,000
RAD	$ 1,805,860	$ 1,856,879	$ 1,946,126	$ 2,186,245	$ 2,260,000	$ 2,675,000
IG	$ 268,200	$ 276,464	$ 319,507	$ 348,773	$ 366,500	$ 390,000
CASH AWARDS	$ -	$ -	$ -	$ -	$ 260,000	$ 285,000
IT/EF/INTERNET	$ 2,581,725	$ 2,935,915	$ 4,360,604	$ 5,370,882	$ 4,679,183	$ 5,578,000
LAPSE	$ 21,606	$ 724,017	$ 1,022,572	$ 2,935		
TOTAL	$ 28,165,000	$ 30,900,000	$ 36,791,000	$ 38,278,000	$ 40,410,900	$ 47,671,000
BUDGETS FOR THE SDO COMPONENTS ARE SUBTOTALS OF THE SDO TOTAL.						

Note: Cash Awards are allocated to the Divisions/Offices of the recipients as they were awarded in prior years, but the FY 2001 and 2002 totals are depicted for the entire Commission on a separate line as they have not been awarded yet for those two years. The table on the next page shows the total cash award budget for the Commission in prior years.

TABLE 4B: OBJECT CLASS SUMMARY						
OBJECT CLASS 01-Mar-01	FY 1997 ACTUAL Sep-97	FY 1998 ACTUAL Sep-98	FY 1999 ACTUAL Sep-99	FY 2000 * ACTUAL Sep-00	FY 2001 PLANNED 357 FTE	FY 2002 FEC REQUEST 375 FTE
SALARIES AND BENEFITS	19,089,170	20,261,967	22,235,004	25,098,185	27,290,000	30,644,000
OVERTIME	130,514	144,654	192,035	192,248	177,000	170,000
WITNESSES	1,569	600	-	2,249	5,000	5,000
CASH AWARDS	187,158	181,995	230,357	227,223	260,000	285,000
OTHER	27,000	6,000	31,360	10,737	25,000	25,000
TOTAL PERSONNEL	19,435,411	20,595,216	22,688,756	25,530,642	27,757,000	31,129,000
21.01 TRAVEL	248,074	164,027	232,492	455,977	441,500	557,000
22.01 TRANS. OF THINGS	23,312	31,511	100,510	244,862	66,000	58,000
23.11 GSA SPACE	2,514,448	2,484,470	3,086,301	3,354,593	3,500,000	3,740,000
23.21 COMMERCIAL SPACE	24,000	25,000	28,670	43,743	44,000	52,500
23.31 EQUIPMENT RENTAL	185,934	101,117	166,278	151,160	160,000	182,000
23.32 TELEPHONE LOCAL	172,940	223,534	216,199	146,738	150,000	160,000
23.33 LONG DIST./TELEG.	29,070	19,769	25,725	28,884	46,000	60,000
23.34 TELEPHONE INTERCY.	51,050	37,500	38,874	52,573	70,000	75,000
23.35 POSTAGE	204,730	217,163	179,647	174,977	175,000	205,000
24.01 PRINTING	238,920	260,578	220,533	274,291	353,500	401,000
24.02 MICROFILM PRINTS	20,833	16,664	22,644	19,500	22,000	25,000
25.11 TRAINING	58,791	95,251	218,368	90,761	213,000	290,000
25.12 ADMIN. EXPENSES	45,116	122,398	162,092	127,339	108,500	291,500
25.13 DEPOSITIONS/TRANS.	55,633	41,323	37,819	89,662	74,000	92,000
25.21 CONTRACTS/OTHER	2,432,487	2,162,292	2,746,609	2,811,604	2,647,500	4,483,000
25.23 OTHER REP./MAINT	4,400	3,261	3,178	3,893	5,000	10,000
25.24 TUITION	3,080	1,333	-	2,497	5,000	5,000
25.31 FED. AGENCY SERV.	523,216	1,102,782	1,472,788	646,597	414,000	1,045,000
25.41 FACIL. MAINT.	49,720	145,273	144,502	332,887	124,000	110,000
25.71 EQUIP. REP./MAINT.	198,055	216,982	210,190	236,783	857,500	888,000
25.72 SOFT/HARDWARE	351,948	381,710	2,094,899	2,053,512	1,969,060	2,300,500
26.01 SUPPLIES AND MAT.	307,364	345,497	298,194	380,646	357,500	350,500
26.02 PUBLICATIONS	137,338	142,463	187,396	191,968	203,500	243,000
26.03 PUBLICATIONS SERV.	116,887	107,890	179,919	210,924	217,500	238,000
31.01 EQUIP. PURCHASES	710,637	1,130,979	1,005,847	638,252	429,840	680,000
NON-PERSONNEL TOTAL	8,707,983	9,580,767	13,079,672	12,744,423	12,653,900	16,542,000
LAPSE END OF FY	21,606	724,017	1,022,572	2,935		
TOTAL FEC	28,165,000	30,900,000	36,791,000	38,278,000	40,410,900	47,671,000

Note: cash awards for prior FY's are actual as awarded; the FY 2000 and 2001 totals are budgeted amounts.

***Program/Objective Analysis*[2]**

Mission

The FEC budget is based on the agency's fundamental mission to administer and to enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- the disclosure of campaign finance information
- contribution limits and prohibitions, and
- the public financing of Presidential elections[3]

Additionally, following the mandate of the statute, the Commission's mission includes serving as a clearinghouse for the compilation of information and review of procedures with respect to the administration of federal elections.

Programs

To accomplish this mission, the Commission has established six major core and management programs.

The core programs are:

- Promoting Disclosure
- Obtaining Compliance with the Federal Election Campaign Act (FECA)
- Administering the Public Financing of Presidential Elections, and
- Election Administration

The management programs are:

- Special IT/Electronic Filing Projects, and
- Commission Policy and Administration

Within each of the core programs, the Commission has defined specific objectives. To achieve these objectives, the Commission must accomplish certain goals. To the extent that the agency succeeds in reaching these goals and objectives, it will fulfill its fundamental mission. The core and management programs in are described below in terms of their objectives and related goals, and a series of tables supplement the explanation.

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[2] This analysis is based on the Commission's Strategic Plan and FY 2002 Performance Plan, submitted under the Government Performance and Results Act (GPRA). For more information on the Strategic Plan and the Performance Plan, see Appendices C and D.

[3] Public funding of Presidential elections has three components: matching funds for qualified Presidential primary candidates; public grants for the Presidential nominees of major and minor parties; and public grants to major parties to run their national Presidential nominating conventions.

Overview of FEC Programs

Tables 5A, 5B, and 5C provide an overview of the FEC budget, by program. Table 5A shows the total dollars budgeted for each program; Table 5B distinguishes between personnel and non-personnel costs; and Table 5C shows the personnel (FTE) for each program. Tables 5A and 5C indicate what percentage of the total budget request each program represents.

TABLE 5A: COMMISSION BUDGET BY PROGRAM COSTS
FY 2000-2002

	FY 2000		FY 2001		FY 2002	
PROGRAM	$	FEC %	$	FEC %	$	FEC %
PROMOTE DISCLOSURE	$ 7,660,623	20%	$ 8,119,509	20%	$ 8,851,216	19%
OBTAIN COMPLIANCE	$ 9,392,448	25%	$ 9,384,882	23%	$ 10,693,869	22%
PUBLIC FINANCING	$ 2,339,323	6%	$ 3,767,641	9%	$ 3,553,588	7%
ELECTIONS ADMIN.	$ 590,128	2%	$ 804,000	2%	$ 3,258,500	7%
IT/EF PROJECTS	$ 5,370,882	14%	$ 4,679,183	12%	$ 5,578,000	12%
COMM. POLICY/ADMIN.	$ 12,921,660	34%	$ 13,655,685	34%	$ 15,735,827	33%
COMMISSION TOTAL	$ 38,275,065		$ 40,410,900		$ 47,671,000	

TABLE 5B: COMMISSION BUDGET BY PROGRAM COSTS
FY 2000-2002

	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
PROMOTE DISCLOSURE	$ 6,498,184	$ 6,814,857	$ 7,488,915	$ 1,162,439	$ 1,304,653	$ 1,362,301	$ 7,660,623	$ 8,119,509	$ 8,851,216
OBTAIN COMPLIANCE	$ 8,368,218	$ 8,311,169	$ 9,199,586	$ 1,024,232	$ 1,073,712	$ 1,494,273	$ 9,392,448	$ 9,384,882	$ 10,693,869
PUBLIC FINANCING	$ 2,019,951	$ 3,371,735	$ 3,149,405	$ 319,372	$ 395,906	$ 404,183	$ 2,339,323	$ 3,767,641	$ 3,553,588
ELECTIONS ADMIN	$ 467,475	$ 471,500	$ 1,047,000	$ 122,653	$ 332,500	$ 2,211,500	$ 590,128	$ 804,000	$ 3,258,500
IT/EF PROJECTS	$ 930,198	$ 622,500	$ 1,061,000	$ 4,440,684	$ 4,056,683	$ 4,517,000	$ 5,370,882	$ 4,679,183	$ 5,578,000
COMM. POLICY/ADMIN	$ 7,262,617	$ 8,165,239	$ 9,203,083	$ 5,659,042	$ 5,490,447	$ 6,532,743	$ 12,921,660	$ 13,655,685	$ 15,735,827
COMMISSION TOTAL	$ 25,530,642	$ 27,757,000	$ 31,129,000	$ 12,744,423	$ 12,653,900	$ 16,542,000	$ 38,275,065	$ 40,410,900	$ 47,671,000

TABLE 5C: COMMISSION BUDGET BY PROGRAM FTE
FY 2000-2002

	FY 2000		FY 2001		FY 2002	
PROGRAM	FTE	FEC %	FTE	FEC %	FTE	FEC %
PROMOTE DISCLOSURE	104.1	30%	107.5	30%	108.5	29%
OBTAIN COMPLIANCE	104.4	30%	100.5	28%	106.5	28%
PUBLIC FINANCING	26.4	8%	43.0	12%	38.0	10%
ELECTIONS ADMIN.	4.9	1%	5.0	1%	11.0	3%
IT/EF PROJECTS	13.6	4%	8.5	2%	13.5	4%
COMM. POLICY/ADMIN.	89.7	26%	92.5	26%	97.5	26%
COMMISSION TOTAL	343.1		357.0		375.0	

Program I: Disclosure (Core Program)

Objectives

With regard to the Disclosure Program, the Federal Election Commission seeks to:

- Review and process the financial reports filed by political committees accurately and timely.
- Make the reports and data readily accessible to the public, the media and the regulated community.
- Educate the public, the media and the regulated community about the legal requirements pertaining to disclosure, contributions limits and prohibitions, and the public financing of Presidential elections—the core elements of federal election campaign finance law.

Goals

To achieve the above objectives, the FEC will strive to accomplish the goals listed below. More quantitative performance measures are included in the pertinent sections of the FEC Strategic Plan and FY 2002 Performance Plan attached to this justification in Appendices C and D.

Review and Processing of Reports

To achieve the accurate and timely review and processing of all reports, the Commission will:

- Facilitate the electronic filing of reports by all political committees reaching a certain threshold, excluding Senate committees and the national parties' Senate campaign committees.
- Continue to meet the 48-hour deadline for placing reports filed by political committees on the public record.
- Review all reports filed for accuracy and complete disclosure.
- Review 60 percent of reports within 90 days of receipt at the FEC.
- Encourage filers to voluntarily correct the public record by requesting additional information.
- Code and enter into the FEC database the information contained in 95 percent of reports within 45 days of receipt at the FEC. (For the 2000 cycle to date, 95% of all reports have been entered within 44 days of receipt at the Commission; for the 1998 cycle it was 27 days.) This is a pre-electronic filing goal that will be adjusted after our experience with the 2002 cycle reports under mandatory electronic filing.

Public Disclosure and Dissemination of Campaign Finance Data

To ensure that campaign finance data are widely distributed, the FEC will:

- Provide the public with Internet access to its disclosure database and digital images of the reports (except those of Senate candidates).
- Operate a Public Records Office where reports and data are available in paper, microfilm and digital images (scanned from original reports) and where the public can access the disclosure database.
- Operate a Press Office to assist the media in the wide disclosure and dissemination of campaign finance data.
- Compile and release comprehensive statistical information based on the reports filed by political committees (e.g., using the Internet and news releases).

Education About the Law

To ensure that the public, the media and the campaign community fully understand the federal election law, and that information about the law is readily available, the FEC will:

- Operate a toll-free line and maintain a well-informed staff to answer phone inquiries about the FEC and federal election law.
- Produce educational and information brochures and booklets to supplement the FEC Annual Reports.
- Make FEC publications available to the public through the FEC Website, an automated fax service, and the U.S. mail.
- Conduct technical workshops on the law throughout the country.
- Provide policy guidance through the timely release of Advisory Opinions.
- Review and revise FEC regulations to clarify federal election law.

Summary

The resources needed to meet the objectives and goals of the Disclosure Program in FY 2002 are summarized in Tables 6A and 6B.

TABLE 6A: DISCLOSURE PROGRAM COSTS
FY 2000-2002

	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
PUBLIC DISCLOSURE	$ 672,572	$ 743,600	$ 769,000	$ 193,546	$ 175,000	$ 216,000	$ 866,118	$ 918,600	$ 985,000
DATA SYSTEMS	$ 1,199,947	$ 1,432,786	$ 1,498,215	$ 812,444	$ 665,500	$ 657,250	$ 1,808,390	$ 2,098,285	$ 2,143,465
INFORMATION	$ 629,537	$ 820,500	$ 952,000	$ 234,363	$ 266,500	$ 290,500	$ 1,068,900	$ 1,087,000	$ 1,242,500
PRESS OFFICE	$ 428,206	$ 442,000	$ 482,000	$ 42,243	$ 40,000	$ 43,000	$ 471,451	$ 482,000	$ 505,000
OGC POLICY/REGS/AO'S	$ 1,349,957	$ 1,452,072	$ 1,540,013	$ 86,942	$ 94,553	$ 106,051	$ 1,436,899	$ 1,556,725	$ 1,646,064
REPORTS ANALYSIS	$ 2,023,984	$ 1,924,000	$ 2,259,686	$ 20,901	$ 63,000	$ 67,500	$ 2,044,885	$ 1,987,000	$ 2,327,186
PROGRAM TOTAL	$ 6,498,184	$ 6,814,957	$ 7,469,915	$ 1,162,439	$ 1,304,653	$ 1,382,301	$ 7,660,623	$ 8,119,609	$ 8,851,215
COMMISSION PERCENT	26%	25%	24%	9%	10%	8%	20%	20%	19%

TABLE 6B: DISCLOSURE PROGRAM FTE FY 2000-2002						
	FY 2000		FY 2001		FY 2002	
OFFICE/DIVISION	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
PUBLIC DISCLOSURE	13.4	100%	14.0	100%	14.0	100%
DATA SYSTEMS	17.5	53%	21.0	53%	21.0	53%
INFORMATION	12.8	100%	12.0	100%	13.0	100%
PRESS OFFICE	4.8	100%	5.0	100%	5.0	100%
OGC POLICY/REGS/AO'S	18.0	14%	17.0	14%	17.0	14%
REPORTS ANALYSIS	39.6	94%	38.5	88%	38.5	88%
PROGRAM TOTAL	104.1		107.5		108.5	
COMMISSION PERCENT	30%		30%		29%	

Program II: Compliance (Core Program)

Objectives

The compliance program is based on the premise that the FEC's first responsibility is to foster a willingness, on the part of the regulated community, to voluntarily comply with the law's reporting requirements, fundraising restrictions and public funding statutes. The FEC encourages voluntary compliance through education (described under the Disclosure Program, p. 19). To buttress its educational efforts, the Commission carries out a Compliance Program with the following objectives:

- Conduct desk audits (reviews) of every report;
- Audit those committees whose reports fail to meet threshold requirements for substantial compliance with the FECA; and
- Enforce the law, in a timely and fair manner, against persons who violate the law.

Goals

For each of these objectives, the Commission defines the following goals:

Desk Audits

The Commission will:

- Conduct a desk audit of every report and encourage the regulated community to clarify the public record when information is inaccurate or incomplete.
- Refer filers who fail to comply with the FECA disclosure requirements or contribution limitations or restrictions, and who fail to voluntarily correct their reports, for an audit and/or enforcement action, if necessary.

Audits

In those cases where reports indicate that committees have failed to meet the threshold requirements for substantial compliance with the FECA, and have failed to voluntarily correct errors or omissions on their reports, the Commission will conduct 40-45 audits "for cause" for the 2002 election cycle, pursuant to 2 U.S.C. §438(b).

The Commission's budget contains the resources added in FY 2001 to establish a "stand alone" Title 2 Audit "For Cause" Program (a PwC recommendation.) A total of three FTE (two FTE's allows the Audit Division to hire eight part-time student interns; one FTE is for a permanent auditor position) will enable the FEC to conduct approximately 40-45 Title 2 audits per cycle as opposed to the previous 20-25 per cycle. These part-time staff also will assist the auditors in performing Title 26 audits of Presidential committees that receive public funds. This proposal, along with other procedural changes, will allow the Commission to maintain the Title 2 audit program even during presidential election cycles. In contrast, over the last four cycles (1991-92 through 1997-98) an average of 9 authorized and 12 non-authorized committees have been slated for audit. This budget also will allow the Commission to meet its goal of completing the Title 26 Presidential audits within two years after the 2000 elections.

Enforcement

Because the majority (63% since 1995) of the Commission's caseload arises from complaints filed by parties outside the agency, the total caseload figure is not singularly affected by the number of FTE in enforcement. The number of FTE affects the proportion of the total enforcement caseload that can be handled substantively, as well as the proportion of the caseload that is active vs. inactive. (A substantive finding is a finding based on the merits of the matter [other than dismissal], including findings of "no reason to believe the FECA has been violated.")[4]

In past budget requests, the Commission has asked for additional resources for its compliance program. The Commission is not seeking additional staff resources, above 357 FTE, for its compliance programs in this budget request. Instead, OGC expects to maintain current performance levels. It is important to note, however, that maintaining staffing levels in OGC from FY 2000 and 2001 will limit the Commission's capability to handle new major cases that may arise from the 2002 cycle.

To reach the objective of enforcing the law in a timely and fair way, the Commission plans to:

[4] There is a significant difference between mere "dismissal" and a finding of "no reason to believe" the law has been violated. A finding of "no reason to believe" reflects affirmative Commission action based on its consideration of the merits of the particular matter. A dismissal, on the other hand, usually reflects action by the Commission based on an application of the Enforcement Priority System criteria to a particular case to determine whether the case merits the use of the Commission's limited resources.

- Maintain a monthly average active caseload of at least 45 percent of the total caseload.
- Close an estimated 225 cases. The Commission will close 45 percent of those cases through substantive Commission action.
- Initiate from 12 to 15 civil actions under 2 U.S.C. 437g(a)(6) to enforce the FECA.
- Maintain the Enforcement Priority System (EPS),[5] a system through which the Commission identifies and assigns the more significant enforcement cases to staff, disposes of the less significant cases rapidly, and manages limited staff resources.
- Conclude some or all of the major cases involving complex legal issues[6]—including those remaining from earlier election cycles (1996 and 1998) and those stemming from the 2000 cycle.

Administrative Fine Program and ADR

The Commission undertook two compliance initiatives in FY 2000 and 2001 to maximize the use of limited enforcement resources. Based on a legislative mandate, the FEC implemented an administrative fine program in July 2000 to reduce the OGC staff resources required to enforce timely filing of disclosure reports. Since the inception of the program, 48 cases have been placed on the public record, and civil money penalties totaling $63,230 have been collected. There are many additional cases in various stages of the administrative fine process. The administrative fine program frees Commission resources for more complex, substantive enforcement actions.

The Commission also implemented an alternative dispute resolution (ADR) program in FY 2001. The ADR program is designed to promote compliance with the federal election law by encouraging settlements outside the traditional enforcement or litigation processes. The program aims to expedite resolution of enforcement matters and to reduce the cost of processing complaints, and therefore, enhance overall FEC enforcement. Since the inception of the program in October 2000, seven matters have been settled in the ADR process. This program also frees Commission resources for other, more significant enforcement matters.

Summary

Since 1995, with the institution of the Enforcement Priority System (EPS), the Commission's enforcement workload has averaged about 240 total cases per month, with about 100 of those cases actively being worked on. In each election cycle, the FEC has averaged about 200 complaints and about 125-150 internal referrals. Historically, the FEC has closed about 40% of its cases with some form of substantive action, dismissing the others without formal action either due to staleness or lack of substantive issues.

[5] Under EPS, OGC evaluates enforcement cases based on carefully crafted, Commission-approved criteria to determine the relative significance of the allegations. EPS is a tool to match the seriousness of a particular case to the resources available to undertake an investigation of the matter.

[6] Examples of complex legal issues include possible "soft money" abuse, claims of improper coordination or express advocacy, and alleged laundered and/or foreign contributions.

From FY 1998-2000, the Commission was able to increase the number of cases activated to over 50% of the incoming cases, and the average active to inactive caseload percentages improved to over 50% in FY 1999-2000. In addition, the number of cases dismissed, or closed without substantive Commission action, dropped significantly from an average of about 60% (FY 1995-1999) to 25% in FY 2000. This was accomplished without a major increase in authorized staff.

The FEC anticipates that the ADR and administrative fine programs will continue to enable the Commission to assign enforcement resources to more complex, substantive matters. The ultimate goals of the ADR and administrative fine programs, the Case Management system, and other information technology enhancements are to speed up the resolution of cases and to increase the number of cases closed with substantive Commission action.

The resources needed to meet the objectives and goals of the Compliance Program in FY 2001 are summarized in Tables 7A and 7B. We are requesting resources to maintain current performance levels; no additional resources are sought for the compliance program.

TABLE 7A: COMPLIANCE PROGRAM COSTS
FY 2000-2002

OFFICE/DIVISION	PERSONNEL COSTS			NONPERSONNEL COSTS			TOTAL COSTS		
	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
REPORTS ANALYSIS	$ 127,775	$ 272,000	$ 322,813	$ 13,605	$ 21,000	$ 25,000	$ 141,380	$ 293,000	$ 347,813
DATA SYSTEMS	$ 88,287	$ 126,456	$ 297,733	$ 278,364	$ 302,300	$ 298,750	$ 366,651	$ 428,956	$ 596,483
AUDIT	$ 1,842,333	$ 1,617,394	$ 1,329,113	$ 227,834	$ 61,844	$ 18,150	$ 2,070,167	$ 1,679,238	$ 1,347,263
OGC ENFORCEMENT	$ 4,404,234	$ 4,687,231	$ 4,937,190	$ 280,174	$ 296,445	$ 346,308	$ 4,684,408	$ 4,983,676	$ 5,283,498
OGC LITIGATION	$ 1,375,269	$ 1,462,072	$ 1,540,013	$ 80,610	$ 94,653	$ 108,051	$ 1,455,879	$ 1,556,725	$ 1,648,064
OGC PFESP *	$ 464,048	$ 344,017	$ 362,366	$ 30,574	$ 22,271	$ 25,424	$ 494,622	$ 366,288	$ 387,790
LEGAL DOCUMENT INDEX**	$ -	$ -	$ -	$ 23,969	$ 105,000	$ 250,000	$ 23,969	$ 105,000	$ 250,000
ADR	$ 66,597	$ 215,000	$ 263,960	$ 84,112	$ 93,000	$ 227,500	$ 150,709	$ 308,000	$ 491,460
OAR	$ 39,263	$ 177,000	$ 126,090	$ 24,970	$ 55,000	$ 93,000	$ 64,233	$ 232,000	$ 219,090
PROGRAM TOTAL	$ 8,358,216	$ 9,311,169	$ 9,199,386	$ 1,524,232	$ 1,573,712	$ 1,494,273	$ 9,882,448	$ 10,884,882	$ 10,693,659
COMMISSION PERCENT	32%	30%	30%	9%	8%	9%	25%	23%	22%

TABLE 7B: COMPLIANCE PROGRAM FTE
FY 2000-2002

OFFICE/DIVISION	FY 2000		FY 2001		FY 2002	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
REPORTS ANALYSIS	2.5	6%	5.5	13%	5.5	13%
DATA SYSTEMS	1.0	3%	2.0	5%	3.5	9%
AUDIT	26.1	65%	13.5	34%	17.0	43%
OGC ENFORCEMENT	52.2	46%	54.5	46%	54.5	46%
OGC LITIGATION	16.3	14%	17.0	14%	17.0	14%
OGC PFESP *	5.5	5%	4.0	3%	4.0	3%
LEGAL DOCUMENT INDEX **						
ADR	0.4	100%	2.0	100%	3.0	100%
OAR	0.4	100%	2.0	100%	2.0	100%
PROGRAM TOTAL	104.4		100.5		106.5	
COMMISSION PERCENT	30%		28%		28%	

*Office of General Counsel's Public Financing, Ethics, and Special Projects staff

** Contract for legal document imaging and indexing

Program III: Public Financing (Core Program)

Objectives

Under the Public Financing Program, the Commission seeks to:

- Certify timely the eligibility of Presidential candidates and committees for payments.
- Ensure timely U.S. Treasury payments to certified committees.
- Promote public trust by ensuring that all public monies are accounted for and expended in compliance with the FECA.

Goals

To reach the objectives described above, the Commission will:

- Complete all public funding audits within two years of the 2000 Presidential general election.
- Successfully resolve all enforcement cases within the statutory time limits.
- Process the certifications quickly and accurately. (The bulk of these were completed during FY 2000.)

Summary

For FY 2002, the resources needed to implement the public financing program in the 2000 election cycle are summarized in Tables 8A and 8B.

TABLE 8A: PUBLIC FINANCING PROGRAM COSTS
FY 2000-2002

	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
AUDIT	$ 981,275	$ 1,997,106	$ 1,810,388	$ 110,688	$ 160,650	$ 155,860	$ 1,091,963	$ 2,157,783	$ 1,970,238
DATA SYSTEMS	$ 68,397	$ 170,570	$ 70,772	$ 144,759	$ 157,300	$ 155,350	$ 213,156	$ 327,870	$ 226,122
OGC PFESP	$ 970,291	$ 1,204,069	$ 1,284,245	$ 63,927	$ 77,949	$ 68,983	$ 1,034,209	$ 1,282,008	$ 1,367,229
PROGRAM TOTAL	$ 2,019,963	$ 3,371,735	$ 3,149,405	$ 319,372	$ 395,908	$ 404,193	$ 2,339,328	$ 3,767,641	$ 3,553,568
COMMISSION PERCENT	8%	12%	10%	3%	3%	3%	6%	9%	7%

TABLE 8B: PUBLIC FINANCING PROGRAM FTE FY 2000-2002						
	FY 2000		FY 2001		FY 2002	
OFFICE/DIVISION	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
AUDIT	13.9	35%	26.5	66%	23.0	58%
DATA SYSTEMS	1.0	3%	2.5	6%	1.0	3%
OGC PFESP	11.5	10%	14.0	12%	14.0	12%
PROGRAM TOTAL	26.4		43.0		38.0	
COMMISSION PERCENT	8%		12%		10%	

Program IV: Election Administration (Core Program)

Objectives

Through the FEC Office of Election Administration, the agency will:

- Carry out its statutory responsibilities under the National Voter Registration Act (NVRA) to help improve the national level of voter registration.
- Carry out its responsibility with respect to the Voting Accessibility Act.
- Help ensure that state and local election officials receive informational and educational assistance in administering federal elections in an efficient and effective manner.
- Foster public confidence in the fairness and reliability of the polling process in federal elections.

Goals

To realize the objectives described above the Commission, through the Office of Election Administration, will:

- Grant and oversee research contracts on issues of concern to election administrators.
- Assist state election officials in implementing the NVRA, collect data on the impact of that law on election administration, and report to Congress thereon by June 30, 2002.
- Serve as an on-call resource to election officials with immediate needs for technical and legal information.
- Help state and local election officials adapt to changing technology and legal requirements.
- Complete the Voting Systems Standards (VSS) update, originally issued in 1990; revision initiated in FY 1999 ($250,000 authorized in FY 2001 for a total multiyear cost of $450,000 for this project).

- Develop elections management standards to complement the technical VSS, to assist state and local elections administrators improve the management and conduct of federal elections in 2002 and future elections.
- Develop a compendium of best practices for elections administrators to assist in managing elections, and to handle recounts, contested elections, and protests.
- Develop a comprehensive database of existing elections systems to provide an accurate estimate of the cost to upgrade the quality of elections systems in the United States.
- Provide Congress with the data and information to determine the criteria and cost of a grant program to assist states in improving elections systems and their management.

Summary

Resources needed to reach these goals in FY 2001 are summarized in Table 9A and 9B. These tables depict the supplemental appropriation request for the OEA in FY 2001 and the major initiative for the OEA requested for FY 2002.

TABLE 9A: ELECTIONS ADMINISTRATION PROGRAM COSTS
FY 2000-2002 (FY 2001 SUPPLEMENTAL NOT INCLUDED IN TOTALS)

	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
ELECTIONS ADMIN.	$ 451,475	$ 471,500	$ 495,000	$ 138,653	$ 332,500	$ 221,500	$ 590,128	$ 804,000	$ 716,500
FY 2001 SUPPLEMENTAL		$ 262,000			$ 2,738,000		$ -	$ 3,000,000	$ -
FY 2002 ELEC. ADMIN. ENH.			$ 552,000			$ 1,890,000	$ -	$ -	$ 2,442,000
PROGRAM TOTAL	$ 451,475	$ 471,500	$ 1,047,000	$ 138,653	$ 332,500	$ 2,211,500	$ 590,128	$ 804,000	$ 3,258,500
COMMISSION PERCENT	2%	2%	3%	1%	3%	13%	2%	2%	7%

TABLE 9B: ELECTIONS ADMINISTRATION PROGRAM FTE
FY 2000-2002 (FY 2001 SUPPLEMENTAL NOT INCLUDED IN TOTALS)

	FY 2000		FY 2001		FY 2002	
OFFICE/DIVISION	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
ELECTIONS ADMIN.	4.9	100%	5.0	100%	5.0	45%
FY 2001 SUPPLEMENTAL			3.0			
FY 2002 ELEC. ADMIN. ENH.					6.0	55%
PROGRAM TOTAL	4.9		5.0		11.0	
COMMISSION PERCENT	1%		1%		3%	

Program V: IT and Electronic Filing Projects (Management Program)

The Commission will allocate $5,578,000 of its FY 2002 budget request to fund enhanced IT initiatives and the electronic filing program. This amount, which is provided for in the FEC's IT Strategic Plan,[7] represents an increase of $898,817 (19%) from the FY 2001 IT budget of $4,679,183. This funding will enable the FEC to continue the installation of the new client/server infrastructure, meet its statutory responsibilities under

[7] The FEC's IT Strategic Plan is a running five-year plan, reviewed and updated annually. (See Appendix B.)

mandatory electronic filing, and undertake additional initiatives to further enhance the IT systems at the FEC.

Internal IT Enhancements

Under the FY 2002 Budget Request, the agency will continue to implement and expand upon the IT enhancements initiated in previous years, including IT initiatives in the following areas:

- Computer Security
- Document Management
- Client/Server Development and Conversion

Computer Security

Under the FY 2002 budget, the agency will conduct a risk analysis and will further enhance the security processes protecting the agency's computer operations, particularly those operations that are Web-based.

Document Management

Document management involves several components:

- Migration of approximately 4 million pages of financial reports stored in a legacy imaging system to a new imaging system
- Organizing and storing documents (i.e., integrating internal electronic documents with images of other material)
- Reviewing documents and developing search and retrieval methods for all materials

The process involves scanning images of documents into the computer and then organizing the imaged documents so they can be easily retrieved and reviewed. In conjunction with the client/server development, the process will benefit both external users and the FEC internal users.

Client/Server Environment: Development and Data Conversion

For many years, the Commission relied on a terminal-based computer system. Under this system, one central location served as the site where all data were stored and where all processing occurred. In 1995, the Commission took its first steps to migrate from a terminal-based system to a Client/Server environment.

In FY 2002, the Commission will continue the transition from the terminal-based model to the new Client/Server-based system, with the continued conversion of the disclosure database to the new environment. The migration of the disclosure database involves the restructuring of several million data records and the conversion of thousands

of programs used to store, retrieve and display information contained in the FEC database.

In addition to creating a more efficient systems environment that conforms to accepted industry standards, this project will allow the FEC to enhance the disclosure functions on the Website by improving search capabilities and providing more flexible data retrieval options. This client/server environment will be the foundation for the portal development project scheduled to begin in FY 2003.

Also included in FY 2002 is completion of the migration of the finance and accounting system, with future work on the Human Resources (personnel) systems and other management systems such as budget, planning, MIS, etc. Other internal documents and systems will be converted over to the client server environment in FY 2002 and FY 2003 and beyond.

Additional Staff for IT Projects

The FY 2002 Request includes five additional FTE for Data Systems staff for the IT projects. The original IT Strategic Plan envisioned 8.5 FTE for the three major IT initiatives. In recent FYs, however, the Data Systems Division has been allocating 12 to 14 FTE annually to the IT projects, at the expense of other data programs and projects. Without the five additional FTE, Data Systems will have severe difficulties in meeting the time frames in the IT Strategic Plan at the FY 2002 Current Services level and will not be able to begin the other projects envisioned in the full FY 2002 request and in future FYs.

Electronic Filing

Progress to Date

By 1998, the FEC electronic filing system was implemented, and has been optional for any political committee, other than Senate committees and the national parties' Senate campaign committees.[8] The mandatory electronic filing provision in the FY 2000 Treasury and General Government Appropriations bill required the FEC to establish thresholds for mandatory electronic filing for committees effective for the 2002 election cycle. The rulemaking was implemented by December 2000. The FEC has the capacity to handle all electronically filed reports. To initiate the program, the FEC:

- Established the structure of the program.
- Established the mechanisms by which committees electronically file their reports: by diskette, by modem and through the Internet.
- Established the infrastructure to both receive and validate the reports filed.

[8] Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

- Implemented a system for automatically placing the electronic data:
    * In the FEC database and
    * In an image format resembling an FEC form so that individuals, using a computer, can read simulated pages of reports.

Future Efforts

During FYs 2000 and 2001, the FEC continued to develop incentives to encourage committees to voluntarily file their reports electronically, and in the 2000 election cycle more than 1,000 committees filed their reports electronically. Now that we are in a mandatory environment, the FEC will continue to review the electronic filing procedures to improve the process, including:

- Analyzing the strengths and weaknesses of the FEC experience to date with the electronic filing program;
- Evaluating and modifying the software developed and implemented for the program;
- Evaluating and expanding the Commission's program for training committees in the use of the software;
- Evaluating and modifying methods for educating the filing community about electronic filing; and
- Continue to work with private software companies to integrate electronic filing features into their commercial products.

Development of new processes to improve internal document flow in the mandatory electronic filing environment will continue into FY 2001 and FY 2002, as well. This will enable internal FEC users to integrate electronic filings into processes such as reports review, audits, and enforcement. Spending on this initiative during FY 2002 also includes funds for on-going operation and maintenance of the electronic filing system during the 2002 election cycle.

Data Input

The FEC will continue to manually input the data taken from reports filed by Senate committees and committees that do not meet the established threshold and choose not to file electronically. As an alternative to manual input, the FEC is reviewing other alternatives, such as Optical Character Recognition (OCR) technology and will further investigate the possibility of instituting this type of technology in FY 2003.

Automated Review/Data Mining

The FY 2002 IT funding includes resources to engage in a business process review of RAD review procedures to further enhance the ability to automate the review process. Also included is funding to undertake efforts to engage in data mining to establish patterns of behavior by multiple filers, to enhance the review and compliance programs. A total of $269,000 is included for the RAD business process review, and $250,000 for the data mining project.

Y2K

The Commission was confident that all FEC processes were Y2K compliant, and there were no Y2K incidents.

Past IT Initiatives

The Commission has been working on electronic filing and a series of other IT enhancements since 1995. These initiatives have clearly benefited the American taxpayer by significantly improving the FEC's disclosure services while holding to a minimum the need for additional staff to provide these services. This is in the face of record setting levels of campaign finance activity on the federal level in every election cycle since 1992.

Response to Growing Demand for Information

Enhanced information technology has enabled the FEC to respond to a growing demand for information—and to deliver the information faster—without additional staff. Through the FEC automated fax system and the Internet, the public can instantaneously access FEC forms, publications and campaign finance data.

Larger Audience Using Data

Additionally, the new technology has broadened the audience for existing services. In the past, for example, a limited community of campaign finance specialists accessed the FEC database through the Direct Access Program (DAP), a fee-for-service program.[9] The agency has now made it possible for these same experts—and the public as a whole—to access the data cost-free on the Internet. During FY 2001, the agency will continue its conversion from the DAP to the FEC website.

Point of Entry Completed

The Commission successfully completed its Point-of-Entry initiative in 2000. Under this program, all political committees (except Senate committees and the national parties' Senate campaign committees[10]) file their reports with the Commission (either on paper or electronically). The Commission then scans the documents to make images that are available for review on FEC computers and on the Website. Images of Senate documents are electronically transmitted to the FEC and automatically added to the FEC imaging database. Electronically filed documents are imaged and retrievable from the Website, in the same format as if filed on paper, for calendar years 1993 through the present cycle.

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[9] While used primarily by the campaign finance community, the Direct Access Program has always been available to the public.

[10] Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

Lower Costs

The FEC successfully contracted for some of its IT initiatives at a lower cost than initially anticipated. The design of the electronic filing system came in under budget. Similarly, the initial cost of developing a system to provide images of reports available to the public through the FEC Website was nearly 37 percent lower than the amount Congress appropriated for the initiative.

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Summary: Electronic Filing and IT Enhancements

The total request for IT enhancements and electronic filing in FY 2002 is $5,578,000. Tables 10A and 10B summarize the costs contained in the FY 2002 budget. The IT Strategic Plan discusses the initiatives planned for FY 2003 and beyond. The major new initiative scheduled to begin in FY 2003 with completion in FY 2007, is the portal development project that will integrate the IT systems into a web-based access environment for both external and internal users.

TABLE 10A: COMPUTERIZATION INITIATIVES COSTS
FY 2000-2002

	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
ADP ENHANCEMENTS	$ 711,326	$ 399,500	$ 826,000	$ 3,165,359	$ 2,982,683	$ 3,341,000	$ 3,876,687	$ 3,382,183	$ 4,167,000
ELECTRONIC FILING	$ 43,934	$ 151,500	$ 156,000	$ 1,096,089	$ 1,032,500	$ 1,078,000	$ 1,239,723	$ 1,184,000	$ 1,234,000
PT. OF ENTRY/INTERNET	$ 75,237	$ 61,500	$ 79,000	$ 179,234	$ 81,500	$ 98,000	$ 254,471	$ 143,000	$ 177,000
PROGRAM TOTAL	$ 830,198	$ 522,500	$ 1,061,000	$ 4,440,684	$ 4,056,683	$ 4,517,000	$ 5,370,882	$ 4,579,183	$ 5,578,000
COMMISSION PERCENT	4%	2%	3%	35%	32%	27%	14%	12%	12%

TABLE 10B: COMPUTERIZATION INITIATIVES FTE
FY 2000-2002

	FY 2000		FY 2001		FY 2002	
PROJECT	FTE	PROJ. %	FTE	PROJ. %	FTE	PROJ. %
ADP ENHANCEMENTS	10.4	76%	5.0	59%	10.0	74%
ELECTRONIC FILING	2.1	15%	2.5	29%	2.5	19%
PT. OF ENTRY/INTERNET	1.1	8%	1.0	12%	1.0	7%
PROGRAM TOTAL	13.6		8.5		13.5	
COMMISSION PERCENT	4%		2%		4%	

Program VI: Commission Policy and Administration (Management Program)

Tables 11A and 11B depict the costs and corresponding FTE for central policy guidance, management and staff support for all Commission operations that do not otherwise fit under the previously identified programs. Besides the offices of the six Commissioners and the Secretariat, this budget category includes all basic administrative overhead, such as rent, phones, postage, etc., and support functions, such as management, budget, accounting and personnel. Direct support costs for program-related items, such as travel, training, printing, etc., are allocated to specific Commission objectives and programs.

The only significant requests for additional resources other than to cover inflation in this program are the four FTE for additional Executive Assistants for the Commissioner offices beyond the Chairman and the Vice Chairman offices, and $700,000 to acquire additional space at 999 E Street, where the FEC is located. Currently, the OEA is located at 800 North Capitol Street.

This request would enable the FEC to bring back the OEA and would provide additional space for the 18 FTE requested in our FY 2002 full request. There is no additional room at 999 E Street in our present space. Thus, the Commission is requesting the funds to acquire one additional floor at our present location. The OEA was left at 800 North Capitol Street in the event that the additional funding requested in our FY 2001 Supplemental and the FY 2002 request for the elections administration programs was approved. There is additional space at 800 North Capitol Street for the OEA to expand its staff.

Additional FTE for Commissioners' Offices (See p. 7)

It is important to note that, at present, only the Chairman and Vice Chairman are allocated a second Executive Assistant (EA). Providing each of the other four Commissioners with an additional EA will enable them to meet the increased demands that have been placed on their offices.

The second EA would ensure that each Commissioner has a consistent staffing level to provide legal guidance to the Commissioner relating to ongoing compliance (enforcement, litigation, and audit) and the referral processes for those compliance activities. The second EA would assist with the many new administrative tasks the Commission is undertaking. These include the implementation of the PwC recommendations and other task forces and projects separate from PwC. For example, the Commissioners' offices are directly involved with working groups relating to:

- the alternative dispute resolution (ADR) Program;
- Case Management (a computerized resource management system);
- PC Docs (a computer-based document management system);
- Electronic filing;
- Title 2 "Audit for Cause" Program (streamlining and broadening the audit process);
- Audit Workflow and Tracking Steering Committee (a computerized resource management system);
- the Finance Committee;
- the Regulations Committee; and
- the Litigation Committee

TABLE 11A: COMMISSION POLICY AND ADMIN. PROGRAM COSTS FY 2000-2002									
	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
OFFICE/DIVISION	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002	FY 2000	FY 2001	FY 2002
COMMISSIONERS	$ 2,135,328	$ 2,344,500	$ 2,637,500	$ 83,455	$ 28,000	$ 76,000	$ 2,158,783	$ 2,372,500	$ 2,913,500
STAFF DIRECTOR	$ 1,607,965	$ 1,719,500	$ 1,959,500	$ 139,233	$ 194,500	$ 231,000	$ 1,647,198	$ 1,911,000	$ 2,190,500
ADMINISTRATIVE	$ 1,388,967	$ 1,545,500	$ 1,713,500	$ 5,304,284	$ 5,107,217	$ 6,054,000	$ 6,671,251	$ 6,652,717	$ 7,767,500
IG OFFICE	$ 340,245	$ 354,600	$ 375,000	$ 8,528	$ 12,000	$ 15,000	$ 348,773	$ 366,600	$ 390,000
DATA SYSTEMS	$ 916,519	$ 955,190	$ 990,810	$ 77,847	$ 84,700	$ 83,690	$ 994,466	$ 1,039,890	$ 1,074,460
OGC GENERAL COUNSEL	$ 985,593	$ 989,049	$ 1,041,773	$ 65,525	$ 64,030	$ 73,093	$ 1,051,188	$ 1,053,078	$ 1,114,867
CASH AWARDS		$ 260,000	$ 285,000					$ 260,000	$ 285,000
PROGRAM TOTAL	$ 7,262,617	$ 8,185,239	$ 9,203,083	$ 5,658,642	$ 5,490,447	$ 6,532,743	$ 12,921,660	$ 13,655,685	$ 15,735,827
COMMISSION PERCENT	28%	29%	30%	44%	43%	39%	34%	34%	33%

TABLE 11B: COMMISSION POLICY AND ADMIN. PROGRAM FTE FY 2000-2002						
	FY 2000		FY 2001		FY 2002	
OFFICE/DIVISION	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
COMMISSIONERS	18.4	100%	20.0	100%	24.0	100%
STAFF DIRECTOR	19.9	100%	21.0	100%	22.0	100%
ADMINISTRATIVE	22.2	100%	22.0	100%	22.0	100%
IG OFFICE	4.0	100%	4.0	100%	4.0	100%
DATA SYSTEMS	13.4	41%	14.0	35%	14.0	33%
OGC GENERAL COUNSEL	11.8	10%	11.5	10%	11.5	10%
CASH AWARDS	0.0		0.0		0.0	
PROGRAM TOTAL	89.7		92.5		97.5	
COMMISSION PERCENT	26%		26%		26%	

APPENDIX A:

FEDERAL ELECTION COMMISSION

FY 1999-2000 PERFORMANCE REPORT

PURSUANT TO THE GPRA

March 2001

Submitted to Congress/OMB

FEDERAL ELECTION COMMISSION
FY 1999-2000 PERFORMANCE REPORT

SUMMARY

The Federal Election Commission (FEC) submits its FY 1999-2000 Performance Report pursuant to the requirements of the Government Performance and Results Act (GPRA.) Pursuant to the provisions of the Federal Election Campaign Act (FECA) and the GPRA, this report has been concurrently submitted to the Congress and the President (OMB.) This Performance Report documents the performance of the FEC in meeting our mission requirements and achieving our program objectives during FY 1999 and 2000. The FEC accomplishments are addressed within the context of our Strategic Plan and our FY 1999 and 2000 Performance Plans, with a review of performance against the mission statement and the objectives and goals identified in the FEC Performance Plans.

The FEC highlights the importance of the funding the FEC has received to support our programs, particularly the annual earmarked funds to carryout the IT initiatives. This funding has been key to the modernization and enhancement of our IT systems. The funding has allowed the FEC to accomplish its mission and achieve its program objectives despite record levels of campaign finance activity in each successive election cycle.

BACKGROUND

The FEC is a personnel intensive regulatory agency, with 70% of our annual appropriations expended on salaries and benefits. Of the remaining 30%, 10% is allocated to GSA rent costs; 10% to legislatively earmarked IT projects, 6% to support programs, including the Office of Election Administration (OEA), audits, compliance, enforcement, disclosure and informational outreach programs; and 5% for overhead support costs such as phones, postage, equipment and supplies.

FY 2000 Appropriation

During FY 2000 the Commission expended its appropriation of $38,278,000 ($38,152,000 plus $270,000 carried over from FY 1999, less a rescission of $144,000) to support 343.1 FTE and in a manner designed to maximize the effectiveness and efficiency of our programs. A total of $5,370,882 was expended on earmarked IT programs during the FY; this included $4,440,684 for hardware, software, contracts, supplies and equipment and $930,198 for 13.6 FTE.

FY 1999 Appropriation

During FY 1999 the Commission expended its appropriation of $36,791,000 ($36,650,000 plus $350,000 carried over from FY 1998, less a rescission of $59,000) to support of 322.1 FTE and in a manner designed to maximize the effectiveness and

efficiency of our programs. A total of $4,360,604 was expended on earmarked IT programs during the FY; this included $3,615,739 for hardware, software, contracts, supplies and equipment and $744,865 for 12.0 FTE.

In addition, the final $1.12 million of our FY 1999 appropriation was congressionally earmarked specifically for compliance related initiatives, which were to focus on improving FEC enforcement and compliance programs without adding additional staff resources.

1998 PriceWaterhouseCoopers Review and FEC Initiatives

During FY 1998, the FEC was the subject of an extensive review by PricewaterhouseCoopers (PwC), performed under a contract with the GAO as mandated by Congress. The results of that review were generally very favorable for the Commission's operations. Nevertheless, the Commission has made significant progress in implementing many of the PwC recommendations.

Furthermore, the Commission has begun several additional initiatives. Many of the projects are IT initiatives described in the IT Strategic Plan that have been funded with earmarked funds since FY 1996. Others projects are the result of the need to maximize limited resources and in response to legislative mandates included in our FY 1999 and FY 2000 appropriation language.

FY 1999-2000 Accomplishments

The FEC initiated several projects that continued into FY 2000 from FY 1999. Significant successes included:

Operation of the full scale, voluntary electronic filing program that allows filers to file electronically at the FEC by disk, by modem, or on the Internet, and makes images of reports filed available on the FEC disclosure system. Over 1,000 filers voluntarily filed electronically during the 2000 election cycle.

Implementation of the mandatory electronic filing system for the 2002 election cycle was completed in FY 2001, and the system received the first mandatory electronic filings in February 2001.

Upgrade and enhancement of the FEC web site by making images of all disclosure documents filed at the FEC, both electronic and paper, available for viewing over the Internet and expanding the variety of items available on the FEC web site, including Advisory Opinions, budget requests, and the FEC Strategic Plan and Performance Plans. The FEC's website now receives millions of visits each fiscal year. The initial enhancement and upgrade was accomplished at a cost 37% less than projected by the GPO.

Implementation of the Case Management system in OGC, after completing an extensive design and development process. This included extensive training and input of legacy data into the system. The Case Management system will now provide case tracking, case management, and time reporting for OGC programs. Data from the Case Management system will be used to produce MIS and budget and planning data for OGC programs. Much of the work was accomplished in FY 1999-2000, with full implementation in FY 2001.

Migration of the FEC legacy databases to new, Y2K compliant technology through a newly procured IT contract for basic IT services, accomplished in FY 1999 and 2000. In addition, FEC remediation efforts were successful, and no Y2K disruptions were experienced by FEC systems. A major accomplishment of the Data Systems Division in FY 1999 and 2000 was the preservation of a multitude of internally developed legacy IT systems and programs, which had to be prepared for the implementation of the new Y2K compliant mainframe IT system, and readied for the migration to the client server environment.

Development of an alternative dispute resolution (ADR) program to handle administrative complaints and Title 2 audit referrals to free enforcement and litigation resources for more complex, significant cases. The goal is to reduce the time and cost to resolve selected enforcement actions through negotiation and mediation (if necessary) outside of the complex and time consuming enforcement process. The first cases were resolved under this program in FY 2001, but the work establishing the program was accomplished in FY 1999-2000.

Implementation of an administrative fine program to free enforcement resources for more complex, substantive cases and to enhance disclosure by improving timely filing without resorting to the time consuming and costly enforcement process. Late and non-filers are now processed through the administrative fine program that began on July 14, 2000.

Initiation of a state waiver program to allow state election offices to apply for and receive a waiver for maintaining paper copies of reports at state offices by making the FEC reports available online. The FEC provided states with surplus computer equipment. To date, 47 states or similar jurisdictions participate in the program.

Established a contract to review document processing procedures and revise FEC disclosure reporting forms, to improve the efficiency of document processing for non-electronic filings. The results of this contract will be used in future efforts to improve processing of those documents from filers not required to file electronically through the assessment of OCR document scanning.

Continued planning for the migration of FEC IT systems to a client/sever environment. The strategy for the transition to the client/server system was accomplished in FY 1999-2000, concluding with the award of a contract to

American Management Systems, Inc., to develop the client/server environment and convert the FEC disclosure system to the new system. The migration to the client/server in environment will occur in phases over the next several years.

Transferred in-house payroll processing to the National Finance Center and awarded a contract to PeopleSoft to implement in FY 2001 a new accounting and finance system that will operate in the client server environment.

The Audit Division increased the Title 2 Discretionary Audit program from 20-25 audits per election cycle to 40-45 audits per cycle. The expansion began in the 1998 cycle (evident in FY 1999 and 2000), and will continue into the 2000 election cycle. The FEC has implemented a Title 2 Audit program, per a PwC recommendation, which will "stand alone" and will be fully implemented in presidential election years. Beginning with the 2000 cycle, a combination of limited scope audits and additional part time intern staff will ensure that the full Title 2 Audit program will be completed as well as the statutory presidential audits for the 2000 cycle.

As a result of the ADR program, the administrative fine program, the Case Management System, and the OGC Enforcement Priority System (EPS), the FEC is improving timeliness of enforcement actions and increasing the percentage of the caseload actively worked on. Since FY 1995, the Commission has used the EPS to triage cases, dismiss those with a lower priority and eliminate stale cases. The goal of all the initiatives has been to focus limited enforcement resources on the more complex, substantive cases, to increase the percentage of cases activated, and to improve the ratio of cases closed with substantive action rather than dismissed with no action. As a result of efforts since FY 1995, but particularly since FY 1999 and 2000, there were some significant improvements in enforcement in FY 2000:

> Over 50 percent of cases were activated FY 1998-2000, an improvement over the average of 35-40% from FY 1995-1997;
>
> The ratio of active to inactive pending cases on average improved to over 50% in FY 1999;
>
> A dramatic increase in cases closed with substantive action, from roughly 40% in FY 1999 to approximately 75% in FY 2000.

The OGC completed revisions to the FEC regulations in FY 1999-2000 to permit the institution of both the voluntary and the mandatory electronic filing programs, the administrative fine program, election cycle reporting, and the state filing waiver program.

Relation of Accomplishments to Mission and Objectives

The mission of the FEC is to assure that the campaign finance process is fully disclosed and that the rules are effectively and fairly enforced, fostering the electorate's faith in the integrity of the nation's political process. As a result of the major improvement over the last 25 years in the reporting and the disclosure of campaign finances, the public has a better understanding of where and how federal candidates raise and spend their campaign monies.

The FEC accomplishments in FY 1999 and 2000 should improve the timeliness and increase the substantive action in enforcement cases and focus our limited resources on more complex, substantive cases. The next section relates the FEC accomplishments to our major programs and objectives, and the final section quantifies the workloads and results of our programs in FY 1999 and 2000 for the most recent election cycles.

Relationship of Accomplishments to Program Objectives

Disclosure Objectives

The objectives of disclosure are: to provide campaign finance reports for public view under the FECA (Title 2); to promote full, accurate, and timely disclosure of campaign finance activity in federal elections; and to provide information and policy guidance on the FECA to the public, press, and those required to comply with the FECA.

The desired outcome is that the public can make informed choices in the electoral process because of full disclosure of the sources of candidates' funding for campaigns.

The result of the FEC accomplishments is that information was made available to the public faster and in more flexible formats. In addition, the foundation has been established for future IT enhancements that will improve automated review of reports.

FEC accomplishments in FY 1999 and 2000 were:

-- Expanded Web site

-- Initiated IT enhancements (development of client/server environment and document management)

-- Established voluntary and mandatory electronic filing systems

-- Instituted state filing waiver program

-- Updated FEC forms and processed filings of non-electronic filers

-- Completed regulations for the administrative fine and state waiver programs

Compliance Objectives

The objectives of compliance are: to enforce the disclosure and limitation provisions of the FECA (Title 2) and to encourage and obtain voluntary compliance with the FECA through timely and comprehensive enforcement of the FECA.

The desired outcome is the perception by the regulated community that disclosure reports must be accurately and timely filed and that enforcement of the FECA is timely and impartial.

The result of the FEC accomplishments was the establishment of programs to speed up and streamline enforcement of the filing requirements and to negotiate and settle some enforcement cases without resorting to the full enforcement process. In addition, the Case Management System was implemented, more enforcement cases were activated, the ratio of active to inactive cases was improved, more cases were closed with substantive action, and more audits were conducted.

FEC accomplishments in FY 1999 and 2000 were:

-- Developed ADR program

-- Implemented administrative fine program

-- Installed case management system

-- Expanded Title 2 Audit program

-- Improved case activation and active to inactive case ratios; improved percentage of cases substantively closed versus dismissed

Public Financing Objectives

The objective of the public financing program is to administer the public funding provisions of the FECA under Title 26 U.S.C. for qualified candidates in presidential elections.

The desired outcomes of the public funding program are to process timely and accurately requests for federal funds to qualified presidential candidates and to ensure impartial and timely enforcement of the FECA.

FEC accomplishments in FY 1999 and 2000 were:

-- Meet two-year deadline to complete presidential audits

-- Maintain a "stand alone" Title 2 audit program

Election Administration Objectives

The objective of the election administration program is to assist state and local election officials charged with administering federal elections through operation of the Office of Election Administration (OEA.)

The desired outcomes of the election administration program are that the state and local election officials charged with administering federal elections are able to hold fair, efficient elections with public confidence in the integrity of the results and that election administrators comply with the Voting Accessibility and NVRA statutes.

FEC accomplishments in FY 1999 and 2000 were:

-- Initiated update of the VSS to improve elections officials' abilities to select certified voting equipment that meets the requirements for an accurate electoral process

IT and Support Objectives

The objective, and the desired outcome, of the IT and support programs is to support the FEC staff in the meeting of the core objectives and the FEC mission

FEC accomplishments in FY 1999 and 2000 were:

-- Transferred in-house payroll processing to the National Finance Center

-- Developed strategy for transition to a client/server environment

-- Initiated development of new accounting and finance system to operate in a client/server migration

FY 1999-2000 Workloads and Program Outputs

The workloads experienced by the reports processing and review staff at the FEC were the highest ever experienced by the FEC in FY 1999 and 2000. While completing processing of the 1998 election cycle work, the staff also had to begin processing the 2000 election cycle work. The 2000 cycle set a record for total campaign finance activity, which the FEC measures through the total disbursements made by all candidates and committees in federal elections. We expect that the final total disbursements for the 2000 cycle will exceed $3.5 billion: a more than 1000% increase since the 1976 election cycle.

TOTAL DISBURSEMENTS IN FEDERAL ELECTIONS BY ELECTION CYCLE (PRESIDENTIAL/CONGRESSIONAL)				
ELECTION CYCLE (4 YEARS)	TOTAL DISBURSEMENTS $ MILLIONS	% INCREASE PRIOR PRESID.	% INCREASE PRIOR CONG.	% INCREASE SINCE 1976
1976	**310**			
1978	**386**			24.5%
1980	**768**	147.7%		147.7%
1982	**795**		106.0%	156.5%
1984	**1,259**	63.9%		306.1%
1986	**1,094**		37.6%	252.9%
1988	**1,607**	27.6%		418.4%
1990	**1,115**		1.9%	259.7%
1992	**2,051**	27.6%		561.6%
1994	**1,708**		53.2%	451.0%
1996	**2,738**	33.5%		783.2%
1998	**2,021**		18.3%	551.9%
2000	**3,500**	27.8%		1029.0%

In terms of workloads, this translated to record numbers of documents filed and itemized transactions processed into the disclosure databases. Although over 1,000 filers voluntarily filed electronically, most of the work required FEC Data Systems staff to code and enter the data. The following tables compare documents filed and transactions processed (the 2000 cycle totals are projected based upon actual to date totals for most of the cycle) to previous election cycles:

DOCUMENTS AND TRANSACTIONS PROCESSED BY ELECTION CYCLE AVERAGE NUMBER OF ITEMIZED TRANSACTIONS PER DOCUMENT					
ELECTION CYCLE (4 YEARS)	DOCUMENTS FILED FORM 3	ITEMIZED TRANS. ENTERED	AVERAGE # OF TRANS. PER DOC.	% INCREASE SINCE PRIOR CYCLE	% INCREASE SINCE 1984 CYCLE
1984	70,056	507,461	7.24		
1986	70,110	528,761	7.54	4.1%	4.1%
1988	75,299	694,016	9.22	22.2%	27.2%
1990	73,324	769,474	10.49	13.9%	44.9%
1992	83,256	1,435,262	17.24	64.3%	138.0%
1994	81,214	1,382,696	17.03	-1.2%	135.0%
1996	85,914	1,976,524	23.01	35.1%	217.6%
1998	80,255	1,697,934	21.16	-8.0%	192.1%
2000	89,046	2,513,263	28.22	33.4%	289.6%

ITEMIZED TRANSACTIONS ENTERED INTO DATABASE BY ELECTION CYCLE (PRESIDENTIAL/CONGRESSIONAL)				
ELECTION CYCLE (4 YEARS)	ITEMIZED TRANS. ENTERED	% INCREASE PRIOR PRESID.	% INCREASE PRIOR CONG.	% INCREASE SINCE 1984
1984	507,461			
1986	528,761			4.2%
1988	694,016	36.8%		36.8%
1990	769,474		45.5%	51.6%
1992	1,435,262	106.8%		182.8%
1994	1,382,696		79.7%	172.5%
1996	1,976,524	37.7%		289.5%
1998	1,697,934		22.8%	234.6%
2000	2,513,263	27.2%		395.3%

The workload data show that the number of disclosure documents processed increased by 27% since the 1984 election cycle and that the increase in transactions processed increased by almost 400%. The result is an almost 300% increase in the amount of work to process an average document (measured on itemized transactions per document filed.) This affected the staff processing the documents and information in the Public Disclosure and Data Systems Divisions, as well as the staff reviewing the reports in Reports Analysis.

The success of the FEC in processing all this work is that it was performed with relatively static staffing levels: the staff processing and reviewing reports has not significantly increased since FY 1980. The table below shows that the work performed in FY 1999 and 2000 was the most for any FY for the data processing and review staffs.

ITEMIZED TRANSACTIONS ENTERED INTO DATABASE BY FISCAL YEAR			
FISCAL YEAR (ALL EC)	ITEMIZED TRANS. ENTERED	% INCREASE PRIOR FY	% INCREASE SINCE FY 1990
1990	400,507		
1991	403,165	0.7%	0.7%
1992	692,662	71.8%	72.9%
1993	716,448	3.4%	78.9%
1994	732,441	2.2%	82.9%
1995	799,131	9.1%	99.5%
1996	991,451	24.1%	147.5%
1997	978,411	-1.3%	144.3%
1998	865,297	-11.6%	116.1%
1999	996,633	15.2%	148.8%
2000	1,185,630	19.0%	196.0%

One result of this workload increase, without a corresponding increase in staff, is that the Reports Analysis Division (RAD) has experienced a significant increase in the number and complexity of reports to review over the last several election cycle, and therefore an increase in the backlog of unreviewed reports, as shown in the tables below. The FEC is enhancing the electronic review capabilities so that more of the review functions are automated, thus expediting the review process to reduce the backlog.

TOTAL BACKLOG OF REPORTS UNREVIEWED
(FORM 3 DISCLOSURE REPORTS)

TOTAL DOCUMENTS	JANUARY POST-ELEC		JULY ELECTION YEAR	
REVIEW BACKLOG	BACKLOG	% REVIEWED	BACKLOG	% REVIEWED
2000 DBASE	28,415	59.05%	17,964	59.58%
1998 DBASE	13,276	81.01%	7,721	81.73%
1996 DBASE	22,676	68.03%	11,380	74.10%
1994 DBASE	17,173	75.12%	11,762	71.73%
1992 DBASE	24,457	64.78%	15,282	63.92%
1990 DBASE	15,432	75.43%	10,189	73.68%
1988 DBASE	14,129	78.16%	8,851	77.56%

RAD STAFFING FY 1988-2000

PROGRAM	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
REVIEW REPORTS	21.3	20.4	20.1	19.7	21.6	21.9	22.8	23.6	22.2	22.3	23.3	20.7	23.3
RFAIS	4.5	4.3	3.1	3.0	3.5	3.2	2.7	3.8	3.8	2.8	3.0	3.0	4.2
REFERRALS	2.9	4.6	3.2	4.4	2.0	4.3	3.2	3.2	1.1	2.6	1.0	3.3	1.0
RAD TOTALS	39.7	39.4	36.3	36.5	38.9	40.4	40.9	42.6	40.2	40.1	41.0	40.6	43.2

The Commission is not requesting additional staff for RAD in FY 2002 to resolve this backlog. We are requesting full funding of the IT projects to provide for a business process review of the RAD review program, and for enhancements of the automated review program with items such as data mining. These items are requested for FY 2002. We also expect to see some improvements from the IT enhancements in the migration to client server IT environment and electronic filing. Automated filing is being implemented in FY 2001, but the full enhancements and the full benefits may not be fully realized until the 2004 election cycle.

Electronic filing also will alleviate the impact of the rising workloads in document processing. While more data were processed, the size of the workloads did lead to a slight degradation in timeliness for data input. The FEC measures this in two ways: median days to process all documents and data, and days from document receipt until final processing for 95% of all documents filed in an election cycle data base. Both of these measures show significant improvement from the 1992 cycle until the 1998 cycle. However, despite some decline in timeliness, the 2000 data were processed within our target of 95% complete within 45 days of receipt. This was remarkable given the amount of data and the static staffing levels.

TIMELINESS OF PROCESSING OF ITEMIZED DATA BY ELECTION CYCLE (FY 1987-2000)				
CYCLE (4 YEARS)	MEDIAN DAYS TO PROCESS ALL DATA	DAYS FROM RECEIPT TO 95% COMPLETE	TOTAL DISBURSEMENTS IN CYCLE ($MILLIONS)	TOTAL TRANSACTIONS IN CYCLE
1988	**9**	**82**	1,607	694,016
1990	**7**	**34**	1,115	769,474
1992	**13**	**132**	2,051	1,435,262
1994	**14**	**69**	1,708	1,382,696
1996	**10**	**39**	2,738	1,976,524
1998	**9**	**27**	2,021	1,697,934
2000	**11**	**44**	3,500	2,513,263

For the enforcement programs, the Commission experienced some improvements in the total enforcement caseload that was actively being worked on, or activated. Since FY 1995 OGC has operated under the Enforcement Priority System, or EPS. Using this and the Central Enforcement Docket, cases are ranked and prioritized. The goals are to focus limited enforcement resources on the more substantive and meaningful cases, and to dismiss or drop the de minimis cases. Cases are dismissed with no formal action to eliminate stale cases that have not been worked on, and to dismiss cases which will never be activated under the EPS rankings.

OGC has striven to reach a more than 50% active to inactive caseload ratio and achieved this in FY 1999 and 2000. In addition, the goal has been to activate more cases of those retained and not dismissed, and to close more of the cases with substantive Commission action. This goal was met in FY 2000 when more than 70% of cases closed with substantive Commission action; previously since FY 1995, more than 50% of cases had been dismissed with no action.

ENFORCEMENT SECTION AND PFESP				
	MONTHLY AVERAGE NUMBER PENDING			
FISCAL YEAR	INACTIVE CASES	ACTIVE CASES	TOTAL CASES	PERCENT ACTIVE
1995	174	145	319	45%
1996	122	125	247	51%
1997	217	102	319	32%
1998	107	93	200	47%
1999	79	117	196	60%
2000	98	102	200	51%

ENFORCEMENT SECTION AND PFESP						
FISCAL YEAR	CASES DISMISSED UNDER EPS	CASES DISMISSED/ "OTHER"	CASES CLOSED IN FY	TOTAL CASES CLOSED	PERCENT CASES DISMISSED	PERCENT CASES CLOSED
1995	121	3	128	252	49%	51%
1996	131	2	96	229	58%	42%
1997	133	19	92	244	62%	38%
1998	145	-	68	213	68%	32%
1999	78	7	65	150	57%	43%
2000	25	8	107	140	24%	76%

HISTORICAL CASE DISPOSITION FY 1995-2000										
FY TOTALS	DISMISS. NO FIND.	DISMISS. BY EPS	NO RTB CLOSED	RTD NO FA	NO PC CLOSED	PC NO FA	CONCIL. CLOSED	SENT TO LITIG.	FY TOTAL	SENT TO ADR
FY 1995	3	121	12	34	1	4	71	6	252	-
FY 1996	2	131	8	34	-	2	46	6	229	-
FY 1997	19	133	6	26	-	6	47	7	244	-
FY 1998	-	145	4	13	-	1	45	5	213	-
FY 1999	7	78	15	16	1	3	28	2	150	-
FY 2000	8	25	22	17	1	4	58	5	140	-

The future goal is to maintain the greater than 50% active ratio, activate 50% of cases incoming, and close more than 50% of cases with substantive Commission action. The institution of the ADR and administrative fine programs were designed to free OGC enforcement resources for the more complex, substantive cases and assist OGC in achieving these goals in the future.

This look at workloads experienced in FY 1999 and 2000 depicts the accomplishments in the disclosure and compliance programs at the FEC. It also highlights the importance of the FEC FY 2002 Budget Request, and the need to fully fund our IT programs at the requested level. Without the improvements to be realized from the IT enhancements, the Commission will not be able to cope with increasing workloads due to increasing levels of campaign finance activity, particularly without increases in staff.

APPENDIX B:
FEDERAL ELECTION COMMISSION
IT STRATEGIC PLAN FY 2001-2007

IT PERFORMANCE PLANS BY PROJECT FY 2001-2007

Submitted to Congress/OMB

FEDERAL ELECTION COMMISSION

IT STRATEGIC PLAN FY 2001-2007

IT Performance Plans By Project FY 2001-2007

In 1995, the Federal Election Commission (FEC) initiated a 5-year program to reengineer its automated systems infrastructure through a modernization program. Three major initiatives were launched: information technology (IT) modernization, point of entry, and electronic filing. These projects were designed to assist the FEC to both perform its statutory mission and achieve its objectives and goals as defined in the FEC Strategic Plan. The goals of IT modernization are to enable FEC staff to work more efficiently by using of more robust, comprehensive methodologies providing access to data and information. These goals will be achieved through migration to a client/server system to facilitate information requests, reduce copying and distribution of paper documents, streamline research, and manage workloads. The new system will permit use of FEC generated data and information by both FEC internal and external users in a more intuitive and flexible manner. This project will enable us to realize the benefits achieved by the Electronic Filing Project.

In FY 2004, the FEC plans to complete this first set of initiatives. To build on this IT foundation, the FEC will begin the next phase of technology enhancements. This next phase will be implemented in stages, beginning in FY 2003 with completion in FY 2006 based on the premise the Internet provides the greatest access to FEC data. External and internal users of FEC information will be able to retrieve data through portal definition, dynamic retrieval, and user-defined profiles, culminating in the full integration of all FEC data bases.

This document also includes the breakout of the base IT programs for the Data Systems Development Division (DSDD) from FY 2001-2007. Although not part of the earmarked IT initiatives, these programs and activities are part of the IT system. The funds for these base programs are tracked separately from the earmarked IT initiatives.

IT Modernization

FY 2001
Goals/Milestones:

- Begin the implementation of the document flow system for the Audit Division (TeamMate) (Ongoing)
- Upgrade Office of the General Counsel and Commissioner PCs (April 2001)
- Design and develop the replacement FEC digital imaging system (Spring 2001)
- Develop the Commission-wide Document Management System (Spring 2001)
- Design and build infrastructure for the migration of data and programs for the Client/Server Disclosure program (June 2001)
- Complete Case Management System 6-month review (July 2001)
- Standardize and develop procedures for the OGC to enter data into the Case Management System (Sept 2001)
- Design and implement Litigation Notebook in Case Management (Nov 2001)
- Implement recommendations from the FY 2000 Computer Security Review (September 2001)
- Build infrastructure to support new financial accounting system (September 2001)
- Implement the integration of document management (PCDocs) with the Case Management System (September 2001)
- Redesign database for Commission Secretariat (September 2001)
- Maintain FEC computer infrastructure, upgrading computer servers and communications networks where necessary to support growing Commission needs (Ongoing)

Costs:

Personnel: $ 389,500, 5.0 FTE
Non-Personnel*: $3,132,683
*Includes software and hardware licensing, maintenance, new equipment, and maintenance and licensing for equipment purchased in prior fiscal years

FY 2002
Goals/Milestones:

- Continue implementation of Client/Server Disclosure program (Ongoing)
- Complete implementation of Audit Division Document Flow System (TeamMate) (November 2001)
- Implement Database for Commission Secretariat (February 2002)
- Develop offense profile reports, from the Case Management System (March 2002)
- Complete installation of FEC-wide Document Management system (September 2002)

- Implement Human Resources Module for the new Finance System (September 2002)
- Complete Review of RAD Needs Assessment and Business Process Review (September 2002)
- Develop data mining program (September 2002)
- Continue to enhance data query enhancements from Web (FY 2002)
- Contract for the development and implementation of a Litigation Notebook in the Case Management System (November 2001)
- Maintain FEC computer infrastructure, upgrading computer servers and communications networks where necessary to support growing Commission needs (Ongoing)

Costs:

Personnel: $ 826,000, 10.0 FTE
Non-Personnel*: $3,341,000
*Includes software and hardware licensing, maintenance, new equipment, and maintenance and licensing for equipment purchased in prior fiscal years

FY 2003

Note: For FY 2003 through FY 2007, timing for completion of Client/Server implementation and for initiation of new projects, including the Portal Development Project, is contingent upon receipt of five additional Data Division FTE included in the FY 2002 FEC budget request.

Goals/Milestones:

- Complete FEC-wide implementation of Document Management Program
- Complete FEC-wide implementation of Disclosure Client/Server Program
- Convert budget and MIS processes to Client/Server architecture
- Identify and begin conversion of tertiary systems to Client/Server architecture (Clearinghouse, Information, Administration Divisions and others)
- Develop on-line Commission voting and certifications
- Perform analysis of Agency's automated procurement system (SACONS)
- Integrate automated procurement system and accounting systems
- Continue conversion of non-disclosure systems to Client/Server architecture (Clearinghouse, Information, Administration Divisions and others)
- Review and analyze current automated payroll system
- Design and develop system for electronic procurement
- Design and develop system for OCR scanning of non-electronically filed documents
- Initiate Portal Development Project
- Maintain FEC computer infrastructure, upgrading computer servers and communications networks where necessary to support growing Commission needs (Ongoing)

Portal Development Project

The FEC plans to complete the current IT initiatives by FY 2004. The Portal Development Project (PDP) is the next step in which the IT initiatives will become accessible to all users in a logical, integrated manner. The goal of PDP is to provide simple but powerful access to the upgraded system(s) providing both internal and external users with custom browsing techniques for accessing the system functions. These tools will allow users to efficiently query the FEC's databases.

Integrated access to FEC data will occur through the development and implementation of an Internet Web portal. A portal is a personalized single point of entry to internal and external applications and information. Portals allow users to create and save their own customized Web view of FEC databases and resources. For example, a public user might access the FEC Website on a regular basis to review specific campaign reports, search contributor databases, or learn about new regulations. By accessing a customized FEC Web page, the user will be able to maintain a template containing pre-defined searches that can be readily executed.

The PDP design also will give internal users Web access to databases and applications that have been developed through other IT initiatives. Audit Management, Electronic Campaign Disclosure Filing, Case Management, Document Management, Accounting/Finance, Human Resource and other systems will be readily available to employees and others who require access. To implement the PDP, the following phases will be completed:

Portal Definition

Portal definition is the creation of the blueprint for an integrated access model. The blueprint will describe database relationships and establish a method for creating integrated access to FEC data.

Retrieval/Search Enhancement

In this phase, the FEC will develop the data search building blocks to be used in the final portal product. Search capabilities of FEC databases will be developed, incorporating techniques such as data warehousing and data mining to enhance data retrieval.

User Profile Definition

User profile definition includes the assessment of internal and external user requirements to determine the best way to set up custom portal access. In the PDP model, there are two general classes of users: internal users (FEC staff) and external users (e.g., the press, FEC filers, and the public). Defining how users access the data, setting up templates and providing a customization method will allow both internal and external users to perform intelligent searches of databases without having to redefine search parameters.

Full Integration and Implementation

Full integration and implementation involve the completion of a consolidated Web portal in which all individual component parts are fused together to form an interactive capability of instantly delivering all FEC data in accordance with user requirements.

Costs:

Personnel: $ 867,500, 10 FTE
Non-Personnel*: $2,570,500
*Includes software and hardware licensing, maintenance, new equipment, and maintenance and licensing for equipment purchased in prior fiscal years

FY 2004 -2007
Goals/Milestones:

- Complete conversion of remaining non-disclosure systems to Client/Server architecture
- Replace and upgrade aging PCs (desktop and laptop computers)
- Upgrade communications equipment to support protocols in a fiber environment
- Compete and award IT services contract
- Complete implementation of electronic procurement
- Implement OCR scanning for non-electronic filed documents
- Conduct on going needs assessments updates for FEC offices each FY
- Maintain FEC computer infrastructure, upgrading computer servers and communications networks where necessary to support growing Commission needs (Ongoing)

Costs:

	Personnel	Non-Personnel*	Total
FY 2004	$ 911,500	$3,045,500	$3,957,000
FY 2005	$ 957,000	$3,152,000	$4,109,000
FY 2006	$1,005,000	$3,216,000	$4,221,000
FY 2007	$1,055,000	$2,337,000	$3,392,000

*Includes software and hardware licensing, maintenance, new equipment, and maintenance and licensing for equipment purchased in prior fiscal years

Point Of Entry Project

Public Law No. 104-79 (December 28, 1995) requires candidates for the United States House of Representatives and their authorized committees to file all reports with the FEC, effective December 31, 1995.

In FY 2000, $130,000 was allocated to develop an electronic methodology for campaign finance reports to be transmitted to the FEC from the US Senate. This program became fully operational during the 4th quarter of FY 2000. Senate documents are now included with all other financial documents presented on the Internet.

Actual operation of the system (scanning of documents) will continue to be performed by current staff, supplemented by overtime and temporary services during peak filing periods. Contracts covering full maintenance and annual licensing fees for both hardware and software began in FY 1998.

FY 2001

Goals/Milestones:

- Maintain high-speed scanning capability (Ongoing)
- Continue to provide the U.S. House of Representatives Records and Registration Office with the capability to retrieve images from FEC digital imaging system (Ongoing)
- Continue to provide via the Internet the capability to retrieve images of all reports filed electronically or from the FEC digital imaging system (Ongoing)
- Maintain the high-speed communications interface between the FEC and the Senate. Continue support of the process that transmits scanned images from the Senate directly to the FEC internal Disclosure Imaging system. Continue to support the nightly process to migrate all indexed images stored in the FEC digital imaging system to the Web for global retrieval. (Ongoing)

Costs:

Personnel:	$ 81,500, 1.0 FTE
Non-Personnel*:	$101,500

*Includes equipment, maintenance, licensing, and contract services

FY 2002

Goals/Milestones:

- Maintain high-speed scanning capability (Ongoing)
- Continue to provide the U.S. House of Representatives Records and Registration Office with the capability to retrieve images from FEC digital imaging system (Ongoing)
- Continue to provide via the Internet the capability to retrieve images of all reports filed electronically or from the FEC digital imaging system (Ongoing)
- Maintain the high-speed communications interface between the FEC and the Senate. Continue support of the process that transmits scanned images from the Senate directly to the FEC internal Disclosure Imaging system. Continue to support the nightly process to migrate all indexed images stored in the FEC digital imaging system to the Web for global retrieval (Ongoing)
- Purchase and install hardware and software for modernized digital imaging system (October 2001)
- Migrate legacy images (approximately 4 million pages) to new digital imaging system (December 2001)
- New Document Management System fully operational (September 2002)

Costs:

Personnel: $79,000, 1.0 FTE
Non-Personnel*: $98,000
*Includes equipment, maintenance, licensing, and contract services

FY 2003-2007

Goals/Milestones: No change from FY 2002.

Costs FY 2003-2007:

	Personnel	Non-Personnel*	Total
FY 2003	$ 88,500	$104,500	$193,000
FY 2004	$ 87,000	$100,500	$187,500
FY 2005	$ 97,000	$107,000	$204,000
FY 2006	$ 95,500	$103,000	$198,500
FY 2007	$107,000	$110,000	$217,000

*Includes software and hardware licensing, maintenance, new equipment, and maintenance and licensing for equipment purchased in prior fiscal years

Electronic Filing Project

Public Law No. 104-79 (December 28, 1995) required the FEC to permit filers to voluntarily submit reports electronically and to reduce duplicative filings with State offices, effective December 31, 1996. The electronic filing program became operational in January 1997 with full system roll-out in FY 1999. The system was fully operational for the 2000 election cycle. During the 2000 election cycle, January 1, 1999 to December 2000, over 1,000 committees submitted their financial reports electronically.

The FEC's appropriation for FY 2000 included provisions for mandatory electronic filing beginning with activity in calendar year 2001. Preparation for the mandatory phase of electronic filing was completed during the first quarter of FY 2001. These preparations included a comprehensive review of the electronic filing format, coordination of any changes with all software vendors, improvements in the process used for transmission of filings, Internet-based filing procedures for late contribution notices, and improvements to exception processing and other internal processes.

In addition, in October 2000 the Commission initiated a major new electronic filing initiative. Candidates in general elections for the House of Representatives and for President were provided access to a web-based reporting system for 48 hour notices of late contributions. Each reporting committee was provided with a Personal Identification Number (PIN) and access to a special secure web connection to the electronic filing servers through which they could submit late contribution reports. A web interface was particularly appropriate for this reporting because each submission typically includes only a few contributions and must be filed quickly -- within 48 hours of receipt.

The current contract for the provision of electronic support services expires at the end of FY 2001, and therefore, it is difficult to project what the annualized cost will be in future years. Based on current processing algorithms, the estimated maintenance charges

are expected to range from $1.2 million to $1.3 million per year to operate and enhance the process, beginning in October FY 2002.

FY 2001
Goals/Milestones:

- Completed renovation processes affecting FECFile in first quarter FY2001 including:
  - Modifications to filing format
  - Modifications to filing
  - Integration with FEC disclosure database and e-review
  - Modifications to FECFile software program
- Develop approaches to integrate electronically filed data with other FEC functions (Ongoing)
- Accommodate all mandated electronic filers meeting the regulatory threshold
- Maintain the electronic filing system (February 2001)
- Develop Statement of Work to procure new electronic filing vendor (May 2001)
- Award contract for new electronic filing contract (September 2001)

Costs:

Personnel: $151,500, 2.5 FTE
Non-Personnel*: $822,500
*Includes software and hardware licensing, maintenance, training, technical support, processing electronic filings and storage

FY 2002
Goals/Milestones:

- Continued support of the electronic filing program (Ongoing)
- Continued development of integrated desk audit review for electronically filed data (Ongoing)
- Maintain and enhance electronic filing system (Ongoing)

Costs:

Personnel: $ 156,000, 2.5 FTE
Non-Personnel*: $1,078,000
*Includes software and hardware licensing, maintenance, training, technical support, processing electronic filings and storage

FY 2003-2007
Goals/Milestones:

- Maintain and enhance electronic filing system.

Costs FY 2003-2007:

	Personnel	Non-Personnel*	Total
FY 2003	$164,500	$1,090,000	$1,254,500
FY 2004	$172,500	$1,102,000	$1,274,500
FY 2005	$181,500	$1,114,500	$1,296,000
FY 2006	$190,500	$1,127,500	$1,318,000
FY 2007	$200,500	$1,141,000	$1,341,500

*Includes software and hardware licensing, maintenance, training, technical support, processing electronic filings and storage

Base DSDD IT Budget

The base DSDD budget maintains and supports the IT operations of the FEC. This entails operation and support for the on-going IT programs covering an extensive inventory of legacy systems for both Disclosure and Compliance operations at the FEC, in addition to support for informational and educational outreach efforts. The DSDD budget also supports the financial and administrative operations of the Commission.

DSDD integrates the on-going operations of legacy systems with the new developmental projects depicted in the three major initiatives above. Once the client/server migration is fully implemented, the legacy systems will have been converted over to the new environment. The base DSDD budget provides for the support of 40 staff, including all travel, training, printing, supplies, and other basic support.

FY 2001-2007

Goals/Milestones (All Ongoing Operations):

- Operate base IT systems, including servers and desktop equipment
- Perform manual data coding and entry for committees below the electronic filing threshold; support Electronic Filing Program
- Operate IT help desk and perform IT training for FEC staff
- Maintain all legacy IT programs and systems
- Provide IT support for the Disclosure and Compliance Programs
- Provide IT support for the Public Funding Program
- Integrate legacy IT systems with new developmental projects

Costs:

	Personnel	Non-Personnel	Total
FY 2001	$2,695,000	$1,210,000	$3,905,000
FY 2002	$2,795,000	$1,195,000	$3,990,500
FY 2003	$2,938,500	$1,243,000	$4,181,500
FY 2004	$3,088,000	$1,293,000	$4,381,000
FY 2005	$3,245,000	$1,345,000	$4,590,000
FY 2006	$3,409,500	$1,400,000	$4,809,500
FY 2007	$3,582,000	$1,456,000	$5,038,000

Information Technology
IMPLEMENTATION SCHEDULE

MODERNIZATION

IT MODERNIZATION				
	GOALS/MILESTONES	**COMPLETION DATES**		
		TARGET	**REVISED**	**ACTUAL**
	PC Upgrades	FY 2001		
	Purchase & Install – Audit Division	Apr-00		Apr-00
	Purchase & Install – OGC	Nov-00	Apr-01	
	Purchase & Install – Commissioners (9th fl)	Dec-00	Spring-01	
	Purchase & Install – Remainder of Divisions	FY 2001	FY 2002	
	Introduce WWW Services to FEC	Feb-96		Jul-96
	Implement FEC WWW Homepage	Feb-96		Feb-96
	Update WWW Facilities	FY 1998		Jan-98
	Update FEC Website	FY 1998		Jul-98
	Installation & Training - Basic PC Configuration (Win-3.11)			Dec-96
	Audit	May-96		Jun-96
	Dep. Staff Dir., P&M, Admin., Data & Personnel	Jun-96		Aug-96
	Press, Public Records, Inf. & Clearinghouse	FY 1997		Dec-96
	Upgrade Configuration & Training in RAD	Sep-96		Sep-96
	Installation & Training - Presentation Software			
	OGC, Staff Director, Data & Admin.	FY 1996		Sep-96
	WEB Enhancements	FY 2002		
	PC DOCs			
	Begin Project	FY 1997	Mar-00	Feb-00
	Define Requirements	Mar-00		Jul-00
	Complete Installation – PFESP	Dec-99	Apr-01	
	Complete Installation – Remaining Branches	Sep-00	Sep-01	
	Install Pooled Modem Capabilities	FY 1997	Mar-97	Feb-98
	Install Pooled FAX Capabilities	FY 1997	Mar-98	Jul-98
	Install CD ROM Capabilities	FY 1997	Sep-97	Feb-98
	Upgrade Portable Computing Capability	FY 1997		Oct-97
	Audit	FY 1997		Dec-96
	Remainder of Agency	FY 1997	Aug-97	Oct-97
	Expand Access of Existing Imaging System	FY 1997		
	Begin		Feb-97	Feb-97
	Complete		May-97	Jul-97

Shaded Areas Indicate Completed Tasks
*The term Document Management now replaces Full Text Search Capabilities

Information Technology
IMPLEMENTATION SCHEDULE

MODERNIZATION

IT MODERNIZATION				
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
**	Document Management Both Financial and Non-Financial	FY 2003		
	Award Contract – Requirements Study		FY 1999	Oct-99
	Determine Strategy	FY 1998	Apr-00	Sep-00
	Award Contract	FY 1999	FY 2000	Sep-00
	Develop Detailed Specifications (Doc Mngt)	Sprng – 01		
	Develop Detailed Specifications (Imaging System)	Sprng-01		
	Develop Prototype System	Sprng-01		
	Purchase & Install Equipment	Oct-01		
	Convert Existing Image files – completed	Dec-01		
	Populate Doc.Mngt file structures – Begin	Nov-01		
	Complete Implementatior – Disclosure Imaging System	FY 2000	FY 2002	
	Complete Implementatior – Doc. Mngt System	FY 2000	FY 2003	
**	Audit Management			
	Market Research	May-99		May-99
	Award Contract Requirements/ Cost Benefit	Jun-99	Jul-99	Sep-99
	Develop Pilot Program for Remote Audits	Jun-99	Apr-00	Feb-01
	Roll out Remote LAN	Apr-00	Feb-01	
	Audit Teammate 2000 Implementation	Sep-02		
	Implement Audit Management Package	Oct-99	Jul-01	
	Fully Operational	FY 2000	Nov-01	

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Information Technology
IMPLEMENTATION SCHEDULE

MODERNIZATION

	IT MODERNIZATION			
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
**	**Case Management**			
	Award Contract	FY 1996		Sep-96
	Develop Functional Specifications	Mar-98		May-98
	Develop Technical Specifications	Mar-98		Sep-98
	Implement Pilot Program	Jun-98		Nov-98
	Begin Implementation	FY 1997	May-99	May-99
	Fully Operational	Dec-97	Feb-00	
	6 Month Review	Apr-00	Jul-01	
	Draft Procedures – Ernst & Young Day 2 Trng	Feb-01	Sep-01	
	Design & Implement Litigation Notebook	Nov-01		
	Complete Project	Jul-01	Jan-02	
**	Relational Data Base Mngt System (RDBMS) Client/Server			
	Award Contract	FY 1998		Sep-98
	Determine Strategy First Phase	FY 1998	FY 1999	Mar-99
	Determine Strategy Second Phase	Dec-99	Mar-00	Apr-00
	Award Contract	FY 1999	Jun-00	Sep-00
**	**Client Server**	FY 2004		
	Award Contract	FY 1999	Jun-00	Sep-00
	Develop Project Plan	Jan-01		Feb-01
	Develop Detailed Data Base Design	Jun-01		
	Begin program development	Jun-01		
	Begin Data Conversion	Aug-01		
	Convert Data Capture	Nov-01		
	Project complete	Dec-02		
	Purchase Hardware	Feb-01		Feb-01
	Purchase Software Component	Feb-01		Feb-01
	Install Equipment	Apr-01	Mar-01	
	Install Software Component	Apr-01		
	Begin In-house Staff Training – SQL	Mar-01		
**	**Conversion Legacy Data Bases**			
	Commission Secretary & Research Data Base			
	Develop Design	Sep-01		
	Integrate into new Client/Server model	Apr-02		
	MIS – Budget Process	FY 2003		
	Information/Press/Clearinghouse	FY 2003		
	Other Tertiary Systems	FY 2003		

Shaded Areas Indicate Completed Tasks
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Information Technology
IMPLEMENTATION SCHEDULE

MODERNIZATION

	IT MODERNIZATION			
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
**	**Case Management**			
	Award Contract	FY 1996		Sep-96
	Develop Functional Specifications	Mar-98		May-98
	Develop Technical Specifications	Mar-98		Sep-98
	Implement Pilot Program	Jun-98		Nov-98
	Begin Implementation	FY 1997	May-99	May-99
	Fully Operational	Dec-97	Feb-00	
	6 Month Review	Apr-00	Jul-01	
	Draft Procedures – Ernst & Young Day 2 Trng	Feb-01	Sep-01	
	Design & Implement Litigation Notebook	Nov-01		
	Complete Project	Jul-01	Jan-02	
**	Relational Data Base Mngt System (RDBMS) Client/Server			
	Award Contract	FY 1998		Sep-98
	Determine Strategy First Phase	FY 1998	FY 1999	Mar-99
	Determine Strategy Second Phase	Dec-99	Mar-00	Apr-00
	Award Contract	FY 1999	Jun-00	Sep-00
**	**Client Server**	FY 2004		
	Award Contract	FY 1999	Jun-00	Sep-00
	Develop Project Plan	Jan-01		Feb-01
	Develop Detailed Data Base Design	Jun-01		
	Begin program development	Jun-01		
	Begin Data Conversion	Aug-01		
	Convert Data Capture	Nov-01		
	Project complete	Dec-02		
	Purchase Hardware	Feb-01		Feb-01
	Purchase Software Component	Feb-01		Feb-01
	Install Equipment	Apr-01	Mar-01	
	Install Software Component	Apr-01		
	Begin In-house Staff Training – SQL	Mar-01		
**	**Conversion Legacy Data Bases**			
	Commission Secretariat & Research Data Base			
	Develop Design	Sep-01		
	Integrate into new Client/Server model	Apr-02		
	MIS – Budget Process	FY 2003		
	Information/Press/Clearinghouse	FY 2003		
	Other Tertiary Systems	FY 2003		

Shaded Areas Indicate Completed Tasks
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Information Technology
IMPLEMENTATION SCHEDULE

MODERNIZATION

IT MODERNIZATION			
GOALS/MILESTONES	COMPLETION DATES		
	TARGET	REVISED	ACTUAL
Year 2000 Fix (Y2K)			
Identify Program Sets		Nov-97	Nov-97
Complete Conversion - Software		Jun-99	Dec-98
Award Contract Independent Verification & Validation IV&V	Mar-99	Apr-99	Apr-99
Complete (IV&V) Phase I	Jun-99	Jul-99	Jul-99
Complete (IV&V) Phase II	Dec-99	Dec-99	Dec-99
Complete Remediation of In-House Computers	Jun-99	Aug-99	Dec-99
Complete Remediation of Third party Software	Jun-99	Aug-99	Dec-99
Award IT Svc Contract	Aug-99		Sep-99
Simulation Test Year 2000	Sep-99		Dec-99
Complete Development of Y2K Contingency Plans	Oct-99		Dec-99
Y2K Preparedness Complete	Jan-00		Jan-00
Groupware Contract - Award Contract	FY 1997	Aug-97	Sep-97
Groupware Development		Sep-98	Dec-98
Award Contract	FY 1997		Sep-97
Begin Application Migration	FY 1997	Jul-98	Sep-98
Complete Application Migration	FY 1998	Dec-98	Dec-98
Develop Commission Research Data Base			Jan-99
Implement Comm. Research D.B.			Jan-99
Install Forms Generation Capability	FY 1997	Aug-97	Dec-97
Install New Desktop Publishing Capability	FY 1997	Mar-97	Mar-97
Install Legal Dictionary & Cite Search Capability	FY 1997	Sep-97	Oct-97

Shaded Areas Indicate Completed Tasks
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Information Technology
IMPLEMENTATION SCHEDULE
ELECTRONIC FILING

ELECTRONIC FILING				
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
	Develop Regulations	Sep-96		
	Issue for Comment			May-96
	Issue (Interim)			Aug-96
	Issue (Final)		Apr-97	Apr-97
	Develop File Specifications & Record Formats	Sep-96		May-96
	Issue for Comment			Jun-96
	Issue	Oct-96		Dec-96
	Modify & Reissue		Sep-97	Feb-98
	Develop an Interim System to Accept Diskettes	Jan-97		Dec-96
	Award Contract			Sep-96
	Implement System			Dec-96
	Develop Validation Software	Sep-96		Dec-96
	Award Contract			Sep-96
	Make Software Available to Filing Community			Dec-96
**	Survey Filing Community			
	Award Contract		Apr-97	Jul-97
	Report Complete		Aug-97	Dec-97
**	Modify Disclosure Data Base			
	Begin Modification		Aug-97	Aug-97
	Complete Modification		Jan-98	Jan-98
	Additional Data Bases			
	Begin Implementation	Sep-97		
	Complete Implementation	FY 1998	FY 1999	
	Acquire Additional Data Base Storage	Mar-98	FY 1999	
	See Project Client/Server			
	Help Desk			
	Establish	Sep-97		Sep-97
	Fully Staffed & Operational	Feb-98		Nov-97
	Develop Reporting Software for Filers			Oct-97
	Award Contract			Sep-96
	Make Software Available to Filing Community	Sep-97		Oct-97
	Update Filer Software		Feb-98	Mar-98
	Implement Communications	Feb-98		Dec-97
	Integrate Electronic Filings with Desktop Computers	FY 1998	Mar-98	Apr-98
	Implement Full System			
	Begin Design Work	Jan-97		Jan-97
	Complete Design Work	FY 1998		Oct-97
	Award Contract	Aug-97	Sep-97	Sep-97
	Implement System	Mar-98	Aug-98	
	Accept Filing via Modem	Feb-98		Feb-98

Shaded Areas Indicate Completed Tasks
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Information Technology
IMPLEMENTATION SCHEDULE
ELECTRONIC FILING

	ELECTRONIC FILING			
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
**	Modify Full System (Roll Out)	FY 1999		
	Marketing Plan Development Goals for 2000 cycle	May-99	May-99	
	Create Inter-Divisional Design/Working Group			Apr - 99
	Program for Calendar 1999			
	Vendor conferences	FY 1999		May 99
	FEC Conferences	FY 1999		Apr- 99
**	Targeted Mailings	FY 1999		
	Revised RAD Communications	FY 1999		May- 99
	Training for Information Staff	FY 1999		Mar- 99
	RAD Requirements Review	FY 1999		
	Survey All Filers	Apr - 99	May - 99	May- 99
	Establish Internal marketing Team	Apr - 99		Apr - 99
**	Initiate Modifications	FY 1999		Mar-99
**	Complete Modifications	FY 1999		
	Update Filer Formats		Mar-98	Aug-98
	Update Filer Software		FY 1999	Mar - 99
	FEC FECFile version 2			Mar - 98
	FEC FECFile version 3			Mar - 99
	Establish Market Partnership with Campaign Cmty	FY 1999	Sep-98	Sep - 98
	Award Contract to Partners			Sep - 98
**	System Capable of Accepting All Filings Electronically	FY 2000	Aug-98	Mar-99
	EF at the Senate	FY 1999		
	Design System for Senate to Receive EF Reports	Aug - 98		Aug - 98
	Install System	FY 1999	TBD	
	Test System	FY 1999	TBD	
	Fully Operational	FY 1999	TBD	
**	Survey All Filers			Feb-00
	Send Surveys to Respondents			May - 99
	Analyze and Report Findings	Aug - 99		

Shaded Areas Indicate Completed Tasks
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Information Technology
IMPLEMENTATION SCHEDULE
POINT-OF-ENTRY

POINT-OF-ENTRY				
	GOALS/MILESTONES	COMPLETION DATES		
		TARGET	REVISED	ACTUAL
	Accept & Process House Filings	Jan-96		Jan-96
	Upgrade FEC Imaging System	Apr-96		May-96
	Install Communications Link to House R & R Office	Apr-96		Aug-96
	Install High Speed Scanner at the FEC	Apr-96		Apr-96
	Begin Imaging House Reports	May-96		May-96
	Install Capability for R & R to Retrieve Images	Sep-96		Sep-96
	Imaging System Fully Operational @ R & R			Nov-96
	Install Capability for Sec of State to Retrieve Images	Sep-96	Jul-97	Jan-98
	Install Image capability on World Wide Web			
	Award Contract		Dec-97	Dec-97
	Implemented System - Access to WWW		Jan-98	Jan-98
	Completed Loading Previous Years Data		Apr-98	Jul-98
	Implement Real Time Query for Retrieval of Images WWW			
	Award Contract	May-98		Jun-98
	Implement Enhanced Retrieval Capability	Jul-98		Jul-98
	Install Second High Speed Scanner at the FEC	Mar-99		Apr-99
**	Develop Telecommunication Connection to Senate	FY 1999	Jul-00	Sep-00
	Senate Develops Image Extract Process	Mar-00		Sep-00
	Design System to Received TIF Images	FY 1999	May-00	May-00
	Test System	FY 1999	Jun-00	Jul-00
	Operational	FY 1999	Jul-00	Sep-00
	Continued Support of digital Imaging to US House	FY 2001		
	Continued Support of Senate To FEC Image Transport	FY 2001		
	Continued Support of Digital Imaging System	FY 2001		
	Replace Imaging System (see Doc. Mngt)			
	Migrate DIS Images to New FileNet system	Dec - 01		
	Roll out New disclosure imaging system	Feb – 02		

Shaded Areas Indicate Completed Tasks
*The term Document Management now replaces Full Text Search Capabilities

POINT OF ENTRY DIV 61	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT	76,500	73,000	77,000	73,000	77,000	73,000	77,000	526,500
IMAGES ON THE INTERNET (WEB)	36,500	37,000	37,000	37,000	37,000	37,000	37,000	258,500
SENATE OPERATIONS	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000
TEMPORARY SERVICES/SUPPLIES	30,000	26,000	30,000	26,000	30,000	26,000	30,000	198,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
MAINTENANCE	25,000	25,000	27,500	27,500	30,000	30,000	33,000	198,000
SCANNERS, ETC.	25,000	25,000	27,500	27,500	30,000	30,000	33,000	198,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL NON-PERSONNEL	101,500	98,000	104,500	100,500	107,000	103,000	110,000	724,500
PERSONNEL	81,500	79,000	88,500	87,000	97,000	95,500	107,000	635,500
SALARIES	56,500	58,000	61,000	64,000	67,000	70,500	74,000	451,000
OVERTIME	25,000	21,000	27,500	23,000	30,000	25,000	33,000	184,500
OTHER	-	-	-	-	-	-	-	-
TOTAL IT POINT OF ENTRY	183,000	177,000	193,000	187,500	204,000	198,500	217,000	1,360,000

FEC REQUEST FY 2002 BUDGET							
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
DATA SYSTEMS DIVISION 60							
PERSONNEL SALARIES/BENF.	2,855,000	2,755,500	2,893,500	3,038,000	3,190,000	3,349,500	3,517,000
OTHER (OVERTIME)	40,000	40,000	45,000	50,000	55,000	60,000	65,000
TOTAL PERSONNEL	2,695,000	2,795,500	2,938,500	3,088,000	3,245,000	3,409,500	3,582,000
NON-PERSONNEL	1,210,000	1,195,000	1,243,000	1,293,000	1,345,000	1,400,000	1,456,000
TOTAL DIVISION 60	3,905,000	3,990,500	4,181,500	4,381,000	4,590,000	4,809,500	5,038,000
IT ENHANCEMENTS DIVISON 62	FY 2002 FEC REQUEST						
PERSONNEL SALARIES/BENF.	387,500	824,000	865,000	909,000	954,000	1,002,000	1,051,500
OTHER (OVERTIME)	2,000	2,000	2,500	2,500	3,000	3,000	3,500
TOTAL PERSONNEL	389,500	826,000	867,500	911,500	957,000	1,005,000	1,055,000
NON-PERSONNEL	3,132,683	3,341,000	2,570,500	3,045,500	3,152,000	3,216,000	2,337,000
TOTAL DIVISION 62	3,522,183	4,167,000	3,438,000	3,957,000	4,109,000	4,221,000	3,392,000
ELECTRONIC FILING DIVISION 63	FY 2002 FEC REQUEST						
PERSONNEL SALARIES/BENF.	149,500	154,000	162,000	170,000	178,500	187,500	197,000
OTHER (OVERTIME)	2,000	2,000	2,500	2,500	3,000	3,000	3,500
TOTAL PERSONNEL	151,500	156,000	164,500	172,500	181,500	190,500	200,500
NON-PERSONNEL	822,500	1,078,000	1,090,000	1,102,000	1,114,500	1,127,500	1,141,000
TOTAL DIVISION 63	974,000	1,234,000	1,254,500	1,274,500	1,296,000	1,318,000	1,341,500
POINT OF ENTRY DIVISION 61	FY 2002 FEC REQUEST						
PERSONNEL SALARIES/BENF.	56,500	58,000	61,000	64,000	67,000	70,500	74,000
OTHER (OVERTIME)	25,000	21,000	27,500	23,000	30,000	25,000	33,000
TOTAL PERSONNEL	81,500	79,000	88,500	87,000	97,000	95,500	107,000
NON-PERSONNEL	101,500	98,000	104,500	100,500	107,000	103,000	110,000
TOTAL DIVISION 61	183,000	177,000	193,000	187,500	204,000	198,500	217,000
TOTAL IT PROJECTS 61-63	IT STRATEGIC PLAN FY 2002 FEC REQUEST						
PERSONNEL SALARIES/BENF.	593,500	1,036,000	1,088,000	1,143,000	1,199,500	1,260,000	1,322,500
OTHER (OVERTIME)	29,000	25,000	32,500	28,000	36,000	31,000	40,000
TOTAL PERSONNEL	622,500	1,061,000	1,120,500	1,171,000	1,235,500	1,291,000	1,362,500
NON-PERSONNEL	4,056,683	4,517,000	3,765,000	4,248,000	4,373,500	4,446,500	3,588,000
TOTAL DIVISION 61-63	4,679,183	5,578,000	4,885,500	5,419,000	5,609,000	5,737,500	4,950,500

AS OF 2/12/2001 02/09/2001

IT STRATEGIC PLAN: IT ENHANCEMENTS--FY 2002 FEC REQUEST LEVEL

IT ENHANCEMENTS DIVISION 63	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT: PROJECTS	2,918,623	2,586,000	1,046,000	1,544,500	1,547,000	1,549,350	497,000	11,787,623
TRAVEL	2,000	6,500	5,000	7,500	10,000	12,500	15,000	58,500
CASE MANAGEMENT								
CASE MANAGEMENT/MI--ERNST AND YOUNG	132,500	-	-	-	-	-	-	132,500
CASE MANAGEMENT/MI--HW/SW	-	100,000	-	-	-	-	-	100,000
CASE MANAGEMENT/MI--6TH MONTH REVIEW	58,000	-	-	-	-	-	-	58,000
DOCUMENT MANAGEMENT								
CONVERSION AND IMPLEMENATATION	252,000	100,000	-	-	-	-	-	352,000
FILE NET EQUIPMENT AND SOFTWARE	-	490,000	-	-	-	-	-	490,000
CLIENT/SERVER								
DEVELOPMENT/CONVERSION	715,000	252,000	-	-	-	-	-	967,000
CLIENT/SERVER OPERATIONS	188,000	282,000	282,000	282,000	282,000	282,000	282,000	1,880,000
CLIENT/SERVER SOFTWARE	550,000	-	-	-	-	-	-	550,000
CLIENT/SERVER HARDWARE	125,000	-	-	-	-	-	-	125,000
CLIENT/SERVER TRAINING	76,000	-	-	-	-	-	-	76,000
HEARING ROOM AV UPGRADE								
HEARING ROOM AV COMPUTERS AND SOFTWARE	-	-	125,000	-	-	-	-	125,000
HEARING ROOM BENCH EVOTING	-	-	33,000	-	-	-	-	33,000
OTHER INITIATIVES DEVELOPMENT/IMPLEM.								
PC DOCS TRAINING	13,000	-	-	-	-	-	-	13,000
COMMISSION WIDE PC UPGRADE (4 YEAR CYCLE)	332,623	380,000	-	305,000	305,000	305,000	-	1,627,623
OCR/SCANNING NON-ELECTRONIC FILED DOCUMENTS	-	-	-	150,000	-	-	-	150,000
AUDIT TEAMMATE	62,500	25,000	-	-	-	-	-	87,500
DATA MINING/ENHANCED AUTOMATED REVIEW	-	250,000	-	-	-	-	-	250,000
NEEDS ANALYSIS: RAD FY 02;IMPOVALIDIT ONGOING		269,000	-	200,000	200,000	200,000	200,000	1,069,000
FINANCE AND PERSONNEL INITIATIVES								-
PEOPLESOFT ACCOUNTING SW	380,000	127,500	-	-	-	-	-	507,500
PEOPLESOFT ACCOUNTING HW	100,000	-	-	-	-	-	-	100,000
PEOPLESOFT HR MODULE	-	105,000	-	-	-	-	-	105,000
PEOPLESOFT HR IMPLEMENTATION	-	200,000	-	-	-	-	-	200,000
PEOPLESOFT ELECTRONIC PURCHASING	-	-	100,000	100,000	-	-	-	200,000
ENHANCEMENT ACCESSIBILITY PROGRAM	-	-	500,000	500,000	500,000	700,000	-	2,200,000
MAINTENANCE	114,060	755,000	1,525,500	1,501,000	1,805,000	1,866,500	1,840,000	9,007,060
BASIC EQUIPMENT/PC REPAIR AND REPLACEMENT	42,000	50,000	52,500	55,000	58,000	61,000	65,000	383,500
CASE MANAGEMENT/LMI SUPPORT	-	75,000	100,000	105,000	110,000	115,000	120,000	625,000
ORACLE SOFTWARE SUPPORT	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
GROUPWARE LOTUS NOTES	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
OPERATING SYSTEMS MS/SUN	-	50,000	52,500	55,000	58,000	61,000	65,000	341,500
FILENET S/WARE MAINTENANCE	-	90,000	95,000	100,000	105,000	110,000	115,000	615,000
DOCS OPEN MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
SACONS MAINTENANCE	-	30,000	31,500	33,000	35,000	37,000	40,000	206,500
CLIENT SERVER SW MAINTENANCE/UPGRADE	-	200,000	210,000	225,000	236,000	250,000	265,000	1,415,000
OCR/SCANNING MAINTENANCE	-	-	-	-	30,000	52,500	35,000	157,500
PEOPLESOFT MAINTENANCE HW/SW	-	-	133,000	140,000	150,000	160,000	175,000	760,000
OTHER (ANALYSES/STUDIES/UPDATES)	-	-	500,000	500,000	300,000	500,000	600,000	2,400,000
FACILITIES MAINTENANCE - RENNOVATIONS	72,060	50,000	97,500	35,000	36,000	61,000	65,000	456,560
TRAINING		80,000	85,000	90,000	95,000	100,000	105,000	555,000
TOTAL NON-PERSONNEL	3,132,683	3,341,000	2,570,500	3,045,500	3,352,000	3,416,000	2,337,000	20,794,683
PERSONNEL	389,500	826,000	867,500	911,500	957,000	1,005,000	1,056,000	6,011,500
SALARIES	387,500	824,000	865,000	909,000	954,000	1,002,000	1,051,500	5,993,000
OVERTIME	2,000	2,000	2,500	2,500	3,000	3,000	3,500	18,500
TOTAL IT ENHANCEMENTS	3,522,183	4,167,000	3,438,000	3,957,000	4,309,000	4,421,000	3,392,000	26,806,183

FY 2001-2007 AS OF 2/12/2001

IT STRATEGIC PLAN: IT ENHANCEMENTS--CURRENT SERVICES LEVEL FY 2002

IT ENHANCEMENTS Division 62	FY 2001	FY 2003	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACT/PROCUREMENT - PROJECTS	3,018,823	2,156,092	1,488,600	1,544,500	1,547,000	1,548,900	497,000	11,797,823
TRAVEL	3,400	4,400	8,000	7,600	10,000	12,500	15,000	56,900
CASE MANAGEMENT								
CASE MANAGEMENT/LAB - ERNST AND YOUNG	132,500							132,500
CASE MANAGEMENT/LAB - 3WISE		100,000						100,000
CASE MANAGEMENT/LAB - 6TH MONTH REVIEW	66,000							66,000
DOCUMENT MANAGEMENT								
CONVERSION AND IMPLEMENTATION	193,000	160,000						353,000
FILE NET EQUIPMENT AND SOFTWARE		490,000						490,000
CLIENTSERVER								
DEVELOPMENT/CONVERSION	118,000	282,000	282,000	282,000	283,000	282,000	282,000	1,811,000
CLIENTSERVER OPERATIONS	166,000	282,000	282,000					564,000
CLIENTSERVER SOFTWARE	156,000							156,000
CLIENTSERVER HARDWARE	124,000							124,000
CLIENTSERVER TRAINING	76,000							76,000
NEAR COMPUTERS AND SOFTWARE AN UPGRADE			125,000					125,000
HEARING ROOM (NOW EXTEND			33,000					33,000
OTHER INITIATIVES (DEVELOPMENT/IMPLEM.								
PC DOCS TRAINING	16,000							16,000
COMMISION WIDE PC UPGRADE (4 YEAR CYCLE)	332,823	360,000		365,000	360,000	360,000		1,827,823
CORRESPONDING NON-ELECTRONIC FILED DOCUMENTS				160,000				160,000
AUDIT TERMINATE	82,500	25,000						87,500
DATA WAREHOUSE ENHANCED AUTOMATED REVIEW			250,000					250,000
NEEDS ANALYSIS - RAD FY 02/AFD/AUDIT ONGOING		348,000		200,000	200,000	300,000	200,000	1,048,000
FINANCE AND PERSONNEL INITIATIVES								
PEOPLESOFT ACCOUNTING SW	380,000	127,500						507,500
PEOPLESOFT ACCOUNTING HW	100,000							100,000
PEOPLESOFT HR MODULE		166,000						166,000
PEOPLESOFT HR IMPLEMENTATION			200,000					200,000
PEOPLESOFT ELECTRONIC PURCHASING			100,000	100,000				200,000
ENHANCED ACCESSIBILITY: PORTALS			600,000	824,000	780,000	784,000		3,588,000
MAINTENANCE	114,000	798,000	1,335,500	1,501,000	1,499,000	1,666,500	1,540,000	9,007,000
MISC EQUIPMENT/PC REPAIR AND REPLACEMENT	42,000	30,000	30,000	30,000	30,000	61,500	65,000	292,500
CASE MANAGEMENT/LAB SUPPORT		71,500	100,000	100,000	115,000	115,000	120,000	521,500
ORACLE SOFTWARE SUPPORT		50,000	54,000	54,000	55,000	61,000	65,000	339,000
GROUPWISE LOTUS NOTES		50,000	53,500	54,000	56,000	61,000	65,000	341,500
PEOPLESOFT SYSTEM MAINTENANCE		80,000	80,000	100,000	105,000	110,000	115,000	610,000
LOCAL OPEN MAINTENANCE		30,000	31,500	33,000	34,000	37,000	40,000	205,500
BACKUP MAINTENANCE		30,000	31,500	33,000	35,000	37,000	40,000	206,500
CLIENT SERVER SYSTEM MAINTENANCE/UPGRADE		350,000	741,000	223,000	226,000	250,000	265,000	1,115,000
DOMEPLANNING MAINTENANCE					30,000	82,500	55,000	167,500
PEOPLESOFT MAINTENANCE HRMS		139,000	140,000	140,000	180,000	180,000	175,000	760,000
OTHER (ANALYSES/UPGRADES)			350,000	500,000	360,000	350,000	600,000	2,660,000
FACILITIES MAINTENANCE - RENOVATIONS	72,000	50,000	87,500	54,000	96,000	81,000	64,000	454,500
TRAINING		40,000	65,000	80,000	95,000	140,000	100,000	554,000
TOTAL NON-PERSONNEL	3,132,823	2,891,000	3,053,500	3,045,500	3,152,000	3,214,000	2,837,000	20,784,823
PERSONNEL	288,500	451,000	857,500	911,500	957,000	1,000,000	1,055,000	5,560,500
SALARIES	261,500	391,000	805,000	829,000	854,000	1,002,000	1,051,500	5,548,000
OVERTIME	2,500	3,000	2,500	2,500	3,000	3,000	3,500	15,500
TOTAL IT ENHANCEMENTS	3,421,323	3,342,000	3,911,000	3,957,000	4,109,000	4,214,000	3,892,000	26,345,323

FY 2001-2007 AS OF SEPTEMBER

ELECTRONIC FILING DIV 63	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	CUME TOTAL
CONTRACTS/PROCUREMENT	502,500	513,000	515,000	517,000	519,500	522,500	526,000	3,615,500
TRAVEL	7,500	8,000	10,000	12,000	14,500	17,500	21,000	90,500
INTERIM SYSTEM OPERATIONS	-	-	-	-	-	-	-	-
SURVEY FULL SYSTEM	-	-	-	-	-	-	-	-
DESIGN/DEVELOP FULL SYSTEM	-	-	-	-	-	-	-	-
DEFINE/DIST. FILE FORMAT	-	-	-	-	-	-	-	-
INFORMIX UNIVERSAL SERVER	-	-	-	-	-	-	-	-
INTEGRATE EF AND DISCL DATAB.	-	-	-	-	-	-	-	-
(ADDL DATABASE/EXPENDITURES)	-	-	-	-	-	-	-	-
FILER SOFTWARE	-	-	-	-	-	-	-	-
PILOT PROGRAM ROLL-OUT	-	-	-	-	-	-	-	-
CONTRACT TO PROMOTE EF	-	-	-	-	-	-	-	-
OPERATIONS/HELP DESK	495,000	505,000	505,000	505,000	505,000	505,000	505,000	3,525,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
MAINTENANCE	320,000	565,000	575,000	585,000	595,000	605,000	615,000	3,860,000
BASE SYSTEM	-	-	-	-	-	-	-	-
FULL SYSTEM	320,000	565,000	575,000	585,000	595,000	605,000	615,000	3,860,000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL NON-PERSONNEL	822,500	1,078,000	1,090,000	1,102,000	1,114,500	1,127,500	1,141,000	7,475,500
PERSONNEL	151,500	156,000	164,500	172,500	181,500	190,500	200,500	1,217,000
SALARIES	149,500	154,000	162,000	170,000	178,500	187,500	197,000	1,198,500
OVERTIME	2,000	2,000	2,500	2,500	3,000	3,000	3,500	18,500
	-	-	-	-	-	-	-	-
TOTAL ELECTRONIC FILING	974,000	1,234,000	1,254,500	1,274,500	1,296,000	1,318,000	1,341,500	8,692,500

IT STRATEGIC PLAN AS OF 2/12/01

IT 2/8/2001	FY 2001	FY 2001 BY INITIATIVE		
OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF
SALARIES/BENF	593,500	387,500	56,500	149,500
OVERTIME	29,000	2,000	25,000	2,000
WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-
OTHER	-	-	-	-
PERSONNEL	622,500	389,500	81,500	151,500
21.01 TRAVEL	9,500	2,000	-	7,500
22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-
25.11 TRAINING	91,000	91,000	-	-
25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	1,947,000	1,375,500	76,500	495,000
25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	72,060	72,060	-	-
25.71 EQUIP/MAINT	25,000	-	25,000	-
25.72 SFT/HRDWRE	1,537,500	1,217,500	-	320,000
26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	374,623	374,623	-	-
NON-PERSONNEL	4,056,683	3,132,683	101,500	822,500
TOTAL IT SPLAN	4,679,183	3,522,183	183,000	974,000

IT 2/8/2001	FY 2002	FY 2002 CURRENT SERVICES		
OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF
SALARIES/BENF	611,000	399,000	58,000	154,000
OVERTIME	25,000	2,000	21,000	2,000
WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-
OTHER	-	-	-	-
PERSONNEL	636,000	401,000	79,000	156,000
21.01 TRAVEL	12,500	4,500	-	8,000
22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-
25.11 TRAINING	80,000	80,000	-	-
25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	1,481,000	903,000	73,000	505,000
25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	50,000	50,000	-	-
25.71 EQUIP/MAINT	600,000	575,000	25,000	-
25.72 SFT/HRDWRE	1,388,500	823,500	-	565,000
26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	455,000	455,000	-	-
NON-PERSONNEL	4,067,000	2,891,000	98,000	1,078,000
TOTAL IT SPLAN	4,703,000	3,292,000	177,000	1,234,000

IT 2/12/2001	FY 2002	FY 2002 FEC REQUEST		
OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF
SALARIES/BENF	1,036,000	824,000	58,000	154,000
OVERTIME	25,000	2,000	21,000	2,000
WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-
OTHER	-	-	-	-
PERSONNEL	1,061,000	826,000	79,000	156,000
21.01 TRAVEL	12,500	4,500	-	8,000
22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-
25.11 TRAINING	80,000	80,000	-	-
25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	1,931,000	1,353,000	73,000	505,000
25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	50,000	50,000	-	-
25.71 EQUIP/MAINT	600,000	575,000	25,000	-
25.72 SFT/HRDWRE	1,388,500	823,500	-	565,000
26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	455,000	455,000	-	-
NON-PERSONNEL	4,517,000	3,341,000	98,000	1,078,000
TOTAL IT SPLAN	5,578,000	4,167,000	177,000	1,234,000

IT 2/12/2001	FY 2003	DIVISION 61-63 IT FY 2003		
OBJECT CLASS	TOTAL	IT ENHANCE.	P OF E/SEN.	EF
SALARIES/BENF	1,088,000	865,000	61,000	162,000
OVERTIME	32,500	2,500	27,500	2,500
WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-
OTHER	-	-	-	-
PERSONNEL	1,120,500	867,500	88,500	164,500
21.01 TRAVEL	15,000	5,000	-	10,000
22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-
25.11 TRAINING	85,000	85,000	-	-
25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	1,864,000	1,282,000	77,000	505,000
25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	97,500	97,500	-	-
25.71 EQUIP/MAINT	788,000	760,500	27,500	-
25.72 SFT/HRDWRE	800,000	225,000	-	575,000
26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	115,500	115,500	-	-
NON-PERSONNEL	3,765,000	2,570,500	104,500	1,090,000
TOTAL IT $PLAN	4,885,500	3,438,000	193,000	1,254,500

IT 2/8/2001	DIVISION 61-63 IT FY 2004-2007			
OBJECT CLASS	FY 2004	FY 2005	FY 2006	FY 2007
SALARIES/BENF	1,143,000	1,199,500	1,260,000	1,322,500
OVERTIME	28,000	36,000	31,000	40,000
WITNESSES	-	-	-	-
CASH AWARDS	-	-	-	-
OTHER	-	-	-	-
PERSONNEL	1,171,000	1,235,500	1,291,000	1,362,500
21.01 TRAVEL	19,500	24,500	30,000	36,000
22.01 TRANS/THGS	-	-	-	-
23.11 GSA SPACE	-	-	-	-
23.21 COM. SPACE	-	-	-	-
23.31 EQUIP RENT	-	-	-	-
23.32 TELE LOCAL	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-
23.34 TELE INTCTY	-	-	-	-
23.35 POSTAGE	-	-	-	-
24.01 PRINTING	-	-	-	-
24.02 MICROFILM	-	-	-	-
25.11 TRAINING	90,000	95,000	100,000	105,000
25.12 ADMIN EXP	-	-	-	-
25.13 DEP/TRANSC	-	-	-	-
25.21 CONTRACTS	2,210,000	2,314,000	2,310,000	1,664,000
25.23 REPAIR/MAIN	-	-	-	-
25.24 TUITION	-	-	-	-
25.31 FED AGENCY	-	-	-	-
25.41 FACIL MAINT	55,000	58,000	61,000	65,000
25.71 EQUIP/MAINT	828,500	924,000	974,500	1,038,000
25.72 SFT/HRDWRE	685,000	595,000	605,000	615,000
26.01 SUPPLIES	-	-	-	-
26.02 PUBLICATIONS	-	-	-	-
26.03 PUBS SERV	-	-	-	-
31.01 EQP PURCH	360,000	383,000	386,000	65,000
NON-PERSONNEL	4,248,000	4,373,500	4,446,500	3,588,000
TOTAL IT $PLAN	5,419,000	5,609,000	5,737,500	4,950,500

IT 2/8/2001	FY 2001-2007 DATA SYSTEMS DIVISION 80						
OBJECT CLASS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
SALARIES/BENF	2,655,000	2,755,500	2,893,500	3,038,000	3,190,000	3,349,500	3,517,000
OVERTIME	40,000	40,000	45,000	50,000	55,000	60,000	65,000
WITNESSES	-	-	-	-	-	-	-
CASH AWARDS	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-
PERSONNEL	2,695,000	2,795,500	2,938,500	3,088,000	3,245,000	3,409,500	3,582,000
21.01 TRAVEL	10,000	15,000	16,000	17,000	18,000	19,000	20,000
22.01 TRANS/THGS	-	-	-	-	-	-	-
23.11 GSA SPACE	-	-	-	-	-	-	-
23.21 COM. SPACE	-	-	-	-	-	-	-
23.31 EQUIP RENT	-	-	-	-	-	-	-
23.32 TELE LOCAL	-	-	-	-	-	-	-
23.33 LDIST/TELEG	-	-	-	-	-	-	-
23.34 TELE INTCTY	-	-	-	-	-	-	-
23.35 POSTAGE	-	-	-	-	-	-	-
24.01 PRINTING	10,000	15,000	16,000	17,000	18,000	19,000	20,000
24.02 MICROFILM	-	-	-	-	-	-	-
25.11 TRAINING	12,000	20,000	21,000	22,000	23,000	24,000	25,000
25.12 ADMIN EXP	11,000	15,000	16,000	17,000	18,000	19,000	20,000
25.13 DEP/TRANSC	-	-	-	-	-	-	-
25.21 CONTRACTS	160,000	120,000	125,000	130,000	135,000	140,000	145,000
25.23 REPAIR/MAIN	-	-	-	-	-	-	-
25.24 TUITION	-	-	-	-	-	-	-
25.31 FED AGENCY	-	-	-	-	-	-	-
25.41 FACIL MAINT	3,000	-	-	-	-	-	-
25.71 EQUIP/MAINT	12,000	15,000	16,000	17,000	18,000	19,000	20,000
25.72 SFT/HRDWRE	897,000	897,000	931,000	964,000	999,000	1,037,000	1,076,000
26.01 SUPPLIES	68,000	68,000	70,000	75,000	80,000	85,000	90,000
26.02 PUBLICATIONS	2,000	5,000	6,000	7,000	8,000	9,000	10,000
26.03 PUBS SERV	-	-	-	-	-	-	-
31.01 EQP PURCH	25,000	25,000	26,000	27,000	28,000	29,000	30,000
NON-PERSONNEL	1,210,000	1,195,000	1,243,000	1,293,000	1,345,000	1,400,000	1,456,000
TOTAL DATA SYS.	3,905,000	3,990,500	4,181,500	4,381,000	4,590,000	4,809,500	5,038,000

APPENDIX C:
FEDERAL ELECTION COMMISSION
FY 2002 PERFORMANCE PLAN
PURSUANT TO GPRA AND OMB A-11

March 2001

Submitted to Congress/OMB

FY 2002 PERFORMANCE PLAN
FEDERAL ELECTION COMMISSION
PERFORMANCE MEASURES, GOALS AND TARGETS

PERFORMANCE MEASURES AND GOALS

The Federal Election Commission (FEC) Strategic Plan identifies performance goals by election cycle or other multi-year periods. The FY 2002 Performance Plan relates these objectives, goals, and targets to FY 2002. The FY 2002 budget request presents resource levels required to achieve the FEC goals and objectives.

The FEC Strategic Plan notes the difficulty in developing measures of performance for the FEC mission. It is difficult to define and measure public faith in the political and campaign finance systems and the effect of the FEC on the public's confidence in the political process. The FEC, however, has developed a set of performance indicators to measure success in achieving improved public confidence in the political process.

If we are successful in meeting our performance targets for timely review and processing of reports, if we meet our targets for resolving enforcement actions in a timely manner, and if we are successful in informing and educating the public about campaign finance, we believe this will help ensure the desired outcomes: public confidence in the FEC to fairly and effectively apply campaign finance rules and to promote disclosure, thereby enabling the electorate to make informed choices in the electoral process. We seek to promote voluntary compliance with the FECA.

PERFORMANCE LEVELS AND FUNDING/FTE

The FEC has requested a FY 2002 budget of 375 FTE and $47,671,000. The request represents a continuation of funding from FY 2001, originally enacted at $40,500,000 and 352 FTE, as adjusted to cover inflation, federal COLAs, and the cost of implementing our Information Technology (IT) Strategic Plan. We also adjusted the staffing level to accommodate the administrative fine program that was implemented in FY 2001, but was unfunded in the FY 2001 appropriation. This provides for a continuing resources (Current Services) level of $42,797,500 for 357 FTE in FY 2002.

In addition to the Current Services level, the FEC has requested additional funding for the Office of Election Administration (OEA) to assist state and local elections administrators: 6 FTE and $2.542 million in FY 2002 to continue initiatives in elections administration requested for funding in our FY 2001 supplemental request for $3 million. These initiatives would complete and enhance the revised Voting Systems Standards (VSS)—technical standards for voting machinery. The request would also assist in the development of management and operational standards for voting systems, as part of a comprehensive program to upgrade the administration of federal elections by the 2004 presidential election.

Finally, the FEC has requested another 12 additional staff in FY 2002. The additional staff would be allocated as follows: five FTE for Data Systems for the IT program to support on-going projects and new IT initiatives; four to the Commissioners to provide for an additional executive assistant in all Commissioner offices, beyond the Chairman and Vice Chairman offices, as is currently funded; and three staff for offices currently using contracted temporary assistance to meet workload demands (Information, Personnel, and the ADR program.)

We have also requested funds to provide space to house the additional staff and the projected expansion of the mission of the OEA, plus provide for staffing for the programs

mandated but unfunded in previous FEC appropriations. The five FTE in Data Systems would ensure that on-going IT programs are fully supported and the new initiatives requested can be accomplished.

Therefore, the FEC calculated a "Current Resources Performance" (Current Services) level of $42.8 million and 357 FTE based on the FY 2001 appropriation, as adjusted. The programmatic increases requested for FY 2002 at our full request level of $47.7 million for 375 FTE constitute the "Commission Request Performance" level.

Any funding level below the Current Services level, such as the OMB request for the FEC for FY 2002 at $41.1 million, reflects a "Minimal Performance" level for FY 2002. This level of FEC resources will not support an alternative dispute resolution program (ADR); implement a PricewaterhouseCoopers (PwC) recommendation for a stand-alone Title 2 audit program; support a congressionally mandated administrative fine program; or expand the revision and improvement of the Voting Systems Standards (VSS.) The OMB level of resources would not support the aforementioned programs and would require a combination of reductions in other Commission core programs and staff.

In FY 2002, the Commission determined **not** to request a final increment for disclosure and compliance programs: the "Full Performance Request" as submitted in FY 1998 and FY 1999 to properly process the expected future enforcement workload, plus complete on-going work on the 1996 election cycle major cases. The FY 2002 Request does not include a Full Performance level.

This submission indicates what the different performance level budgets will "buy" in terms of outcomes, as measured in workloads, service levels, and timeliness goals. The ability of the FEC to successfully implement the Federal Election Campaign Act of 1971, as amended, (FECA) and meet our mission responsibilities flows from the levels of service we are capable of providing.

The results or predicted outcomes for each of the major FEC programs are presented below. The desired outcomes for each program are presented at: the Minimal Performance Level (the OMB proposed level of funding) that results in staff levels of 352 FTE or less; the Current Resources Performance Level at 357 FTE; and the FEC Request Performance Level (375 FTE), for those programs that have performance indicated at higher than the Current Services Performance level. Only the incremental changes in performance or timeliness are included in the Current Request Performance Level and the FEC Request Performance Level.

FY 2002 PERFORMANCE PLAN

Program I: Disclosure
Objective: Promote Disclosure and Provide Information

The desired outcome is that the public can make informed choices in the electoral process due to full disclosure of the sources of candidates' funding for campaigns.

Minimal Performance Level (OMB level of 352 FTE or less)

-- Meet 48 hour deadline for making reports available for public review of 90% of reports filed at FEC: process (scan, film, file, code and enter summary data) an estimated 65,000 reports and statements in FY 2002 (Public Disclosure/Data Systems)

-- Code and enter itemized data from disclosure reports filed, 95% complete within 60 days from the date the reports are received at the FEC (estimated 40,000 reports and 1,000,000 transactions in FY 2002); reduce backlog of unprocessed 2002 cycle reports to less than 1500 (and all unprocessed reports to less than 2,000) by the end of FY 2002 (Data Systems)

-- Respond to 75% of requests for assistance from committees in filing reports within 72 hours; 11,000 estimated in FY 2002 (Reports Analysis)

-- Review 50% of all quarterly reports filed within 90 days of receipt at Commission, complete 100% review of all reports filed, estimated 40,000 in FY 2002; reduce backlog of unreviewed 2002 cycle reports to less than 20,000, and less than 21,000 for all reports from all cycles by the end of FY 2002 (Reports Analysis)

-- Review 100% of all statements received, estimated 10,000 in FY 2002 (Reports Analysis)

-- Prepare RFAI's for 100% of all committees' reports reviewed which require them, 50% within 90 days of receipt at Commission, estimated 9,500 in FY 2002 (Reports Analysis)

-- Respond to 75% of all requests for documents and data within 72 hours in Public Records, estimated at 26,000 in FY 2002; provide 30,000 printouts to requesters of indices (Public Disclosure)

-- Respond to 75% of all press inquiries within 72 hours, and comply with statutory deadlines for 90% of all FOIA requests received; estimated 14,000 and 50 in FY 2002 (Press Office)

-- Respond to 75% of requests for general information on FEC and FECA within 72 hours, 14 days for written requests, estimated at 55,000 calls and requests in FY 2002 (Information)

-- Respond to 75% of requests for copies of forms, the FECA and Regulations, and Commission brochures and guidelines within 72 hours, estimated at 24,000 calls and requests in FY 2002 (Information)

-- Notify all filers of upcoming reporting periods, and provide copies of forms as a pre-reporting notice; publish monthly FEC *Record* (Information)

-- Publish statutorily required *Annual Report* and publish the following:

-- FEC Disclosure Forms
-- FECA (the Act)
-- FEC Regulations and updates, 11 CFR

-- Enable Commission to meet statutory deadlines for issuance or conclude action on Advisory Opinions for 75% of all 60 and 20 day deadlines, estimated 40 in FY 2002, and meet 45-60 day target for AO reconsiderations, 15 days for deficient request notices (OGC)

-- Maintain targets for completion of all rule-making petitions filed pursuant to 11 CFR Part 200, complete revisions to sections of Regulations in FY 2002 (OGC)

-- Respond to all requests for legal assistance from FOIA Officer, and for all FOIA appeals, 75% within statutory deadlines, estimated 100 requests in FY 2002 (OGC)

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level, except for following improvements:

-- Meet 48 hour deadline for making reports available for public review of 99% of reports filed at FEC: process (scan, film, file, code and enter summary data) an estimated 65,000 reports and statements in FY 2002 (Public Disclosure/Data Systems)

-- Code and enter itemized data from disclosure reports filed, 95% complete within 45 days from the date the reports are received at the FEC (estimated 40,000 reports and 1,000,000 transactions in FY 2002); reduce backlog of unprocessed 2002 cycle reports to less than 1500 (and all unprocessed reports to less than 2,000) by the end of FY 2002 (Data Systems)

-- Respond to 100% of requests for assistance from committees in filing reports within 72 hours; 11,000 estimated in FY 2002 (Reports Analysis)

-- Review 60% of all quarterly reports filed within 90 days of receipt at Commission (75% within 120 days), complete 100% review of all reports filed, estimated 40,000 in FY 2002; reduce backlog of unreviewed 2002 cycle reports to less than 15,000, and less than 16,000 for all reports from all cycles by the end of FY 2002 (Reports Analysis)

-- Prepare RFAI's for 100% of all committees' reports reviewed which require them, 60% within 90 days of receipt at Commission, estimated 10,000 in FY 2002 (Reports Analysis)

-- Respond to 100% of all requests for documents and data within 72 hours in Public Records, estimated at 26,000 in FY 2002; provide 30,000 printouts to requesters of indices (Public Disclosure)

-- Respond to 100% of all press inquiries within 72 hours, and comply with statutory deadlines for 95% of all FOIA requests received; estimated 14,000 and 50 in FY 2002 (Press Office)

-- Respond to 100% of requests for general information on FEC and FECA within 72 hours, 14 days for written requests, estimated at 55,000 calls and requests in FY 2002 (Information)

-- Respond to 100% of requests for copies of forms, the FECA and Regulations, and Commission brochures and guidelines within 72 hours, estimated at 24,000 calls and requests in FY 2002 (Information)

-- Notify all filers of upcoming reporting periods, and provide copies of forms as a pre-reporting notice; publish monthly FEC *Record* (Information)

-- Publish statutorily required Annual Report and publish the following:

-- FEC Disclosure Forms
-- FECA (the Act)
-- FEC Regulations and updates, 11 CFR
-- Campaign Guides
-- Brochures on Election Processes
-- Videos on Campaign Finance (Information)

-- Enable Commission to meet statutory deadlines for issuance or conclude action on Advisory Opinions (AO) for 95% of all 60 and 20 day deadlines, estimated 40 in FY 2002, and meet 45-60 day target for AO reconsiderations, 15 days for deficient request notices (OGC)

-- Respond to all requests for legal assistance from FOIA Officer, and for all FOIA appeals, 95% within statutory deadlines, estimated 100 requests in FY 2002 (OGC)

FEC Request Performance Level (375 FTE)

-- Same as Current Resources Performance Level

FEC Full Performance Level **Not Requested**

Program II: Compliance
Objective: Obtain Compliance and Enforcement

The desired outcomes are the perception by the regulated community that disclosure reports must be accurately and timely filed and the impartial and timely enforcement of the FECA.

Minimal Performance Level (OMB level of 352 FTE or less)

-- Refer a total of 100 committees for potential 438(b) audits from the 2000 election cycle in FY 2001-2002, 65 in FY 2001 and the last 35 referrals in FY 2002 (RAD)

-- Refer a total of 30 committees for potential enforcement actions in FY 2002; complete all enforcement referrals within the second FY of the election cycle (all of 2002 cycle by close of FY 2003) (RAD)

-- Publish committees that fail to file reports (RAD)

-- Complete a reduced number of 438(b) audits; initiate an estimated 25 total audits for the 2000 cycle; initiate all authorized committee audits within six months of the election (Audit)

-- Maintain a system to identify and assign the more significant enforcement cases, more rapidly dispose of less significant cases, and manage limited staff resources: the Enforcement Priority System or EPS (OGC)

-- Performance targets under the EPS include (all estimates assume that significant, major cases from the 1998 and 2000 cycles remain open and active during the 2002 cycle):

Process and close 225 cases in FY 2002, 40% with substantive Commission action (This represents cases in which the Commission has reached a substantive finding on the merits of the matter, other than dismissal, including findings of no RTB)

Assuming a monthly average total caseload of 275 to 290 cases during FY 2002, maintain a monthly average ratio of 40% active to 60% inactive cases (OGC)

-- Permits OGC to continue to effectively process in timely manner 4-5 major cases from pre-2002 election cycles

-- Complete review of 438(b) audit reports within 6-8 weeks on average; complete routine matters in two weeks; perform an estimated 10-15 audit reviews in FY 2002 (OGC)

-- Respond to RAD requests for review of debt settlement plans and administrative terminations within 10 days, complete review of complex debt settlement plans within 60 days; estimated 25 debt settlements and 500 administrative terminations in FY 2002 (OGC)

-- File all litigation pleadings in district court for offensive litigation within 90 days of Commission determination to file suit, and meet all other time limits for briefs and other pleadings imposed by the rule or order of the courts; estimated 10-15 defensive suits initiated in FY 2002 (OGC)

-- Make at least one attempt to initiate settlement prior to commencement of suit for each case early enough to permit consideration by Commission of any settlement proposal prior to target date of initiation of suit; initiate 9 to 10 offensive litigation suits in FY 2002

-- Ensure that all pleadings and briefs represent the Commission's positions persuasively, by reporting on status of each active litigation case once a month, and by maintaining a system to obtain satisfaction of all judgments imposing civil penalties (OGC)

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level, except for following improvements:

-- Increase number of Title 2 audits to 40 to 45 audits per election cycle, 20-25 authorized committee audits and 20-25 unauthorized committee audits (Audit)

-- Conduct business process review of RAD procedures and organization by 2004 cycle, not started until FY 2003 at this level (RAD)

-- Refer a total of 100 committees for potential 438(b) audits from the 2000 election cycle in FY 2001-2002, 75 in FY 2001 and the last 25 referrals in FY 2002 (RAD)

-- Refer a total of 35 committees for potential enforcement actions in FY 2002; complete all enforcement referrals within the second FY of the election cycle (all of 2002 cycle by close of FY 2003) (RAD)

-- Permits operation of the administrative fine program to process non-and/or late-filer cases; frees enforcement staff in OGC to work on more complex, substantive cases for potential enforcement action (RAD and OAR)

-- Permits operation of alternative dispute resolution (ADR) process to handle administrative complaints and Title 2 audit referrals in a more timely, less resource-intensive process than the traditional enforcement process; frees enforcement staff in OGC to work on more complex, substantive cases for potential enforcement action (ADR)

-- Improves case activation ratios to 50%, and the active to inactive ratio for pending caseload to 50% (OGC)

-- Complete 20-25 audit reviews in FY 2002 (OGC)

-- Initiate 12-15 offensive litigation suits in FY 2002 (OGC)

FEC Request Performance Level (375 FTE)

-- Same as Current Resources Performance Level, except for following improvements:

-- Conduct a business process review of RAD procedures and organization, started in FY 2002; productivity and workload impacts not expected until 2004 cycle (RAD)

-- Enhance automated review and data mining capabilities; upgrade RAD staff levels (RAD and Data)

FEC Full Performance Level **Not Requested**

Program III: Public Financing
Objective: Administer Public Financing

The desired outcomes of the public funding program are to process timely and accurately requests for federal funds to qualified presidential candidates and to ensure impartial and timely enforcement of the FECA.

Minimal Performance Level (OMB level of 352 FTE or less)

-- The 5 temporary FTE in Audit in presidential election cycles will allow timely processing of matching fund requests for each election from January of prior year to December of election year; five temporary employees facilitate ability for monthly processing. (This is similar to temporary assistance utilized in prior election cycles.

Assistance of auditors on loan from GAO was terminated in the 1996 cycle. Not necessary until FY 2003.) (Audit)

-- With goal of completing all Title 26 audits within two years of the general election, complete 2000 cycle audits of 12 primary candidates, five convention committees (two per major party), and two general election audits by December of 2002 (Audit)

-- Produce report to Congress on the 2000 matching fund process within 2-1/2 years of 2000 general election (Audit)

-- Complete legal reviews of all 2000 presidential audits within two years of 2000 election (December 2002) (OGC)

-- Complete all repayment matters for 2000 cycle committees receiving public funds within three years of general election (by December 2003) (OGC)

-- Complete audit legal review comments within 8 weeks of completion of preliminary Title 26 audits for 2000 cycle (OGC)

-- Report on enforcement matters arising out of Title 26 audits and presidential campaigns to Commission every 3-6 months, depending upon complexity of cases; complete routine legal matters within one week; complete all investigations of 2000 presidential matters within four year presidential election cycle (by December 2004) (OGC)

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level

FEC Request Performance Level (375 FTE)

-- Same as Minimal Performance Level

FEC Full Performance Level **Not requested**

Program IV: Office of Election Administration
Objective: Administer Office of Election Administration

The desired outcomes are that the state and local election officials charged with administering federal elections are able to hold fair, efficient elections with public confidence in the integrity of the results and that election administrators comply with the Voting Accessibility and NVRA statutes. The FEC is required by the NVRA to report to Congress on the impact of the law after each election.

The Office of Election Administration currently is the only federal office directly assisting and supporting state and local election officials through the development of the updated technical Voting Systems Standards (VSS) and ongoing outreach efforts. The ability, or inability, to properly administer elections and tally elections results can affect the outcome of assuring public faith in the electoral process.

Minimal Performance Level (OMB level of 352 FTE or less)

-- Conduct research ($50,000) into elections administration issues, and respond to 100% of an estimated 7,500 requests for information within one week; research projects include: updated, enhanced VSS

-- Comply with all statutory responsibilities and deadlines with regard to the Voting Accessibility and National Voter Registration Acts

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level, except for the following improvements:

-- Fund research at $100,000 level in FY 2002 (comparable to FY 2000 and prior FY's)

FEC Request Performance Level (375 FTE)

-- Same as Current Performance Level, except for the following improvements:

-- Increase funding of OEA by $2.542 million and 6 FTE to: further enhance updated VSS; develop management standards for elections; update and expand prior OEA studies on ballot access, ballot design, recounts, contested and challenged elections; complete detailed survey of elections administration equipment and resources; and design criteria for grant program to assist state and local elections officials improve the management and conduct of federal elections. Projects include:

$500,000 for VSS and management standards research

$500,000 to disseminate and hold educational meetings on standards

$300,000 to update OEA research on elections administration issues

$450,000 to disseminate and hold educational meetings on OEA topics

$610,000 to administer expanded OEA program—6 FTE

-- Hold National Conference of Elections Administration Officials to introduce enhanced, updated VSS, management standards, and hold workshops on updated OEA research efforts for state and local elections officials ($140,000)

FEC Full Performance Level **Not requested**

Information Technology (IT) Projects

IT development and enhancements assist all Divisions and Offices in meeting their objectives and goals as defined above. The two major on-going initiatives are the IT Enhancements and the Electronic Filing projects. (See FEC IT Strategic Plan for FY 2001-2007.)

Minimal Performance Level (OMB level of 352 FTE or less)

-- Continue to provide point of entry for filing House disclosure documents at the FEC; scan all documents and transmit images to House Office in usable format for that office; eliminate duplicate processing at FEC and House office

-- Continuation of multiyear enhancement and upgrade of IT systems for all Commission Offices and Divisions; continue migration to client/server environment; continue implementation of document management system; maintain new finance and accounting system

-- Operation of electronic filing system for disclosure reports required to be filed under the FECA; interim system initiated on January 1, 1997; implemented a full electronic filing system on a test basis for 1998 election cycle, completed testing and total system implementation for voluntary electronic filing in 2000 election cycle; implemented mandatory, with thresholds, electronic filing for 2002 cycle in FY 2001

-- Assumes $4.453 million and 8.5 FTE for the computerization initiatives in FY 2002, as provided in the FEC FY 2001-2007 IT Strategic and Performance Plans

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level, except for the following improvements:

-- -- $106,000 to purchase and install IT Human Resources package to supplement the new IT finance and accounting system installed in FY 2001; full implementation of HR package delayed until FY 2003 at this level

-- Assumes $4.703 million and 8.5 FTE for the computerization initiatives in FY 2002, according to the revised FEC FY 2001-2007 IT Strategic and Performance Plans

FEC Request Performance Level (375 FTE)

-- Same as Current Resources Performance Level, except for the following improvements:

-- 5 additional FTE to ensure timely completion of IT initiatives underway, to provide sufficient support for on-going IT systems, and to support the new initiatives requested below and in future years

-- $250,000 for analysis, design, and implementation of a Data Mining program to take full advantage of the enhanced IT systems in the review process and enhance the automated review process in RAD

-- $200,000 to fully implement the IT Human Resources package to supplement the new IT finance and accounting system installed in FY 2001

-- Assumes $5,578,000 and 13.5 FTE for IT projects in FY 2002

FEC Full Performance Level Not requested

Commission Management and Administration

Represents the Commissioners, their immediate staff, and the staff management of the agency, including the Staff Director's Office, the Commission Secretary, and the offices of Planning and Management, Personnel, and EEO. While operationally under either the Staff Director or the Deputy Staff Director, the Alternative Dispute Resolution (ADR) office, the Office of Administrative Review, and the Press Office are included in the Disclosure or Compliance Objectives discussion above.

Minimal Performance Level (OMB level of 352 FTE or less)

-- Existing Commission and Staff Management staffs necessary to comply with government-wide laws and regulations for budget, planning, personnel (HR), EEO, and other issues affecting federal agencies; provide guidance and support to the staff in meeting the FEC mission and achieving agency objectives and goals

Current Resources Performance Level (357 FTE)

-- Same as Minimal Performance Level

FEC Request Performance Level (375 FTE)

-- Same as Current Resources Performance Level, except for the following improvements:

-- Implement automated HR package to supplement automated finance system installed in FY 2001, to better serve the HR needs of the FEC (Data and Personnel)

-- Additional four FTE to provide a second Executive Assistant to the four Commissioners other than the Chairman and Vice Chairman (currently only the Chairman and Vice Chairman have an additional Executive Assistant), to improve the ability of the Commissioners to monitor compliance programs and be more fully involved in the management of the agency

FEC Full Performance Level **Not requested**

APPENDIX D:
FEDERAL ELECTION COMMISSION
STRATEGIC PLAN
FY 2001-2007

PURSUANT TO GPRA AND OMB A-11

March 2001

Submitted to Congress/OMB

FEDERAL ELECTION COMMISSION
STRATEGIC PLAN FY 2001-2007

As directed by the Congress, OMB, and the GPRA, the Strategic Plan provides the framework for how the Federal Election Commission (FEC) will use its resources to implement and enforce the campaign finance laws during the 2000 (FY 2000-2001), 2002 (FY 2002-2003), 2004 (FY 2004-2005 and 2006 (FY 2006-2007) election cycles.

The information in this plan is consistent with all currently available OMB guidance including OMB Circular A-11, as revised, per Transmittal Memorandums for all OMB A-11 Supplements. The plan will be modified in accordance with any future OMB guidance to agencies concerning compliance with the provisions of Public Law 103-62, the Government Performance and Results Act (GPRA.)

MISSION STATEMENT

The mission of the FEC is to assure that the campaign finance process is fully disclosed and that the rules are effectively and fairly enforced, fostering the electorate's faith in the integrity of the nation's political process.

The sanctity of the political process is key to public faith in the policy decisions made by the elected and executive branches of government. Desired outcomes from the successful achievement of this mission include providing the electorate with the capability to make educated, informed decisions in the political process as to where candidates for federal office derive their financial support, and the confidence that those who disregard the Federal Election Campaign Act of 1971, as amended (FECA) restrictions on campaign financing and/or its requirements for public disclosure will suffer real and evenhanded consequences for non-compliance.

In attaining these outcomes, the FEC strives to foster and maintain an attitude of voluntary compliance with the rules of the campaign finance process. The FEC realizes that voluntary compliance and public confidence are necessary because limited budgetary resources preclude massive efforts to enforce the FECA.

In any election cycle, nearly 8,000 committees file between 80,000 to 85,000 reports, which contain between 1.5 to over 2 million itemized processed transactions (contributions), as well as millions of other itemized disbursements, receipts and other payments not entered into Commission databases. At the same time, the FEC has the resources to audit less than 1% of the committees filing reports in any given cycle, and only has the capacity to actively pursue between 1.5 to 2% of total committees through the compliance (enforcement) process (average monthly total of active cases since FY 1995) at any given time. As a result, voluntary compliance is the only possible method to ensure widespread compliance with the FECA in the campaign finance universe as it is configured currently.

Administering and enforcing the FECA includes facilitating public disclosure of campaign finance activity; providing information and policy guidance to the public, press, political committees, and elections officials on the law and Commission regulations; encouraging voluntary compliance with the disclosure and other requirements of the FECA; and enforcing the statute through audits, investigations, and civil litigation. Administering and enforcing the FECA also involves implementing the public funding programs for Presidential campaigns and

conventions. This includes certification and audits of participating candidates and committees, and enforcement of public funding legislation.

DESCRIPTION OF GENERAL GOALS AND OBJECTIVES

In order to achieve this mission, the FEC has identified four major goals and objectives. Because it is difficult to quantify and measure faith in a political process, we have tied these four goals and objectives to four core programs, which themselves are more easily subject to quantification and measurement:

PROGRAM I. Promoting disclosure of campaign finance reports required to be filed for public view under the FECA (Title 2): to promote full, accurate, and timely disclosure of campaign finance activity in federal elections, and to provide information and policy guidance on the FECA to the public, press, and those persons and entities required to comply with the FECA.

PROGRAM II. Enforcing the disclosure and limitations provisions of the FECA (Title 2): to encourage and obtain voluntary compliance with the disclosure and limitations provisions of the FECA through enforcement of the FECA in a timely, consistent, and comprehensive manner.

PROGRAM III. Implementing the presidential election public funding provisions of the FECA (Title 26): to successfully administer the public funding provisions of the FECA under Title 26 U.S.C. for qualified candidates in presidential elections.

PROGRAM IV. Enhancing federal election administration: to assist state and local election officials charged with administering federal elections through operation of the National Clearinghouse on Election Administration, or Office of Election Administration (OEA.)

It is assumed that the successful outcomes of these programs will ultimately lead to the successful achievement of the Commission's mission to assure public confidence in the campaign finance system.

ACHIEVEMENT OF GENERAL GOALS AND OBJECTIVES--EXPECTED OUTCOMES

The desired mission related outcome is that the public has a high level of faith and trust in the fairness of the campaign finance and political processes. Program related outcomes include:

Program I, Public Disclosure. Outcomes:

-- That sources of campaign funds in federal elections are accurately, fully, and timely disclosed to the public;

-- That the electorate can make informed decisions as to the sources of campaign funds for candidates for federal office;

-- That the electorate can readily obtain campaign finance information directly from the FEC in usable formats;

-- That the press and media can use FEC data to more widely disclose campaign finance information;

-- That the public and the campaign finance community can easily obtain policy guidance and assistance in understanding and complying with the FECA.

Program II, Compliance. Outcomes:

-- That the public has confidence that the FECA is fairly and swiftly enforced;

-- That the election community has a high level of confidence that the FECA is fairly enforced, resulting in a high level of voluntary compliance with the FECA;

-- That the election community believes that there are real, timely consequences for violation of the disclosure and limitation provisions of the FECA;

-- That limited FEC enforcement resources are focused on the most salient and significant compliance concerns under the FECA.

Program III, Public Financing. Outcomes:

-- That the successful implementation of the public funding provisions of the FECA continues for each presidential election;

-- That all federal funds disbursed in presidential elections are properly certified and accounted for by eligible candidates;

-- That all audits and enforcement actions related to public funding are completed in a fair and timely fashion;

-- That there are real and timely consequences for failure to comply with the FECA requirements under Title 26.

Program IV, Election Administration. Outcomes:

-- That the FEC complies with all statutory responsibilities under the NVRA (National Voter Registration Act) and Voting Accessibility Act, to help improve the national level of voter registration and accessibility of polling places;

-- That state and local elections officials receive informational and educational assistance in administering federal elections in an efficient and effective manner;

-- That public confidence in the fairness and reliability of the polling process in federal elections remains high.

RELATIONSHIP BETWEEN PERFORMANCE GOALS IN THE ANNUAL PERFORMANCE PLAN AND GENERAL GOALS AND OBJECTIVES IN THE STRATEGIC PLAN.

Definition of an Election Cycle

The Commission defines its work generally in the context of election cycles. There are, however, many definitions of an "election cycle." For example, for disclosure database purposes,

the FEC thinks in terms of four calendar years, i.e. the 2002 Database begins in January of 2001 and continues through December of 2004. However, the press and academicians define an election cycle as the preceding and actual election years, i.e., calendar years 2001 and 2002 for the 2002 election cycle.

In the context of this Strategic Plan, the FEC notes that the actual 2002 election occurs in FY 2003, and that the break in fiscal years (October 1) comes in the middle of the peak pre-election period when the FEC experiences its heaviest workloads for many programs.

As a result, for budget and planning purposes, the FEC generally considers an election cycle to include the election year and the following year, i.e., FY 2002 and FY 2003 comprise the 2002 election cycle for the purposes of this Strategic Plan. However, the flow of work for programs such as audits and enforcement actions is such that action on the referrals for audits and compliance actions from the 2002 election most likely will not be finalized for three to four years after the election cycle. This is particularly true for presidential audits and enforcement cases arising from the public funding provisions of the FECA. Therefore, work undertaken or completed in any fiscal year will necessarily include work arising from two or more election cycles.

Strategic Plan and Election Cycles/Performance Plan and FY's

The Strategic Plan discusses performance goals and workloads by election cycle (unless otherwise noted), while the Performance Plan relates the activities of the specific fiscal year (FY 2002) to work from several election cycles. The Performance Plan also relates the performance goals for the FY to the levels of funding, relating the impact of reduced funding to the obtainable level of outcomes possible.

STRATEGIC PLAN FY 2001-2007 PERFORMANCE GOALS

The targets and goals included in this Strategic Plan are based on the assumption that the Commission receives an appropriation at least sufficient to fund 362 FTE in each FY in a presidential election cycle (357 FTE in a congressional election cycle, the difference being five FTE of temporaries to assist in certifying matching funds in the 2004 and 2008 presidential elections.) This reflects base Commission funding in FY 2001, and provides what we term a "Current Resources Performance" level of funding. For FY 2001, the Commission supplemented the authorized FY 2000 staffing with sufficient staff to implement the legislative mandates for institution of an administrative fine program and mandatory electronic filing, as well as the PwC recommended alternative dispute resolution program (ADR). PwC refers to the Price Waterhouse Coopers review of the Commission's programs by the GAO, and the resulting recommendations from that review.

Any level of funding less than the Current Resources Performance level, such as the OMB proposed budget for the Commission in FY 2002, is termed a "Minimal Performance" level. This reduced level of funding results in a reduced level of performance, and jeopardizes the achievement of our mission and our major program objectives. The reduced performance is reflected in several ways. For example, there would be slippage of the time frames for completion of data collection, reports review, and referrals for audits and/or compliance actions, as well as for responsiveness to requests for information and data inquiries.

Reduced performance would also be reflected in delays in completing the milestones for the IT programs set forth in our IT Strategic Plan. In some instances, less would be accomplished as well as delays experienced. The FY 2002 OMB Budget proposed for the FEC would jeopardize the operations of the ADR and the administrative fine programs, as well as the

PwC recommended stand-alone Title 2 audit program (audits of committees not receiving federal funds even in presidential election years.)

The FEC has experienced a more than 1000% percent increase in total campaign finance activity since 1976 (from $300 million in total disbursements in federal elections in 1976 to over $3.5 billion in the 2000 election.) This increase in total financial activity has led to a 27% increase in total documents filed in an election cycle since the 1984 cycle, as well as a 400% increase in itemized transactions entered into the disclosure databases since 1984. The Commission has met these increases with a relatively static level of staffing though the use of management initiatives, productivity increases, and the use of technological improvements, particularly the IT initiatives.

While the Commission will make every effort to use advancements such as the mandatory electronic filing program, the ADR program, and the administrative fine program rather than staff increases, the core Commission programs and staff resources must be at least maintained. It is vital to the successful achievement of our agency mission and major program objectives that the Current Resources Performance level, at a minimum, is funded. To further enhance our ability to achieve our mission, the agency FEC Request Performance level of funding is more than justified. The goals and targets identified below reflect the Current Resources Performance level.

PROGRAM I. DISCLOSURE

In order to meet the outcome goal that the public is capable of being fully informed about campaign finance sources, during each federal election cycle (primaries and the general elections) the Commission will accomplish the following:

A. Place between 80,000 to 85,000 reports and 20,000 to 25,000 statements from over 8,000 committees filing reports on the public record each election cycle:

1. Complete coding and entry of summary data from documents and statements filed each cycle and meet the 48 hour deadline for making documents public for 99% of those filed;

2. Complete coding and entry of itemized data from reports filed, including 1.5 to 2.0 million itemized transactions per cycle, completing 95% within 45 days of reports being received at the FEC;

3. Complete the review of all reports filed and refer all potential enforcement actions and audits each cycle, 60% of reviews within 90 days of receipt (quarterly filing periods);

4. Issue 17,500 Requests for Additional Information (RFAI's) per cycle to correct the public record, 60% within 90 days of receipt of report (contacting filers within 90 days minimizes repetitious errors which tend to further burden the disclosure process);

5. Respond to requests for assistance from 21,000 filers per cycle.

B. Produce analytical summaries and releases of campaign finance data in summary form, and in the aggregate and by individual committees, periodically prior to each election, and in summary form after each general election:

1. Produce analytical releases after each election year quarterly report and the pre-general election report;

2. Produce Summary statistical analyses after each election cycle in book form: Reports on Financial Activity;

3. Conduct a database accuracy review monthly for summary and itemized data entry.

C. Make FEC database and data available to requesters directly through computerized access:

1. Provide free access to the FEC disclosure database to all state elections offices wishing to participate and grant waivers for state filings for participating states: currently 47 states;

2. Provide timely on-line access to the FEC disclosure database to the public through the services of the Data Systems Division and the storefront Public Records Office;

3. Make electronic filings available over the Internet upon receipt and processing at the FEC and make images of non-electronically filed reports also viewable on the FEC Web site.

D. Respond to over 320,000 requests for data, information, copies of reports or indices, and other requests for assistance each cycle:

1. 60,000 requests in Public Records;

2. 120,000 inquiries in Information, primarily over the toll-free line;

3. 30,000 requests in the Press Office, and over 200 FOIA requests;

4. 50,000 requesters receive copies of materials and publications;

5. 60,000 computer indices and printouts.

E. Respond to Advisory Opinion requests and operate informational outreach programs:

1. Respond to 100% of 50 to 60 Advisory Opinion requests per cycle within 60 and 20 day statutory deadlines;

2. Publish an Annual Report each year, the FEC *Record* monthly, and provide prior notice of filing dates to filers;

3. Make FEC disclosure forms and copies of FECA and FEC Regulations available to filers;

4. Produce additional informational and educational publications and videos such as campaign guides, brochures, and other pamphlets;

5. Conduct five to six campaign finance workshops to educate filers.

PROGRAM II. COMPLIANCE

In order to meet the outcome goal that the public is assured of impartial and timely enforcement of FECA, the Commission will accomplish the following:

A. Make 175-200 referrals from the Reports Analysis Division for potential audit or enforcement per cycle:

1. Refer 100 committees for potential audits under 2 U.S.C.438(b) per cycle, with 80 in second year of cycle (e.g. FY 2003 for 2002 cycle) and all audit referrals of candidate committees within the statutory deadline of six months from the general election;

2. Refer 75 to 100 committees for potential enforcement actions under 2 U.S.C. 437(g) per cycle.

B. Complete audits of committees referred under 2 U.S.C. 438(b), estimated 45-50 for each cycle:

1. 20-25 unauthorized (non-candidate) committees;

2. 20-25 authorized (candidate) committees;

3. Also complete review of all audits for legal issues.

C. Process enforcement workload arising from complaints and the internal review and referral system for each cycle:

1. Process 250-300 complaints plus 75-100 internal referrals during the two-year period;

2. Assuming an average total caseload of 275-300 cases in any given month, maintain an average active caseload of 45-50% of total caseload.

3. Activate 45-50% of incoming cases on average over the election cycle.

D. Close 375-400 cases in each election cycle, 45-50% with substantive Commission action. (This 45% represents cases in which the Commission has reached a substantive finding on the merits of the matter, other than dismissal, including findings of no RTB.)

E. Conserve limited enforcement resources for more complex, substantive cases by continuing an administrative fine program for late and non-filing committees, removing non-filer enforcement from the standard complex enforcement process.

F. Conserve additional enforcement resources through the continued operation of the ADR program, designed to streamline the resolution of administrative complaints and Title 2 audit referrals without resorting to the more complex, substantive enforcement procedures. Number of cases to be determined from experience from the 2000 and 2002 election cycles, still to be completed and quantified.

G. Pursue resolution of cases through litigation and defend the FEC and FECA in suits brought by other parties to fully enforce the FECA:

1. Initiate litigation in an estimated 25-30 offensive suits per cycle (always meeting five-year statute of limitations);

2. Defend the FEC and FECA in 20-30 suits initiated per cycle.

PROGRAM III. PUBLIC FINANCING

In order to meet the outcome goal that the public funding programs under the FECA are fully implemented and fairly and speedily enforced, the Commission will accomplish the following:

Within two years of each presidential general election:

A. Complete the certification of payments to and audits of publicly funded candidates in presidential elections:

1. Process monthly certification requests for federal matching funds (estimated 10-12 candidates in a presidential election with an incumbent, 15-17 candidates in an "open" presidential election);

2. Audit primary candidates receiving federal matching funds (same criteria for number of candidates);

3. Audit at least four (major) national party convention and host committees receiving federal funds for nominating conventions, and any eligible minor party convention committees;

4. Audit general election candidate committees of two major parties (and any eligible minor parties).

Within three years of each presidential general election:

B. Complete legal review of presidential audits:

1. Review legal issues arising from primary audits, at least four convention audits, and two or three general election audits;

2. Resolve repayment questions for committees receiving federal funds (always meeting three year statute of limitations).

C. Initiate enforcement cases involving presidential committees referred through internal referral process or complaint.

D. Provide Congress with a report on the public funding programs.

Within four years of each presidential general election:

E. Complete initial actions on enforcement cases involving presidential committees referred through internal process or complaint.

PROGRAM IV. OFFICE OF ELECTION ADMINISTRATION

In order to meet the outcome goal that the FEC will assist state and local elections officials in conducting federal elections, the Commission will operate the Office of Election Administration each election cycle, and accomplish the following:

A. Conduct research projects in elections administration issues and publish results:

1. Fund research projects as appropriate, making results available in printed form (less in contracts at reduced funding levels);

2. Update and enhance the technical VSS, develop management standards for elections administration, and provide models and best practices in elections administration to state and local officials;

3. By 2003, make computerized results available on-line.

B. Provide informational and educational outreach to elections administration officials, and seek their input by conducting an annual advisory panel meeting:

1. Attend state and national elections officials' conferences and meetings;

2. Respond to 12,000 informational requests per cycle, and publish an elections administration journal;

3. Conduct an annual advisory panel meeting;

4. Conduct educational workshops to disseminate the result of research projects to elections officials;

5. Meet with elections officials from other countries to foster the spread of democratic, fair and well-administered elections.

C. Carry-out the obligations of the Office of Election Administration with regard to voting accessibility and NVRA ("motor voter") legislation:

1. Review NVRA state regulations and registration forms and report to Congress on the impact of the NVRA after each election;

2. Coordinate research projects with needs of officials to comply with NVRA.

COMPUTERIZATION AND ELECTRONIC FILING PROJECTS

In order to successfully meet the goals for the four core programs, the FEC will also undertake the following projects from FY 2001 through FY 2007:

-- Supplement and enhance existing FEC IT systems, migrating to a client/server environment; complete fully enhanced installation in FY 2003, complete document management and imaging systems in FY 2003;

-- Implement a full-scale, mandatory electronic filing system during the 2002 election cycle, with all committees able to file electronically;

-- Operate and enhance mandatory electronic filing system for the 2002, 2004 and 2006 cycles;

-- Develop optical scanning and other technological responses to Senate filings and those other committees not meeting the mandatory thresholds for electronic filing for 2004 and 2006 cycles;

-- Once client server migration and document management systems are installed, initiate development of the portals accessibility program of web-based access to FEC databases and data FY 2003-2007.

The IT Enhancements and Electronic Filing projects are discussed in the Commission's FY 2001-2007 IT Strategic and Performance Plans. The timing of the completion of the remaining IT initiatives is dependent upon the overall level of FEC funding.

KEY FACTORS THAT COULD AFFECT ACHIEVEMENT OF GENERAL GOALS AND OBJECTIVES

External factors which have the greatest potential to significantly and adversely impact on our ability to achieve our statutory mission are those that affect the general application of the FECA itself. Such factors include, but are not limited to:

-- The number of candidates who run for federal office and the amount of money involved in the political process;

-- Significant and substantive amendment to the FECA itself, which could either close present "loopholes" in the law and strengthen the FEC's enforcement and disclosure operations, or changes loosening the regulations regarding the limits and restrictions on fundraising and reporting;

-- Definitive Supreme Court judicial review of presently contested elements of the FECA, e.g. the definition of "express advocacy," the legal determination of what activity by a group triggers registration as a committee (and thus reporting requirements and limitation provisions), and similar controversial elements of the present regulatory regime;

-- The solvency of the Presidential Election Campaign Fund and, as a consequence, the determination of presidential candidates to either opt in or out of the public funding programs;

-- Major increases or decreases in the level of funding appropriated to the FEC and the presence and nature of any restrictions on the use of those funds;

-- Significant increases or decreases in the level of competition in federal election campaigns, the volume and intensity of fundraising for federal campaigns, and the general political attitude, interest, and awareness of the public and the electorate, which can greatly influence the tone and competitiveness of elections.

All of these factors can influence the amount of money to be regulated by the FEC each election cycle, driving FEC workloads such as the number of reports filed and transactions to be processed, the volume of requests for information, data, and assistance made to the FEC, and the

number of complaints filed with the Commission. Of all these factors, the status of the presidential fund and the appropriations level for the FEC are perhaps the most salient currently.

Record levels of campaign finance activity in the past five election cycles, coupled with limited budgetary resources available, have severely strained the Commission's ability to meet mission objectives and performance goals. The status of the presidential fund may become an active factor in the 2004 election, due to declining public support of the check-off and absent any legislative fix to index income into the fund.

FEC PROGRAM EVALUATION ACTIVITIES

The FEC has a planning and budgeting system which is based on a detailed Management Information System (MIS), and is driven by program based workloads and activity data, outputs, and productivity measures. In an on-going evaluation process, the monthly MIS reports and FY based productivity measures are used to evaluate program efficiency and effectiveness. The FEC has also married the A-123 and A-127 processes, under the Federal Managers' Financial Management and Integrity Act or FMFMIA, to ongoing program management activities, and has striven to relate the annual A-123 reports to the FEC Budget requests.

The evaluation of program resources, mainly staff resources, and the resulting program outputs and productivity measures are used in the internal planning and budget formulation processes. Commission Management Plans and Budget Requests are workload-driven, and related to resource levels and expected program activity levels.

As a personnel intensive agency, about 70% of the Commission's resources are staff costs, and the remaining 30% represents mainly rent and other direct support for that staff. Using the MIS and Summary MIS reports, both produced on a monthly basis, all workloads, program outputs, productivity, and effectiveness and efficiency are constantly being monitored, often in great detail. This is reported to the Commission in monthly Management Reports from the Staff Director. Several other tracking systems monitor the status of reports processing (filing, filming, data coding and entry, and reports review), enforcement and litigation activities, Advisory Opinions and regulatory rule making, and audit progress. The Enforcement Priority System continually adjusts active enforcement caseloads to match available resources.

A major, multiyear effort to institute a Case Management system for OGC to track enforcement cases has resulted in the system becoming operational in FY 2001. This IT based system monitors case status and tracks staff time by case for all OGC programs, not just enforcement. The implementation of the Case Management system provides a significant new evaluational tool for the FEC to monitor resource usage and case progress.

The Performance Goals contained in this Strategic Plan and the annual FY based Performance Plans are tied directly to the Commission's workload and activity measures and the level of funding requested. The detailed level of on-going program activity monitoring and output measurement efforts will enable the Commission to determine if our performance goals are being achieved. This will provide the basis for future evaluations of our efforts.

As noted above, quantifying and measuring faith in a political process is difficult. The FEC does believe that our performance goals and the related program outputs help indicate whether we can achieve the desired outcomes of public faith in the campaign finance system and the political process. Lack of funding precludes establishment of an evaluation staff dedicated solely to perform formal program reviews and evaluations. However, the detailed MIS monitoring system, and the FEC OIG audits of Commission financial and related systems, provide an ongoing evaluation system of some detail.

STRATEGIC PLANNING ISSUES FY 2001-2007

Over the next several election cycles, the FEC will be dealing with several major issues as it evaluates the annual performance of the agency and prepares budget requests. Some of the most significant issues include:

Public Financing Issues

-- the status and sufficiency of the presidential election campaign fund in the 2004 and 2008 presidential elections;

-- the role of the FEC in a mixed environment of publicly funded and privately funded presidential campaigns in the next two cycles (scope of audits, etc.);

-- the impact of a severe shortfall of available public funds during a presidential election cycle;

-- the possible "collapse" of public funding due to either the choice of the candidates and/or the shortfall of the fund.

Filing and Processing Issues

-- full implementation of the mandatory electronic filing system in the 2002 cycle and the subsequent elections in 2004-2008;

-- the change in Data Systems resources from the current coding and entry processing environment to the electronic filing environment (with a mix of the electronic filers and the smaller committees continuing to file under the current system;)

-- the impact of the on-going issue of the Senate filings, which represent a significant segment of the filing universe which will not be electronically filed;

-- maintaining consistency of data from electronic and non-electronic filers in the disclosure databases;

-- should the Commission use resources freed up by electronic filing to enhance automation and disclosure of new data such as expenditures?

Reports Review Issues

-- the resolution of significant reports review backlogs for the 2000 (and possible future) election cycles: additional resources, and/or further automated review procedures to relieve the workload pressure in RAD;

-- the role of the review of reports in the disclosure and compliance programs of the Commission (do we need to continue 100% review of all disclosure reports?)

Information and Disclosure Issues

-- possible reduction of staff in response programs due to the reduction of direct inquiries to FEC staff due to the use of IT and other technology to process demands for information and data;

-- impact of possible FEC reorganization and restructuring of FEC programs in response to changing demands for information and data;

-- review of efficacy and scope of FEC outreach efforts to educate and inform the public and the filing community.

Compliance Issues

-- role of administrative fine program: continue beyond 2001; impact on filing and reporting of disclosure data and on RAD review programs;

-- scope of Title 2, or 438(b), Discretionary Audit program: expand number of audits, continue limited scope audit program to be tested in 2000 cycle?

Enforcement Issues

-- impact of ADR and administrative fine programs on enforcement workloads; impact of automated review and RAD thresholds on enforcement workloads;

-- has EPS and Case Management resulted in: faster closing of cases and focusing of enforcement resources on more significant cases?

-- efficacy of litigation and enforcement—are we setting precedents and building a case record in significant areas of the FECA and fostering compliance with the FECA?

Regulations and Policy Issues

-- areas of the FECA and/or Regulations which need to be clarified, or revisited for possible revision.

APPENDIX E

PricewaterhouseCoopers Audit Recommendations
FEC Status Report
to Congress

March 23, 2001

PricewaterhouseCoopers's Recommendations/Improvement Opportunities – March 2001 Status Report

Table of Contents

	Page
Executive Summary	i
PricewaterhouseCoopers Recommendations	
1. Mandatory Electronic Filing	1
2. Election-Year Basis Reporting	1
3. Transfer Senate Point of Entry to FEC	2
4. Administrative Fine Schedule	2
5. Standard Filing Guidelines & Forms	3
6. Internet Connections in Public Records	4
7. Intra- & Interprogram Planning	4
8. Consolidation of Disclosure	5
9. Assessment of User Groups for Modernization of Disclosure Database	5
10. Transition to Paperless Disclosure/Review Process	6
11. Documentation Supporting EPS Case-Activation Decisions	6
12. Annual Descriptive Offense Profile	6
13. Reduction of Legal Reviews	7
14. Case Management System Completion	7
15. Audit-for-Cause Process	8
16. Permanent Staff Director	9
17. Performance Objectives for Staff Director and General Counsel	9
18. Collaboration Among Work Groups	10
19. New Performance Appraisal Process for Managers	10
20. Alternatives to Federal General Service Classification System	10
21. Customer Satisfaction Surveys	11
Improvement Opportunities	
3-7 Open Problem-Solving Environment	11
3-9 DSD Internal Staff Survey	11
3-10 Business Process Reengineering	11
4-1 Redesign of Database	11
4-3 Internet Connections in Public Records	12
4-4 Processing Branch & FEC Imaging	12
4-5 Automated, Paperless RAD Review	12
4-6 Unified Approach to Disclosure	12
4-8 Alternatives to Electronic Filing	12
4-10 Surveying Needs for Electronic Filing	13

4-15 Coordination of RAD Referral Thresholds & OGC Civil Penalty Guidelines 13
4-16 Data Mining & Contributor-Collaboration Software 13

4-20 Scoring Criteria That Estimate OGC Resource Allocation by Tier of Case 13

Other Projects
1. Transfer of Payroll and Personnel Systems to National Finance Center 14
2. Year 2000 Verification and Test 14
3. Computer Security Review 14
4. Enhancement of FEC Web Site 15
5. Implementation of Document Management System in OGC (PCDocs) 15
6. Implementation of Document & Tracking System in Audit (TeamMate) 15
7. Expansion of Imaging System 16
8. Feasibility Study of OSR & Bar Codes 16
9. Contract for IT & Data Entry Services 16
10. Renovation of Building 16
11. Expansion of 2 U.S.C. § 437(g) Audits 16
12. Alternative Dispute Resolution Pilot 17
13. Projected Shortage in Presidential Public Funding Program 17
14. Integration of Macintosh Publishing Program Into Commission-Wide Server-Based Computer System 17
15. Waiver of State Filing Requirements 17
16. Review Operation of Commission Secretariat 18

PricewaterhouseCoopers's Recommendations/Improvement Opportunities –March 2001 Status Report

Executive Summary

Following the publication of PricewaterhouseCoopers's audit[1] of the Federal Election Commission, the Committee on House Administration, then chaired by Representative Bill Thomas, requested that the Commission inform the Committee on its progress in implementing the recommendations contained in the PricewaterhouseCoopers audit. This is the fifth such progress report.[2]

This report includes, where possible, target dates for completion. Task forces and working groups that are working on the various recommendations and "other projects" are listed under Recommendation #7.

We have grouped current tasks into three categories:

- Tasks completed during current reporting period;
- Task that will be completed in 3rd quarter, 2001; and
- Tasks that will be completed in 4th quarter, 2001.

All other tasks either have been completed or will continue to receive staff and Commission attention on a less expedited basis.

Tasks Completed During Current Reporting Period

- Authorize mandatory electronic filing for major filers (Recommendation #1)
- Standardize reporting on an election cycle basis (campaign-to-date basis), rather than a calendar year basis (Recommendation #2)
- Renovations of FEC offices (Other Project #10)
- Alternative Dispute Resolution (ADR) Pilot Program (Other Project #12)

Tasks That Will Be Completed in 3rd Quarter, 2001

- Conduct customer satisfaction surveys after an election cycle (Recommendation #21).
- Implement Document Management System in OGC (PCDocs) (Other Project # 5)
- Implement Document and Tracking System in Audit (Other Project #6)

Tasks That Will Be Completed in 4th Quarter, 2001

- Enhancement of Title 2 audit-for-cause process (Recommendation # 15)

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[1] *Technology and Performance Audit and Management Review of the Federal Election Commission*, January 29, 1999.

[2] Previously reports were submitted to the Committee on March 24, 1999, September 24,1999 and February 18, 2000 and September 22, 2000.

Interdepartmental working groups and task forces have made significant progress in carrying out the recommendations and projects, summarized below:

- **Transfer the point-of-entry for Senate candidate committee reports to the FEC** (Recommendation # 3).
  The issue of facilitating electronic filing by Senate committees is still under consideration by the Senate Rules Committee. Nevertheless, the Commission has worked with the Senate Public Records Office to implement measures to transmit scanned images of reports filed with the Senate to the FEC. A high speed communication line which has enabled the Senate to transmit its filings directly to the FEC has been installed. Senate images are being transmitted and processed so that all images of Senate financial reports are retrievable on the FEC Web site.

- **Transition to a paperless disclosure and reports review process** (Recommendation # 10).
  The latest version of an e-review process for automated review of electronically filed reports was implemented in the Reports Analysis Division in June 2000. RAD analysts are currently using this electronic review program to conduct basic reviews. Review and modifications to the system are ongoing.

- **Compile an annual descriptive offense profile of compliance matters to better inform Commissioners, policy makers, and the public about emerging law enforcement trends** (Recommendation # 12).
  The Commission contracted with Booz/Allen & Hamilton to define the requirements for a comprehensive offense profile database. A requirements document was submitted to the Commission on February 22, 2000. On April 11, 2000, the Commission approved one alternative with modifications and referred the Booz/Allen recommendations for implementation. This project will be completed in FY 2002.

- **Complete the case management system and use the workflow and staff utilization data to establish enforcement workload standards** (Recommendation # 14).
  The case management system is in use throughout OGC. Training of new employees is provided on an on-going basis. Proposals for refinement of the system are in the process of being completed. (It is the goal of the Staff Director and the Acting General Counsel to complete this recommendation by the end of 2001.)

- **Assign dedicated resources to establish a single Title 2 audit-for-cause process in the Audit Division independent of Title 26 audit resource requirements** (Recommendation # 15).
  The FEC from its earliest days has had a 'for cause' audit program for non-Title 26 committees. Through **2000**, there have been **460** such audits. (FEC *Annual Report 1999*, p.83.) The PwC recommendation was, in essence, to increase this program. The FEC has developed new internal procedures to enable the agency to increase the number of 'for cause' audits.

- The Audit Division entered FY 2000 fully staffed. Additionally, the Commission entered into a contract to identify the requirements of audit workflow modernization and to examine alternative solutions in a cost benefit context. The reports should be completed prior to the end of the 4th quarter, 2001. Implementation, if warranted, would begin during the first quarter of FY 2002. **Establish annual performance objectives for the Staff Director and the General Counsel** (Recommendation # 17).
  Both the former and the current Chairman reviewed qualification statements of potential contractors recommended by the FEC's Personnel Director, along with information about how other agencies address similar positions. After reviewing this material, the Staff Director was instructed to reexamine the tasks to be undertaken by a contractor.

- **Expand imaging process to include materials other than campaign finance reports** (Other Project # 7)
  The Commission entered into a contract with AMS, a private sector vendor, for the development of a comprehensive document management system, including replacement of the imaging system, that will significantly expand the use of imaging technologies throughout the Commission. The system is scheduled for implementation in FY 2002.

More detailed descriptions of progress on each Recommendation, Growth Opportunity and Other Project appear in the pages that follow.

PricewaterhouseCoopers's Recommendations/Improvement Opportunities
March 2001 Status Report

Recommendations 1, 2, 4, 5, 7, 9, 12, 13 and 14 and Improvement Opportunity 4-15 have been designated high priority by staff.

PwC Recommendations

1. Authorize mandatory electronic filing for major filers: Electronic filing offers the most cost-efficient and effective method to capture campaign finance transactions. The FEC needs legislative authority to require committees, which meet FEC-determined thresholds of financial activity, to file reports electronically by a date certain. (4.2.6)

PwC Approach: Congressional action required
PwC Timeframe: 2002 election cycle
Lead Office: Data
Participating Offices: Information, OGC Policy, RAD, Commissioners' Offices, Audit, Public Disclosure, and Press
Target Completion Date: Recommendation Completed December 2000
FEC Progress: On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which mandates electronic filing in the 2002 election cycle for all political committees, other than Senate committees. The provision takes effect for reporting periods beginning after December 31, 2000. The Commission approved proposed rules, received public comments, and approved final rules, which were submitted to Congress for 30 legislative days on June 16, 2000. The new rules became effective for reporting periods beginning after December 31, 2000.

The first mandatory electronic filings were received for the monthly reports due on February 20, 2001. Of the 605 reports received for the February 20 filing, 440 reports were filed electronically. Only one committee that was required to file electronically submitted a paper report, and the committee was informed that the report had to be submitted electronically. More than 1,000 committees filed electronically during the 2000 election cycle under the voluntary electronic filing program.

2. Standardize reporting on an election-cycle basis (campaign-to-date basis), rather than a calendar-year basis: Standardized reporting periods on an election-cycle basis would simplify candidate committee record-keeping, reduce the number of filing errors requiring RFAIs, and increase the usefulness of the disclosure database. (4.2.5)

PwC Approach: Congressional action required
PwC Timeframe: 2002 election cycle
Lead Office: Public Disclosure
Participating Office: OGC Policy, Audit, Press, RAD, Information, and Data
Target Completion Date: Recommendation completed December 2000

FEC Progress: On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which included a change to the FECA requiring committees to report on an election-cycle basis. The new amendment changes the aggregate reporting of information for candidate campaigns from calendar-year to campaign-cycle reporting, effective for the reporting period beginning after December 31, 2000. The Commission approved proposed rules, received public comments, and then approved final rules, which were submitted to Congress for 30 legislative days on July 5, 2000. The new rules became effective for reporting periods beginning after December 31, 2000. Corresponding revisions to the reporting forms were transmitted to Congress during September and also went into effect at the beginning of this year.

3. Transfer the point-of-entry for Senate candidate committee reports to the FEC: The FEC must maintain separate and costly filing, imaging, and document retrieval processes to accommodate Senate filings. Establishing the FEC as the single point-of-entry for filings would reduce FEC costs and increase the timeliness of filing and compliance notices. (4.2.7)

PwC Approach: Congressional action required
PwC Timeframe: 2000 election cycle
Lead Offices: Public Disclosure and Data
Participating Office: OGC Policy
Target Completion Date: Recommendation completed September 2000
FEC Progress: The Commission worked with the Senate Public Records Office to implement measures to transmit scanned images of reports filed with the Senate to the FEC. The Senate contracted with a vendor to enhance the Senate's image scanning process by modifying images scanned at the Senate to make them conform with FEC images. These modifications allowed the FEC to integrate Senate images with the FEC's imaging system. The high speed communication line to enable the Senate to transmit its filings directly to the FEC has been installed, and the necessary communication components configured. Senate images are being transmitted and processed so that all images of Senate financial reports are retrievable on the FEC Web site. (This permits many Senate filers to stop filing a duplicate of their report with their Secretary of State due to the FEC's state-filing waiver program.) Paper copies of the electronically transmitted images are printed and made available for public review and data entry.

The issue of facilitating voluntary electronic filing by Senate committees is still under consideration by the Rules Committee.

4. Authorize the FEC to establish an administrative fine schedule, subject to reasonable appeal procedures, for straightforward disclosure violations: Moving these violations out of the formal enforcement process would allow more efficient and effective use of enforcement resources for activating and resolving more significant matters under review. (4.3.3.5)

PwC Approach: Congressional action required
PwC Timeframe: 2000 election cycle
Lead Offices: OGC and RAD

Participating Offices: Data, Public Disclosure, Congressional Affairs, and Staff Director's Office
Target Completion Date: Recommendation completed July 2000
FEC Progress: On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which included an amendment to the FECA establishing an administrative fine schedule for straightforward reporting violations occurring between January 1, 2000, and December 31, 2001. Under an expedited review schedule, the Commission conducted a rulemaking, and approved a new fine schedule, new internal procedures, final regulations, and an implementation strategy that took effect on July 14, 2000. The program was implemented with the July Quarterly Reports due on July 15, 2000. As of March 12, 2001, the Commission has made public its final determinations in 48 cases and has collected civil money penalties totaling $63,230. In addition, the percentage of reports filed late in the later stages of the 1999-2000 election cycle decreased when compared to the two previous election cycles. For example, 11% of the 2000 Year-End Reports were filed late, while 24% were filed late for the 1998 and 22% for the 1996 Year-End reporting periods. The Commission submitted a priority legislative recommendation to Congress urging that the pilot program be extended to reporting periods that end on or before December 31, 2003 to permit additional time to evaluate the impact of the program.

5. Enforce the use of standard filing guidelines and forms for the entire regulated community during the transition to electronic filing: Standardizing how forms and amendments to forms are submitted and requiring the submission of all disclosure information in a typeface format would improve the disclosure and reports review processes. (4.2.5)

PwC Approach: Requires Notice of Proposed Rulemaking
PwC Timeframe: FY 1999
Lead Office: Public Disclosure
Participating Offices: Audit, Information, OGC Policy, RAD, Administration and Data
Target Completion Date: Redesign of Forms, Completed September 2000
FEC Progress: This recommendation has two parts: forms redesign and standardized reporting/processing practices.

Forms Redesign. A contract for the redesign of FEC forms was awarded on September 14, 1999. The contractor completed their recommended redesign on March 21, 2000. The modifications are intended to improve the speed and clarity of processing and permit implementation of automated systems for converting paper reports to data in the most efficient manner. The redesigned reporting forms, including other changes required to implement statutory changes in election cycle aggregation and mandatory electronic filing were transmitted to Congress in September, 2000 and are now in use for reporting periods beginning on or after January 1, 2001.

Standardized Reporting/Processing Practices. On February 11, 2000, the working group submitted to the Staff Director a final document putting forth several reporting practices which, if standardized and enforced, would enhance the disclosure operation

with more timely entry of itemized transactions and more accurate reporting. A draft document entitled "How to Amend Reports," prepared by a subgroup of the task force, is included in the final package of recommendations.

6. Set up Internet connections on several PCs in the Public Records Division so that the public can access the FEC Web page: This step enhances resources available in Public Records. (4.2.1)

PwC Approach:	Minimal Data Systems support
PwC Timeframe:	FY 1999
Lead Office:	Public Disclosure
Participating Office:	Data
Target Completion Date:	Recommendation implemented in 1999

7. Engage in intraprogram and interprogram management-planning activities to improve resource utilization and to enable process efficiencies: Increased emphasis on management planning will support improvements in disclosure productivity. (4.2.9)

PwC Approach:	Ongoing work with business process maps as a baseline
PwC Timeframe:	FY 1999
Lead Offices:	Staff Director and General Counsel
Participating Offices:	All
Target Completion Date:	Recommendation completed
FEC Progress:	In response to this recommendation, the Staff Director and General Counsel have established several working groups tasked with:

- Marketing electronic filing;
- Identifying reporting guidelines and practices which, if standardized, would improve efficiency and effectiveness of our disclosure operations;
- Identifying ways to reengineer the reports review process to take better advantage of information technology;
- Establishing Internet connections in Public Records so that the public can access the FEC Web Page;
- Reducing the number of legal reviews;
- Developing an annual descriptive offense profile of compliance matters;
- Implementing administrative fines—a new statutory provision;
- Implementing election-cycle reporting—new statutory provision;
- Establishing a Title 2 Audit-for-Cause Program.

Previously established working groups have continued to work on:

- Implementing a Case Management System;
- Implementing a Document Management System;
- Developing a relational disclosure database;
- Enhancing the FEC's Web site;
- Modifying disclosure forms into a machine readable format;
- Implementing Electronic Filing;
- Expanding IT initiatives;

- Developing an ADR program that will augment existing enforcement efforts; and
- Finance Committee matters.

8. Realign resources in Disclosure and in Data Systems coding and entry into a single disclosure process with one accountable manager: Consolidating the disclosure process from two divisions into one with a single manager will increase accountability and streamline disclosure process functions and resources. (4.2.4)

PwC Approach:	Three months developing consolidation plan ($50,000 for facilitation support)
PwC Timeframe:	FY 2000
Lead Office:	Public Disclosure
Participating Offices:	Data
FEC Progress:	In the past, the FEC tried a "unified approach" to disclosure, review and data coding and entry. The approach was unsuccessful. The Commission believes that the disclosure program and data entry and coding are working quite well. In fact, PricewaterhouseCoopers also found that the Commission completed its disclosure requirements in a timely manner.

9. Work with internal and external user groups to determine modernization requirements for the existing disclosure database: Beginning to assess internal and external user requirements will accelerate the move away from DB1032 to a relational database and thereby strengthen the disclosure and reports analysis processes. (4.2.8)

PwC Approach:	Six months to design IT strategy ($500,000 for database design support and acquisition)
PwC Timeframe:	FY 2000
Lead Office:	Data
Participating Offices:	Audit, Press, Public Disclosure, and RAD
Target Completion Date:	Recommendation completed March 2000.
FEC Progress:	The transition to a relational database is occurring in the following stages:

- The FEC issued a task order to AMS against a GSA contract for $112,000 to complete the second phase of developing a client/server strategy for the disclosure function. The final client/server strategy report was delivered in March 2000. A contract to begin implementation was awarded in September 2000.
- The FEC and AMS consulted with both internal and external users during the functional requirements phase.
- Functional requirements for the new disclosure database are completed. The next phase, the design and initial data mapping to allow conversion of data from the existing database is underway. The design of the new disclosure database permits greater flexibility to search and retrieve information and to accommodate greater data capture and analysis capabilities.
- The project is scheduled to be completed by December 2002.

10. Transition to a paperless disclosure and reports review process: During the transition period to an electronic filing environment, the FEC will need to support existing and new disclosure and reports review processes. For example, the Reports Analysis Division requires a business process reengineering (BPR) study to design an electronic reports review and exception reporting system. (3.3.10 and 4.2.3)

PwC Approach:	Design and document requirements ($500,000 for BPR study)
PwC Timeframe:	FY 2001, with design/document phase completed in 6 months
Lead Offices:	Public Disclosure and RAD
Participating Offices:	Audit, Press and Data
Target Completion Date:	Recommendation completed
FEC Progress:	RAD continues to work with the contractor, NIC, to further upgrade the electronic review process. The latest version was implemented on February 20, 2001. Although other small upgrades are expected, further major development of this program awaits the implementation of the Commission's client server system. Once the system is available, the electronic review program will be greatly expanded to provide for the automatic identification of reporting, disclosure and compliance problems. The electronic review system will also assist in committee notification of possible problems and in the tracking of committee responses to RAD notifications. Currently, there are approximately 70 programs that assist RAD with review, non-filer and compliance tracking to include administrative fines. Some of these programs have been combined into two major programs, but the individual sub-programs can still be run separately.

11. Prepare and maintain documentation supporting EPS (Enforcement Priority System) case-activation decisions: This step will increase the transparency and accountability of OGC case-activation decisions. (3.3.3) (See also: Improvement Opportunity 4-20.)

PwC Approach:	Two months
PwC Timeframe:	FY 1999
Lead Office:	OGC Enforcement and OGC PFESP
Participating Offices:	None
Target Completion Date:	Recommendation completed April 1999

12. Compile an annual descriptive offense profile of compliance matters to better inform Commissioners, policy makers, and the public about emerging law enforcement trends: To undertake this project, the FEC will need outside assistance from other Federal law enforcement statistics agencies and a contractor to design a database (in conjunction with the case management system) and to code closed cases. (3.3.4 and 4.3.3.6) (See also: Improvement Opportunities 3-2 and 4-22.)

PwC Approach:	Eight months to research, design, automate, and code closed cases ($250,000)
PwC Timeframe:	FY 1999
Lead Office:	OGC Enforcement and OGC PFESP
Participating Offices:	OGC, Administration, Data, Information
Target Completion Date:	FY 2002

FEC Progress: The Commission has contracted with Booz/Allen & Hamilton to define the requirements for a comprehensive offense profile database. A working group, composed of representatives from OGC, Data, Planning and Management and Information, has worked with Booz/Allen on this project. Booz/Allen submitted its requirements document to the Commission on February 22, 2000, containing alternative approaches to the compiling of offense profile information. On April 11, 2000, the Commission approved one alternative with modifications and referred the Booz/Allen recommendations for implementation. This project will be completed in FY 2002.

13. Convene an internal OGC working group to develop recommendations for consideration by the Commissioners to reduce the number of legal reviews embedded in the enforcement process: This effort will speed Commissioner consideration of enforcement case stages. (4.3.3.2) (See also: Improvement Opportunity 4-18.)

PwC Approach: Four months
PwC Timeframe: FY 2000
Lead Office: OGC Enforcement and OGC PFESP
Participating Offices: None
Target Completion Date: Recommendation completed February 2000.
FEC Progress: The Levels of Review working group submitted a report to the Commission, which was discussed at the February 15, 2000, executive session meeting. The Commission accepted the report, directed OGC to report back to the Commission regarding implementation of the working group's recommendations, and directed the working group to outline the specific issues it wants the Commission to consider. OGC has implemented some of the working group recommendations and it is in the process of identifying issues for Commission consideration.

14. Complete the case management system and use the workflow and staff utilization data to establish enforcement workload standards: After the system has tracked cases throughout FY 1999, a baseline set of metrics should guide the development of these standards. (4.3.3.6)

PwC Approach: Twelve months
PwC Timeframe: FY 2000
Lead Office: OGC
Participating Offices: Data, Planning and Management, Staff Director, and Commissioners' Offices
Target Completion Date: Phase I--February 2000; Complete—2001
FEC Progress: OGC and the Commission Secretary continue to keep CMS current with case information and Commission votes. CMS is now in use throughout OGC and training of new employees is provided on an on-going basis. OGC has established procedures for regular verification of the data input into CMS and it continues to develop materials to assist employees in enhancing the accuracy and verification of data. The Commission also has entered into a contract with Ernst & Young to document and further develop OGC policies and procedures in the entry and verification of data entry into the CMS. Ernst & Young also is developing materials to be

used in training personnel so that they will have a more in depth understanding of the system. Management has provided the NTEU its proposed enhancements to CMS and the NTEU is currently evaluating them. Labor/Management negotiations will begin once the NTEU has finished its review of the enhancements. System modifications are expected to begin after the completion of negotiations.

15. Assign dedicated resources to establish a single Title 2 audit-for-cause process in the Audit Division independent of Title 26 audit resource requirements: Conducting a predetermined threshold number of audits for cause is necessary to enhance visibility in the filing community and to deter noncompliant activities. (4.3.2.4) (See also Improvement Opportunity 4-15.)

PwC Approach:	Additional Audit Division personnel
PwC Timeframe:	FY 2001
Lead Offices:	Audit, OGC PFESP and Staff Director
Participating Offices:	RAD, Public Disclosure, Data
Target Completion Date:	Electronic Audit Workflow and Management System, 4th Quarter, 2001 Audit internship program for Title 2 audits, 1st quarter, 2001
FEC Progress:	The Audit Division initially identified three approaches that would allow the agency to focus more resources on the Title 2 audit-for-cause program:

External Contracts for Convention-Related Entities. This option no longer appears to be a viable solution because of the high costs involved.

Temporary Peak Workload Assistance: Intern/Co-op Program. Recruitment of participants in an intern or coop program began during the first half of FY 2001. It is expected that, FTE permitting, one or more interns will be hired during the 1st or 2nd quarter, 2001. Utilization of interns during this period will be a preamble to carrying out a comprehensive intern program in the 3rd and 4th quarters, FY2001.

Use of Risk Analysis and Other Resource-Saving Methodologies. With assistance from the Data Division, the Audit Division has finalized a contract for a Requirements Analysis and Cost Benefit Study to identify the requirements of an electronic audit workflow and management process. The reports should be completed prior to the end of the fourth quarter, 2001. Implementation, if warranted, would occur during the first quarter of FY 2002.

Preliminary Conclusion. If all the approaches/modifications (not including contracting out convention audits) discussed above are implemented, the FEC would significantly increase the number of Title 2 audits covering the 2000 election cycle. Preliminary estimates put the number of audits of authorized committees at 24 (roughly 22 House audits and 2 Senate audits)[1] and the number of nonauthorized committee audits at 20-21, for a total of 45 audits for that cycle. In contrast, over the last three election cycles (1992 through 1996) an average of 9 authorized and 12 nonauthorized committees have been slated for audit. While we increased the Title 2 audits in the 1998 cycle, the 2000 cycle represents the first time the FEC has a true "stand alone" Title 2 audit capability that will not lose most of its resources to the statutory Title 26 audits during

[1] These numbers represent 5 percent of all House and Senate seats up for election in the 2000 election cycle.

presidential election cycles. House and Senate audits would be commenced within 6 months of the general election unless the auditee requested a postponement; in no case would an authorized committee audit begin later than August of the year after the election, unless the compulsory process had to be employed. Further, all of the House and Senate audits would be publicly released within one year of commencement, unless the compulsory process had to be employed. The 2-year deadline on release of Title 26 audit reports would continue to be met.

The OGC PFESP section reviewed the Title 2 audit process and the Enforcement Priority System (EPS) II, with special emphasis on processing Title 2 audit referrals. On May 10, 2000, the Commission approved OGC PFESP recommendations with respect to draft revisions to EPS II.

In September 1999, the Commission established a task force under the direction of the Staff Director to focus on the Title 2 audit process. In September, 2000 the Commission approved a procedure developed by the Task Force to evaluate the scope of 2 U.S.C. §438(b) audits of authorized committees. Commencing with the audits of the 2000 cycle candidate committees, this procedure is intended to limit the amount of time spent on areas identified as low risk; audit resources would then be focused on areas where problems are most likely to be present. A similar procedure for 2 U.S.C. §438(b) audits of non-authorized committees (PAC's and party committees) will be developed this year.

16. Select a permanent Staff Director tasked to improve overall organizational performance: The FEC now has the opportunity to select a permanent Staff Director who can help renew the organization. FEC Commissioners should consider retaining an executive-recruiting firm to validate the candidate list for their consideration. (3.3.6)

PwC Approach:	Two months to identify candidates ($50,000 for candidate validation)
PwC Timeframe:	FY 1999
FEC Progress:	Recommendation implemented April 1999

17. Establish annual performance objectives for the Staff Director and the General Counsel: To establish and maintain organizational accountability, Commissioners need to communicate desired organizational achievements to both statutory officers and delegate authority to execute tasks. (3.3.6)

PwC Approach:	Three months to establish performance criteria
PwC Timeframe:	FY 1999
Lead Office:	Commissioners
Participating Offices:	Staff Director, General Counsel and Personnel
Target Completion Date:	
FEC Progress:	Both the former and the current Chairman initially reviewed the qualifications of five potential contractors recommended by the FEC's Personnel Director. In response to inquiries about the applicants' legal experience, the Personnel Director provided additional information. After reviewing this material, the Staff Director was instructed to reexamine the tasks to be undertaken by a contractor.

18. Encourage more collaboration and communication among existing work groups: The Staff Director should convene regularly scheduled meetings to increase cross-divisional communication and collaboration and to review management information system performance data. (3.3.5)

PwC Approach: Minimal
PwC Timetable: FY 1999
Lead Offices: Staff Director and General Counsel
FEC Progress: Recommendation implemented. For more information, see Recommendation # 7 and other specific PwC recommendations.

19. **Develop a new performance appraisal process for managers:** A pilot project should be initiated, using an upward feedback system, to ensure that FEC managers have put into practice those behaviors that foster communication and ownership of problems and reward innovation. (3.3.7)

PwC Approach: Six months to research, develop, and administer pilot survey ($50,000)
PwC Timetable: FY 1999
Lead Office: Personnel
Participating Offices: All
FEC Progress: Some of the companies that were interviewed with respect to the SD/GC performance objective project also indicated a willingness and desire to work on this recommendation.

20. Explore alternatives to the Federal General Service classification system: Alternatives to the current use of the Federal GS classification system should be explored as a means to increase promotional opportunities and provide a more flexible compensation system. (3.3.11)

PwC Approach: Four months to research and investigate options, with OPM support
PwC Timetable: FY 1999
Lead Office: Personnel
Participating Offices: All
FEC Progress: The FEC has various pay options currently available to it under Title 5 compensation laws. Staff have explored alternatives to the status quo such as broadbanding. For now, it appears that greater utilization of the available pay flexibilities under Title 5 (e.g., appointment above the minimum step, redesigning positions to support a higher career ladder grade) has improved our recruitment. In addition, the Personnel Office has investigated the effectiveness of broadbanding by contacting other public agencies who have implemented broadbanding. The Department of Defense, CIA and the State of South Carolina all have implemented some form of a broadbanding pay system. Each of these organization's reports that costs of broadbanding significantly exceeded their expectations. A broadbanding system requires a strong performance management measuring system in order to determine pay increases fairly. Initially most employees indicated general satisfaction with the pay banded system. However, as these three agencies incorporated more financial controls in order to

curb costs, employee satisfaction with the banded system, dropped. If the Commission were to decide to adopt another method of determining pay for its employees, any changes would require legislative action.

21. Conduct customer satisfaction surveys after an election cycle to understand expectations and measure changes in filer satisfaction with the products and services provided by the FEC: Using the baseline findings provided in this report, regular surveys will allow FEC to discontinue services that have diminishing value, to better understand the needs of the filing community, and to better deploy FEC resources. (3.3.3)

PwC Approach:	$75,000 each election cycle
PwC Timetable:	FY 2001
Lead Office:	Information
Participating Offices:	Public Records, RAD, Press, OGC Administration, Data and Planning & Management
Target Completion Date:	3rd Quarter, 2001
FEC Progress:	Project will be undertaken by the Information Division after the completion of the 2000 election. The Commission is exploring the possibility of contracting this survey out.

Improvement Opportunities

Improvement Opportunity 3-7: The FEC should create a more open and proactive problem-solving environment for doing business.

This and several of the following Improvement Opportunities parallel a number of the recommendations described above (see, for example, recommendations 7, 9, 16, 18 and 21).

Improvement Opportunity 3-9: The Data Division should routinely conduct an internal FEC staff survey to assess user satisfaction.

Lead Office: Data
Participating Offices: All
FEC Progress: A user survey is planned to be conducted in FY 2001.

Improvement Opportunity 3-10: FY 2000 is the time for the FEC to begin to lay the framework for significant business process reengineering efforts. Future and ongoing ADP initiatives should incorporate a business process reengineering effort led by the program offices, not DSDD.

Lead Office: Data
Participating Offices: All
FEC Progress: See Recommendation # 10.

Improvement Opportunity 4-1: FEC should redesign a disclosure database that supports internal staff needs, as well as the public's needs.

FEC Progress: This is a fundamental element in the design of the client/server disclosure database. See response to Recommendation #9.

Improvement Opportunity 4-3: FEC should set up Internet connections on several PCs in the Public Records Division. The Internet could be used to access other campaign finance databases and Web sites on third-party information providers.
Lead Office: Data
FEC Progress: This effort was completed in July 1999 when DSDD configured all of the PC's in Public Records so that the public could access other campaign finance Web sites.

Improvement Opportunity 4-4: The Processing Branch should support all imaging needs throughout the Commission. Processing staff could work with the Office of the General Counsel to assist that Office with its imaging needs.
Lead Office: Public Disclosure
Participating Offices: Data
Target Completion Date: FY 2002
FEC Progress: The Commission issued to AMS a contract for the development of a comprehensive document management system, including replacement of the imaging system, that will significantly expand the use of imaging technologies throughout the Commission. The system is scheduled for implementation in FY 2002.

Improvement Opportunity 4-5: Once the Commission has a certain date for mandatory electronic filing, RAD should begin to work with Data Systems to develop an automated, paperless review process to replace the existing manual, paper-intensive reviews.

- Since February 2001, RAD has been using the latest upgrade to the automated review program. Per RAD requirements, the program conducts all math checks and presents the data in formats that permit quicker review for missing information. The program has been expanded to check information between two reports. It will continue to be upgraded over time. See PwC Recommendation 10.

Improvement Opportunity 4-6: Realign resources in the Disclosure and Data Systems Divisions to enable a more unified approach to disclosure. FEC should establish a single office for disclosure...responsible for creating the public record (from start to finish), as well as FEC compliance with the 48-hour rule.
FEC Progress: See Recommendation # 8.

Improvement Opportunity 4-8: In the event that mandatory electronic filing seems unlikely in the foreseeable future, the FEC should explore alternate plans to the EFS that would optimize its existing investment in imaging technology by integrating compatible technologies such as optical character recognition (OCR), bar codes and workflow software.
FEC Progress: See Recommendations #5 and #10.

Improvement Opportunity 4-10: The FEC should continue to solicit input from both filers and internal staff regarding necessary enhancements to the electronic filing system.
Lead Office: Data
Participating Offices: None
FEC Progress: Mandatory electronic filing was implemented beginning with the monthly reports due on February 20, 2001. RAD was integral in the development of the electronic filing system. The Commission continues to maintain extensive contact with filers and software vendors. Training programs are conducted for both internal and external users, testing facilities have been upgraded, and outreach efforts including presentations at meetings attended by committee officials are ongoing.

Improvement Opportunity 4-15: Continue to calibrate the RAD referral thresholds with OGC Enforcement Section civil penalty guidelines so that RAD referrals to OGC result in conciliation agreements with monetary penalties.
Lead Offices: RAD, OGC Enforcement and OGC PFESP
Participating Office: Audit
FEC Progress: See Recommendation #15.

Improvement Opportunity 4-16: To increase the level of detection of patterns of improper campaign finance practices, RAD should initiate a data-mining and contributor-collaboration software pilot to assess the degree to which "financial" transaction violations can be identified.
Lead Office: RAD
Participating Office: Data
FEC Progress: Developments in automating RAD review of reports will have an impact on data-mining activities. Improved search and analysis capabilities also are being built into the new disclosure database. Data mining capabilities will be expanded beginning in FY 2002. See Recommendations # 9 and #10.

Improvement Opportunity 4-20: Development efforts should be initiated by OGC to define additional scoring criteria that estimate resource allocation by tier of case.
Lead Office: OGC Enforcement and OGC PFESP
Participating Offices: None
FEC Progress: The Office of General Counsel anticipates considering this proposal once the NTEU and Management have concluded negotiations over enhancements to the case management system. .See Recommendation #14.

Other Projects

1. Transfer payroll and personnel systems to the National Finance Center.

Lead Office: Accounting
Participating Offices: Accounting, Personnel, Data
Target Completion Date: Project completed November 1999
FEC Progress: The FEC has completed the process of migrating both its Personnel and Payroll systems to the USDA's National Finance Center (NFC).

2. Year 2000 Remediation Effort

Lead Office: Data
Participating Offices: All Divisions
Target Completion Date: Project completed December 1999
FEC Progress: A complete end-to-end test of all systems was performed, and successfully completed on December 17, 1999. On January 1, 2000, the FEC Y2K Project Work Group and supporting staff, conducted actual data rollover checks and all systems operated with no problems. The Y2K Day-One After Action Report was completed on January 13, 2000.

3. Conduct computer security review.

Lead Office: Data
Participating Offices: Data
Target Completion Date: Project completed March 2000
FEC Progress: Utilizing GSA's MOBIS schedule, the FEC placed a task order with Booz-Allen to conduct a complete computer security review. The order involved a review of all facets of computer security, including internal controls, physical access, unauthorized software, computer viruses, network infrastructure and review of local area network as required by OMB Circular A-130. The FEC in conjunction with Booz-Allen developed the following reports: Information Technology Security – Program Plan, in October 1999; Report of a Risk Assessment of the FEC Network, November 1999; Local Area Network System Security Plan, March 2000; Network Security Penetration Test Results, February 2000. The Network Security Penetration Test Results delivered in February 2000 were the result of a penetration test conducted from January 17, 2000 to February 1, 2000. In FY 2001 the FEC will begin to fortify areas that Booz-Allen identified during the penetration test in January 2000. The Data Division is developing a Commission-wide training program that will be implemented in April 2001.

4. Enhance FEC Web site.

Lead Office: Data
Participating Offices: Virtually all
Target Completion Date: Project completed December 1999
FEC Progress: The redesigned FEC Web site was launched in December, 1999 and has been widely regarded as a significant improvement in organization and presentation of material.

On January 31, 2000, the Commission began posting agendas and agenda documents for open Commission meetings, as well as Advisory Opinion Requests and correspondence related to pending Advisory Opinions, on the Web site. In addition, the FEC is also posting rulemaking documents on its website, including proposed rules and comments thereon, final rules, explanations and justifications for final rules, and petitions for rulemaking.

5. Implement Document Management System in OGC (PCDocs).

Lead Office: OGC
Participating Offices: Data, Commissioners' Offices
Target Completion Date: September 2001
FEC Progress: OGC PFESP was selected as the pilot group for implementing this project. The requirements analysis was completed in March 2000, and the draft design was submitted in July 2000, with implementation scheduled for completion in September 2001.

6. Implement Document and Tracking System in Audit (TeamMate).

Lead Office: Audit
Participating Offices: Audit and Data
Target Completion Date: August 2001
FEC Progress: PwC was selected to conduct a requirements analysis of the audit work process. Specifically, the vendor identified a system to optimize the audit workflow process, provide electronic work papers and track audits. The final report was delivered to the FEC in March 2000. The report is being evaluated. It is anticipated that a decision will be finalized by April, 2001; acquisition and implementation of the electronic audit workflow and management process is slated for FY 2001. Transitional issues and training of staff would occur in first quarter FY 2002.

7. Expand imaging process to include materials other than campaign finance reports.

(See **Improvement Opportunity 4-4.**)

8. Conduct feasibility study of Optical Scanning Recognition and Bar Code technology.

Lead Office: Data

Target Completion Date: FY 2004

FEC Progress: One element of the Commission-wide document management system will be to review the feasibility of optical scanning recognition and bar code technology. The agency will plan to conduct a Cost/Benefit Analysis in FY2003, to determine the feasibility of using OCR technologies to address the requirement of converting non-electronically filed financial reports to an electronic format. Depending on the outcome of this study, the design and development of OCR technologies is planned for FY2003 and FY2004.

9. Contract for IT services and data entry support services.

Lead Office: Data

Participating Offices: None

Target Completion Date: Project completed August 1999

FEC Progress: A contract for data entry support services was awarded in FY 1999.

10. Renovate building.

Lead Office: Administration, Planning and Management

Participating Offices: All

Target Completion Date: Project completed in December 2000

11. Expand the 2 U.S.C.§437(g) field audit program.

Lead Office: OGC

Participating Offices: Audit, RAD, Public Disclosure, Staff Director, Commissioners' Offices

Target Completion Date:

FEC Progress: On September 14, 1999, the Commission authorized a task force to focus on the Title 2 audit process and on ways to expand the use of audits in the Commission's enforcement process. The task force includes representatives from the Commissioners' offices, the Staff Director's office, Audit Division, OGC, RAD, Public Disclosure and Data. (See PwC Recommendation #15)

12. Alternative Dispute Resolution (ADR) Pilot Program.

Lead Office: OGC
Participating Offices: Staff Director, Commissioners' Offices
Target Completion Date: October 2000
FEC Progress: In December of 1999, the Federal Mediation and Conciliation Service (FMCS) presented the Commission with a final ADR design report, including findings and recommendations. The Commission accepted the report and approved the concept of an ADR pilot program. In addition to the FMSC report, OGC developed case selection criteria to assist in defining the scope of the ADR project. As a result of the December meeting, the Commission directed the Staff Director, in conjunction with OGC, to draft a proposal to implement the ADR program and to issue a vacancy announcement for the Director, Office of ADR. In May of 2000, a Director of the Office of ADR was selected; this individual will report to the Staff Director and be responsible for developing and implementing the ADR program. During the following months, the ADR Director, working with OGC, made a formal proposal to the Commission containing the details of the ADR pilot program. On July 25, 2000, the Commission approved the proposal. The project began October 1, 2000. As of March 1, 2001, the ADR Office concluded eight agreements based on seven complaints filed with the Commission. Settlements were obtained in an average of 91 days from the time matters were referred to the ADR office. Civil penalties from the eight agreements totaled approximately $17,800.

13. Determine effect of projected shortage in Presidential public funding program.

14. Integration of Macintosh Publishing Program Into Commission-Wide Server-Based Computer System

Lead Office: Data
Participating Offices: Information Division, Administrative Division
Target Completion Date: Project completed February 2000
FEC Progress: A server was installed to exclusively handle all work related to FEC publications produced on the Macintosh. Implementation increased the efficiency and productivity of the agency's publications program.

15. Waiver of State Filing Requirements.

Lead Office: Public Records
Participating Offices: RAD, Data, Information, OGC Policy
Target Completion Date: Project completed.
FEC Progress: In 1995, Congress enacted 2 U.S.C. §439(c), which exempts states from receiving and maintaining copies of federal campaign finance reports provided that the state, "as determined by the Commission, has a system that permits electronic access to, and duplication of, reports and statements that are filed with the Commission."

In addition to implementing the statutory provisions of 2 U.S.C. §439(c), there are three complementary goals of a state filing waiver: to relieve state offices of filing and

maintenance burdens, to relieve committees of duplicative state filing, and to maintain or increase the level of state disclosure.

On October 14, 1999, the Commission formally approved a program to provide state offices with a method that ensures public Internet access to the Commission's web site to view and copy the federal campaign finance disclosure reports. The FEC provides states with surplus computer equipment.

On March 17, 2000, the Commission transmitted final rules to Congress to implement this program. Following the required legislative review period, the new rules took effect on June 7, 2000.

To date 47 states or comparable jurisdictions have responded positively to participating in the state waiver program and have given the FEC their hardware and software requirements. Of that total, 47 have been granted a waiver.

16. Review Operation of Commission Secretariat.

Lead Office: Commission Secretary

Target Completion Date: Project completed March 2000

FEC Progress: A report was submitted by PricewaterhouseCoopers to the Staff Director in January 2000. The report compared operations of the Commission Secretariat with operations of the Secretariats of several similar Federal agencies. Since no significant findings were cited, significant changes in that office do not appear to be warranted. Nonetheless, since the PwC report, several improvements in this office have been implemented, such as the computer-based Commissioner Research Database which provides easier search capability regarding Commission votes.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 31, 2001

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
H-232, the Capitol
Washington, D.C. 20515

Dear Mr. Speaker:

The Federal Election Commission herewith transmits a supplemental FY 2001 request for additional funds.

Specifically, the FEC is requesting $3 million in no-year funds and 3 FTE (6 staff for 50% of 2001). This proposal would provide for an enhancement of the FEC Office of Election Administration (OEA) mission. It is in response to the numerous calls for reform of election administration. This enhanced support for OEA is sought to assist state and local election administrators, who are responsible for administering federal elections, to develop election administration standards and guidelines. The FEC's current FY 2001 funding level will not support this effort.

A copy of the formal supplemental budget request is enclosed.

Sincerely,

Danny Lee McDonald
Chairman

David M. Mason
Chairman, Finance Committee

FEDERAL ELECTION COMMISSION FY 2001 SUPPLEMENTAL REQUEST

Pursuant to our authority as a concurrent submission agency, the Federal Election Commission (FEC) is seeking a FY 2001 Supplemental Appropriation request for $3 million dollars in no-year funds (i.e., funds that would be available beyond September 30, 2001) and 3 FTE staff (6 staff for 50% of FY 2001). This proposal for supplemental funding in FY 2001 would provide for an enhancement of the FEC Office of Election Administration (OEA) mission. It is in response to the numerous calls for reform of election administration. This enhanced support for OEA is sought to better assist state and local election administrators who are responsible for administering federal elections to develop operational standards.

There has been considerable discussion of the need for federal assistance to the state and local election administrators responsible for acquiring, installing, operating and maintaining the nation's electoral machinery. The 2000 presidential election raised issues with regard to both the adequacy of the voting machines and the standards, or lack thereof, used by local election officials, who in some cases are elected political officials and are not necessarily trained election administrators.

FEC Role

OEA was created under 2 U.S.C. § 438(a)(10), which mandates that the Federal Election Commission serve as a national clearinghouse with respect to the administration of federal elections. The FEC has staffed OEA with recognized election experts who have extensive experience in election administration. Moreover, the FEC's Commissioners are themselves well-versed in a variety of issues that confront election administrators. Prior to their service at the FEC, several Commissioners had substantial experience in election administration and other election issues, including selecting and testing voting equipment for both urban and rural areas, supervising the resolution of contested Congressional elections, and practicing election law in the area of recounts. Federal initiatives in improving election administration should be located at the FEC to leverage this expertise and to build on existing relationships with state and local election officials. This is a critical advantage if rapid action is desired and if meaningful assistance to state and local officials is to be provided for future elections. The proposal also avoids creating any new, duplicative bureaucracy.

The OEA staff serves as an objective moderator, brokering the interests of issue groups such as the disabled community with the interests of election officials and political office holders. They have experience working with the vendors of voting machines as well as with the election officials and state officers responsible for acquiring and operating voting machinery. OEA has worked with many groups of election officials and has chaired numerous meetings with election administrators to address a variety of issues, including polling place accessibility, Internet voting, and the Voting System Standards. OEA has participated in the implementation of federal initiatives in election administration, such as the Polling Place Accessibility for the Elderly and Handicapped Act and the National Voter Registration Act ("Motor Voter"), and has been engaged in a multiyear project to revise voluntary Voting Systems Standards (VSS), which represent technical standards for voting equipment. As a result of these efforts, OEA has gained the

confidence of the election community by working closely with local and state officials on these collaborative efforts.

FEC Proposal

An objective, comprehensive approach is the best solution to the current issues regarding administering federal elections. The FEC proposal is designed to address both short-term and long-term issues. While an immediate response might be to provide federal funds to acquire new voting machinery, that approach would not address the establishment of operational standards for the testing and performance measurement of voting equipment, acquisition procedures for voting systems, system security practices, and ballot preparation and design.

The FEC proposal is designed to accomplish five objectives:

- Enhance the existing voluntary voting system performance standards (VSS) that provide election officials with testing and measurement criteria to verify the performance, accuracy, reliability, and security of election systems. The VSS are currently being updated by OEA, with completion expected by the end of calendar year 2001 (funded with existing FY 2001 money). The enhancements would expand existing standards and test criteria to address design/performance features that optimize ease of use and minimize voter confusion.

- Extend the scope of the voluntary standards beyond testing and measurement to include operational standards for acquisition, installation, testing, training, administration and maintenance of both existing and new automated voting systems. Develop standards for other management issues such as planning for and administering elections; system security practices; ballot design and preparation; public education; contested elections; and recounts. Provide up to date information and assistance for issues such as ballot access, reprecincting, and absentee and early voting. Establish and disseminate information on best practices in election administration.

- Complete a census of existing election systems.

- Identify the needs and resource requirements of local and state election officials, to assure that the most pressing needs are addressed, and that best practices are widely disseminated.

- Design grant program criteria by which federal funds could be distributed to state and local jurisdictions should Congress decide to provide funds for the replacement of voting systems or for other election administration needs.

The most efficient way to meet these objectives to improve the nation's voting systems is to build upon the work already accomplished by the FEC's OEA. Ongoing funding will be required in future years to ensure that all aspects of the VSS are kept up-to-date.

FY 2001 Supplemental Proposal

This supplemental proposal requests $3.0 million in no-year funds. Work would begin on enhancing the VSS (beyond the update of the VSS funded by existing FY 2001 funds) and on developing the operational standards in FY 2001. The gathering of information regarding the needs and resource requirements of state and local election officials and the development of the proposals for research would occur in FY 2001. In addition to any supplemental funds remaining after FY 2001, the FY 2002 and later Budget Requests would contain funds for continuing work on the operational standards and for a comprehensive educational and information outreach program to widely disseminate the enhanced VSS, the operational standards, and other OEA elections administration efforts. Finally, if Congress determines to enact a grant program to provide federal financial assistance to state and local election officials, OEA would administer the grant program.

The $3.0 million would be spent as follows:

1. Development of Election Operations Standards -- $1,100,000

   Enhance and expand the VSS standards to establish operational standards for the procurement, installation, testing, operation, and maintenance of voting systems; develop standards for system security, ballot design and preparation, public education, training, polling place access and absentee processes. These new standards would focus on election planning and the vote tabulation process and would be designed to assist election officials in correctly setting up and operating the voting systems during elections. Some of this money also would be used to expand the existing qualification test criteria to address design/performance features that optimize ease of use and minimize voter confusion. The standards would be consolidated in a best practices in election administration document.

2. Update and Develop OEA Publications -- $300,000

   Update and develop publications addressing current election issues, including elections and recounts, absentee/early voting options, and contested elections. The FEC also would explore developing models for administering elections, and models for ballot design, as well as models governing the conduct of elections and the counting of votes. The emphasis of this project would be to disseminate needed information to local election officials and provide extensive training opportunities. In future FYs, OEA staff and contractors would conduct workshops at various locations to present the materials and models and to provide training sessions for state and local officials on best practices in elections administration. The scope of the outreach and training envisioned is far beyond the ability of OEA within the limits of current funding levels and would be part of the additional funding requested for these projects in FY 2002.

3. Identify Needs and Resource Requirements of Local and State Election Officials -- $450,000

A major portion of these funds would be used for OEA to meet with state and local election officials to determine their resource requirements and to obtain their guidance on election policy issues that can be incorporated into the development of election operations standards. In addition to its existing Advisory Panel of state and local election officials, OEA would also consult with groups such as the National Association of State Election Directors (NASED), National Association of Secretaries of State (NASS), International Association of Clerks, Recorders, Election Officials and Treasurers (IACREOT), and the Election Center to ensure that there is broad participation and support for the development of new standards or proposed best practices and model procedures. This initiative would allow election officials to compare and share solutions for election problems developed by other election jurisdictions and officials.

4. Design Grant Program Criteria to Provide Federal Funds to State and Local Jurisdictions -- $500,000

This project would establish an OEA database on the election systems in use in all local jurisdictions. This would allow estimates to be developed for the cost of replacing existing voting systems nationwide with systems that meet the standards for improved performance. The FEC would recommend to Congress a grant program, including proposed criteria for the distribution of funds. If a grant program were established, the funds to cover the grants would be sought in future budgets.

5. Additional OEA staff -- $650,000

Funding would be used to hire 3.0 additional FTE (6 staff for 50% of FY 2001): a Senior Level Administrator; 2 project managers to administer the project; a technical position to provide technical advice on the contracts and assist with the workshops; a conference and workshop planner and coordinator; and one clerical position employee. The six additional staff would cost $262,000 in FY 2001. The remaining $388,000 would be used to support the conferences for consultation with state and local election administrators. Estimated budget:

Personnel--	$262,000
Travel--	$100,000
Printing--	$125,000
Postage--	$ 25,000
Conference expenses--	$ 50,000
Equipment, etc.--	$ 63,000
Rent	$ 25,000

The requested travel and printing in FY 2002 and future years would be used to disseminate the new standards to state and local election officials through a series of workshops starting in FY 2002. OEA anticipates holding a conference in FY 2002 to introduce the updated VSS to election officials.

FY 2001 VSS Projects and FY 2002 Funding

The projects proposed above are in addition to the current VSS updates that OEA plans to complete by December 2001. Budgeted FY 2001 funds will be used to enhance the current VSS and to hold Advisory Panel meetings on the VSS updates, as well as to consult with elections officials in initiating the development of operational standards. In FY 2002, OEA will hold a conference to introduce the revised VSS to the election administration community. When the operational standards are completed, FY 2002 funds will be used to undertake a comprehensive educational outreach program to widely and aggressively disseminate the new standards.

In sum, the proposed course of action is as follows: complete VSS updates with current FY 2001 funds; use the FY 2001 Supplemental (no-year funds) to expand VSS technical standards and develop operational standards, undertake an assessment of elections administration resources and a census of current elections systems, and design grant program criteria; complete the operational standards and initiate comprehensive educational and dissemination program in FY 2002 (with some of the no-year FY 2001 funds and the funds requested in the Full FY 2002 Budget); and implement any enacted grant program in FY 2002 and future fiscal years.

FY 2001 SUPPLEMENTAL AND FY 2002 BUDGET

ELECTIONS ADMINISTRATION FY 2001-2	FY 2001	FTE	FY 2002	FTE	TOTAL
PROJECT/PROGRAM					
Existing OEA Funds FY 2001					
Complete VSS Standards	$ 200,000	0	$ -	0	$ 200,000
Hold VSS Advisory Panel Meetings/Additional Standards	$ 60,000	0	$ -	0	$ 60,000
FY 2001 Existing Totals	$ 260,000		$ -		$ 260,000
Develop Operations Standards/Expand VSS					
Research Contracts--VSS and Operations Standards	$ 1,100,000	0	$ 500,000	0	$ 1,600,000
Education Program-Disseminate Standards	$ -		$ 500,000		$ 500,000
Subtotal Operations Standards/VSS	$ 1,100,000		$ 1,000,000		$ 2,100,000
Assess Elections Administration Resources					
Consult with Elections Administrators	$ 150,000	0	$ -	0	$ 150,000
Conduct Assessment of EA Resources and Needs	$ 300,000	0	$ -	0	$ 300,000
Subtotal Resource Assessment	$ 450,000		$ -		$ 450,000
Update OEA Contracts on Elections Admin.					
Research Contracts	$ 300,000	0	$ 300,000	0	$ 600,000
Publish/Disseminate Results	$ -		$ 450,000		$ 450,000
Subtotal OEA Updates	$ 300,000		$ 750,000		$ 1,050,000
Develop Grant Program					
Census of Voting Systems	$ 400,000	0	$ -	0	$ 400,000
Design Grant Program Criteria	$ 100,000	0	$ -	0	$ 100,000
Subtotal Grant Program Development	$ 500,000		$ -		$ 500,000
Administer Research and Grant Programs					
Personnel	$ 262,000	3	$ 552,000	6	$ 814,000
Travel	$ 100,000		$ 40,000		$ 140,000
Postage	$ 25,000		$ 25,000		$ 50,000
Printing	$ 125,000		$ 40,000		$ 165,000
Conference Expenses/Supplies	$ 50,000		$ 25,000		$ 75,000
Rent	$ 25,000		$ 100,000		$ 125,000
Equipment	$ 63,000		$ 10,000		$ 73,000
Administer Programs Totals	$ 650,000	3	$ 792,000	6	$ 1,442,000
FY 2001 SUPPLEMENTAL	$ 3,000,000	3	$ -		$ 3,000,000
FY 2001 TOTALS	$ 3,260,000	3	$ -		$ 3,260,000
FY 2002 BUDGET	$ -		$ 2,542,000	6	$ 2,542,000
FY 2002 TOTALS	$ -		$ 2,542,000	6	$ 2,542,000

NASED

National Association of State Election Directors
Resolution in Support of Federal Election Commission
Appropriation Request

Adopted February 4, 2001

WHEREAS, the National Association of State Election Directors acknowledges the important role that the Office of Election Administration of the Federal Election Commission plays in elections in the United States;

WHEREAS, the Office of Election Administration assists state and local election officials as a national clearinghouse for election administration;

WHEREAS, there is a need to accelerate the updating of the Voluntary Federal Voting System Standards that were published in 1989;

WHEREAS, voluntary standards should be developed to address operational functions associated with voting systems, including such functions as acquisition, installation, testing, training, administration, and maintenance of existing and new systems;

WHEREAS, the Federal Election Commission has submitted a funding request to Congress for the Office of Election Administration that includes a $3 million supplemental appropriation and $2.5 million appropriation increase for FY 02.

Now, THEREFORE BE IT RESOLVED that the National Association of State Elections Directors supports the budget request for the Office of Election Administration submitted by the Federal Election Commission to update the Voluntary Federal Voting System Standards and to develop additional operational standards for new and existing voting systems.

BE IT FURTHER RESOLVED that the National Association of State Election Directors urges Congress to appropriate the supplemental funding at the earliest possible time.

BE IT FURTHER RESOLVED that the National Association of State Election Directors by adoption of this resolution neither supports nor opposes the retention of the Office of Election Administration within the Federal Election Commission.

Ann McGeehan, President

Secretariat:
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National Association of Secretaries of State
Resolution to Support the FEC Budget Requests

Adopted February 6, 2001

WHEREAS, the National Association of Secretaries of State acknowledge the important role that the Office of Election Administration of the Federal Election Commission plays in elections in the United States;

WHEREAS, the Office of Election Administration assists state and local election officials as a national clearinghouse for election administration;

WHEREAS, there is a need for an update to the Voluntary Federal Voting System Standards;

WHEREAS, standards should be developed to address operational standards for acquisition, installation, testing, training, administration, and maintenance of existing and new systems;

WHEREAS, the Federal Election Commission has submitted a funding request to Congress to update the voluntary voting system performance standard;

Now, THEREFORE BE IT RESOLVED that the National Association of Secretaries of State supports the budget request of the Office of Election Administration of the Federal Election Commission to update the Voluntary Federal Voting System Standards and to develop additional standards for new and existing voting systems.

Hall of States, 444 N. Capitol Street, N.W., Suite 401, Washington, DC 20001
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www.nass.org

RESOLUTION

(Federal Election Commission)

WHEREAS, the American electoral process has come under the most intense scrutiny ever in the wake of the 2000 Presidential Election;

WHEREAS, every facet of the American electoral process is a subject for discussion, from ballot preparation to ballot accessibility, from poll worker training to the schooling of election administrators, from the counting of ballots to the non-counting of ballots;

WHEREAS, a restoration of the American voters faith in the electoral process is of immediate and tantamount importance;

WHEREAS, federal legislation addressing election reform continues to grow in number and scope each day, producing theories, solutions and remedies;

WHEREAS, programs are now in place that have the ability to offer insight into the concerns brought on by the Presidential Election, such as the Federal Election Commission's Office of Election Administration;

AND WHEREAS, the Federal Election Commission's Office of Election Administration, has long been a non-partisan resource for state and local election officials through its 20-member Advisory Panel, through its periodicals on all facets of election administration and through its pioneering of voting system standards;

BE IT THEREFORE RESOLVED THAT:

The International Association of Clerks, Recorders, Election Officials and Treasurers (IACREOT), in one voice from its 1500 members nationwide, endorses Congressional legislation intended to study election reform;

AND FURTHER, asks Congress to utilize the resources in place through the Federal Election Commission's Office of Election Administration, its vast amount of archived data on election administration and the expertise readily available through its Advisory Panel;

AND FURTHER, asks Congress, through its proposed federal legislation on election reform, to expand the resources of the Office of Election Administration in budget and staff, enabling the OEA to bring about the reform that the nation now awaits;

AND FURTHER, that IACREOT stands ready as a resource organization to assist Congress in any study of election reform proposed by the new Congress, and its members are available individually to answer any and all questions.

APPROVED AND ADOPTED on this 20th day of January, 2001, at the Mid-Winter Meeting of the International Association of Clerks, Recorders, Election Officials and Treasurers, in Billings, Montana.

Gerald A. Gibson, President

Robert Parten, Secretary

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Washington Office

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Jim Brown

President
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Senator Manny Aragon, NM

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CSG EXECUTIVE COMMITTTEE

RESOLUTION

IN SUPPORT OF FEDERAL ELECTION COMMISSION APPROPRIATION REQUEST

WHEREAS, the National Association of State Election Directors acknowledges the important role that the Office of Election Administration of the Federal Election Commission plays in elections in the United States;

WHEREAS, the Office of Election Administration assists state and local election officials as a national clearinghouse for election administration;

WHEREAS, there is a need to accelerate the updating of the Voluntary Federal Voting System Standards that were published in 1989;

WHEREAS, voluntary standards should be developed to address operational functions associated with voting systems, including such functions as acquisition, installation, testing, training, administration, and maintenance of existing and new systems; and

WHEREAS, the Federal Election Commission has submitted a funding request to Congress for the Office of Election Administration that includes a $3 million supplemental appropriation and $2.5 million appropriation increase for FY 02.

NOW THEREFORE BE IT RESOLVED that the Council of State Governments supports the budget request for the Office of Election Administration submitted by the Federal Election Commission to update the Voluntary Federal Voting System Standards and to develop additional operational standards for new and existing voting systems.

BE IT FURTHER RESOLVED that the Council of State Governments urges Congress to appropriate the supplemental funding at the earliest possible time.

BE IT FURTHER RESOLVED that the Council of State Governments by adoption of this resolution neither supports nor opposes the retention of the Office of Election Administration within the Federal Election Commission.

Adopted this 7th Day of April, 2001 at the
CSG Spring Task Force and Committees Meetings
In Santa Fe, New Mexico

State Senator Manny Aragon, New Mexico
CSG Chair

The Council of
State Governments

Washington Office

General Counsel & Director
Jim Brown

President
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CSG EXECUTIVE COMMITTEE

RESOLUTION ON

VOTING EQUIPMENT STANDARDS

WHEREAS, reliable and accurate voting equipment is necessary to insure an accurate and fair election in every state and territory;

WHEREAS, every state, territory, or local government will benefit from a set of technical standards for durability and accuracy against which to judge the voting equipment they purchase;

WHEREAS, the Federal Election Commission's Office of Election Administration established core standards for accuracy and durability in 1990;

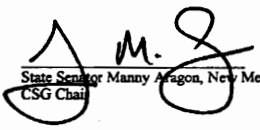
WHEREAS, states were invited to adopt these standards voluntarily; and

WHEREAS, the National Association of State Election Directors, the Federal Election Commission's Office of Election Administration, and The Election Center have worked jointly over the past decade to implement the vision of a national voluntary testing program for election equipment; and

WHEREAS, 32 states have voluntarily adopted some form of state-wide testing program which election equipment must pass prior to purchase, many incorporating the Independent Testing Authority program of NASED.

THEREFORE BE IT RESOLVED that The Council of State Governments strongly encourages every state to adopt some sort of mandatory testing program for election equipment in order to insure to the greatest extent possible that the equipment, and equipment support, will be of the highest quality to insure the quality and accuracy of the election process.

Adopted this 7th Day of April, 2001 at the
CSG Spring Task Force and Committees Meetings
In Santa Fe, New Mexico



State Senator Manny Aragon, New Mexico
CSG Chair

NCSL

NATIONAL CONFERENCE of STATE LEGISLATURES

LAW AND JUSTICE COMMITTEE

NCSL Special Task Force on Elections Reform
Final Recommendations
May 7, 2001

1. NCSL acknowledges that a national debate on election reform has begun and that any Congressionally mandated changes in election processes necessarily will impact state and local elections. The NCSL Task Force recognizes that state law controls the processes and the administration of matters pertaining to federal, state, and local elections. It logically follows that NCSL, as the national voice of the various state legislatures, should be at the center of this national debate.

2. NCSL finds that most of the significant federal legislation introduced in the 107th Congress contains guidelines for the formation of an election commission or task force to examine election issues and to develop guidelines or mandates for federal elections which necessarily will affect state and local elections. NCSL recognizes Congress' desire to have a voice in the national debate on election reform and understands the formation of a federal commission or task force to provide such a voice may be inevitable. NCSL believes that it must be an equal partner within any such federal commission or task force because this effort must be a partnership among federal, state, and local officials.

   Should Congress move forward with election reform legislation that requires the formation of a federal commission or task force to examine election reform issues in the states, NCSL will lend its support to such effort only if state legislators are included in the composition of any such commission or task force.

3. NCSL acknowledges that, due to events surrounding the last presidential election, public confidence in the election process must be restored. NCSL recognizes that states may need federal block grant funding to assist in the implementation of new and innovative election reform procedures. NCSL also believes that such funding should be based on broad principles, not upon specific mandates which would lead to a "one size fits all" approach to

elections. Therefore, NCSL supports a block grant formula which awards money to states for broad-based purposes dealing with election reform, and opposes any funding mechanism, which seeks to mandate specific requirements on the states.

4. NCSL is of the opinion that the creation of another new agency to administer these block grants is unnecessary, believing that the Federal Elections Commission may be the most appropriate federal agency to administer any such federal block grant program.

5. NCSL supports federal block grant funding to states for the following broad purposes:

- Improving election technology, systems and ballot design;
- Facilitating voter registration, verification and maintenance of voter rolls;
- Improving the accuracy and security of election procedures and vote counts;
- Educating citizens on representative democracy and election processes and systems;
- Providing greater access to voter registration and polling places especially for rural and disabled voters; and
- Providing training and education opportunities for elections personnel.

Excerpt from the Report of the NACO/NACRC Commission on Election Standards And Reform, 2001

Funding for administration (program 2) should be distributed to local election jurisdictions based upon measures of election activity and financial need[i]. This money would come in every year without application.

We recommend that eligibility for either program be contingent upon a state having on file with its chief election officer a plan for providing equal opportunity to its citizens to vote and have their votes counted.

For assistance with mailing (program 3) the Commission has adopted recommendations of the National Association of Secretaries of State which would create a new "Elections Class" of postage which will be rated at 50 percent of the rate of first class mail and include all entitlements and services of the first class mail designation.[ii] And further, that if the Postal Service changes the name or resignation of first class mail that the Elections Class will automatically be tied to any successors of what is not termed first class mail.

Research and dissemination of information. The FEC Office of Election Administration already has the responsibilities to conduct or sponsor research on the administration of elections and to disseminate information. We recommend increased funding for these functions. We also recommend that the Office undertake the following projects:

- An immediate completion of the update and continuing maintenance of Federal Voting Systems Standards.
- Research on vote residuals associated with different voting systems,
- Research on the ways in which voting equipment does or does not accommodate various disabilities,
- Research on best operational practices for election and voter registration offices,
- Creation of a central repository of information on voting equipment problems and solutions reported by election officials.
- Evaluation of the practicality of demonstrating the use of voting equipment in the polling place by such devices as continuous loop video.
- Collection and dissemination for use by state and local offices of educational materials for key audiences, e.g. voters, the press, poll workers, election officials.

Administration. Administration and awarding of grants should be separate from any agency that has enforcement responsibilities for compliance with voting and elections laws. Responsibility for these programs should lie with the Office of Elections Administration whether it remains with the FEC or is made a separate agency.

Military and overseas voting. Fourteen states count military/overseas ballots received after the election as long as they are postmarked on or before election day. The problem is that some ballots arrive without postmarks or with illegible postmarks. While this problem is not unique to the military, we recommend that the Department of Defense address the issue to reduce future confusion over the counting insofar as possible.

Resolutions of the Election Center Elections Reform Task Force

(Note: The following resolutions were passed by the full Task Force on February 7, 2001, at its meeting in Savannah, Ga. They are included here with reports of Task Force subcommittees for reporting purposes but did not originate from a subcommittee.)

OFFICE OF ELECTIONS ADMINISTRATION (OEA)

Task Force supports a supplemental appropriation to the OEA (or a successor agency) in the current fiscal year for the purposes of accelerating the update of the NASED Voting Systems Technical Standards, and beginning the development of management standards and operational procedures.

The OEA should be adequately funded and staffed on an ongoing basis consistent with its mission to provide support to elections administrators through the development and maintenance of technical and operational standards, studies, reports, statistical data collection and dissemination, technical assistance and the solicitation and collection of best practices from around the nation.

The OEA should be specifically acknowledged in federal law along with the position of director of the OEA and the Advisory Panel of State and Local Election Officials.

FEDERAL VOTER ASSISTANCE PROGRAM (FVAP)

The Federal Voter Assistance Program (or a successor agency) should be adequately funded and staffed to provide support and assistance to both voters and local elections officials in assuring the voting rights of military and overseas Americans are protected and exercised in a timely and complete manner. A formalized process for input of local elections officials should be developed similar to the current process used with the OEA.

FEDERAL LEGISLATION

Task Force supports separation of the issues of Campaign Finance Reform and Elections Administration Reform in Congressional legislation.

Any federal funds that may be appropriated for the election system should be appropriated to the states with provisions for equitable treatment of all states. Such funds should be available on a matching basis of not more than 25% local match, with provisions for no match grants in areas of economic hardship.

Any program that provides federal funds should recognize that funds can be used for purposes of improving the elections system for the benefit of America's voters including, but not limited to management and administrative improvements, training, operational improvements, voter registration improvements and equipment purchases and upgrades.

Frequently Asked Questions About Voting System Standards

Who establishes voting system standards?

The development, promulgation, and revision of the national voluntary voting system standards is a joint effort headed by the U.S. Federal Election Commission (FEC) but also involving:

- Experts in developing standards
- State technical experts in voting equipment
- Members of the National Association of State Election Directors (NASED)
- Independent testing authorities designated by NASED, and
- The Election Center (in its capacity as secretariat for NASED).

The original standards, published in 1990, and subsequent revisions also reflect contributions from other election officials, from designers and manufacturers of voting systems, from concerned interest groups, and from interested members of the general public, whose input is received during public comment periods. Each version of the standards must be approved by a majority vote of the FEC's six Commissioners, prior to final release.

What are voting system standards?

Voting system standards are documented agreements containing technical specifications to be used consistently as guidelines to ensure that automated voting systems (both those that use a paper ballot and all electronic systems) are accurate, reliable, and secure.

The standards include functional criteria (things that any voting equipment ***must*** do) along with technical requirements for: hardware, software, security, quality assurance, and documentation.

The standards also include testing procedures to ensure that voting systems meet these requirements.

Note that the standards address only ***what*** a voting system should do, not ***how*** the system should do it. The standards are not intended to impede the design and development of new, innovative voting equipment. Nor are they intended to drive the prices of voting equipment out of the range of local jurisdictions.

Why do we need voting system standards?

The short answer is that we need voting system standards to help State and local election officials ensure that the voting systems they buy, and that the public vote on, work accurately and reliably. The long answer requires a stroll down memory lane.

During the 1970's, nearly anybody could cobble together a "voting machine" in their garage (and some of them looked like they had been), then go out and sell it to unwary local election officials. Few States had any guidelines for testing or evaluating these devices. So local officials either had to take the salesman's word for it or else depend on the opinion of colleagues who had already bought it. Voting equipment horror stories -- some of them funny, some of them downright chilling -- soon began circulating through the election community. They triggered concerns about the integrity of the voting process.

In 1975, the National Bureau of Standards prepared a report entitled *Effective Use of Computing Technology in Vote-Tallying*. The report concluded that one of the basic causes for computer-related election problems was the lack of appropriate technical skills at the State and local level for developing or implementing sophisticated and complex written standards against which voting system hardware and software could be tested. This report, along with comments from State and local election officials, led the U.S. Congress to designate the FEC to work with the National Bureau of Standards (now known as the National Institute of Standards and Technology) to conduct a study of the feasibility of developing national standards for voting systems.

Following the release of the feasibility study in 1982, Congress appropriated funds for the FEC to develop national standards for *computer-based* voting systems which the States might voluntarily adopt. In the course of that effort, the FEC sponsored thirteen meetings involving more than 130 State and local election officials, independent technical experts, voting system vendors, Congressional staff, and computer security advocates. On January 25, 1990, the FEC approved for publication the first voluntary national performance and test standards for punchcard, marksense, and direct recording electronic voting systems.

Today, 36 States have adopted these national standards or require testing against the standards before a system can be marketed within their boundaries. As a result, the voting systems now reaching those markets are (even according to their designers) greatly improved; State and local officials are better assured that the devices they buy will work accurately and reliably; horror stories are on the decline (and now tend to involve pre-standards equipment, untested equipment configurations, or the mismanagement of tested equipment); and one of the greatest concerns about the integrity of the voting process has been largely put to rest.

Which States require voting systems to meet the FEC standards?

As of April 2001, the following States have adopted the FEC's voting system standards or require the testing of systems against the standards by independent testing authorities (ITAs) designated by the National Association of State Election Directors:

States Adopting the Voting System Standards or ITA Testing

Alabama	Indiana	New York
Alaska	Iowa	Ohio
California	Kansas	Pennsylvania
Colorado	Kentucky	Rhode Island
Connecticut	Maine	South Carolina
Delaware	Maryland	South Dakota
District of Columbia	Massachusetts	Tennessee
Florida	Michigan	Texas
Georgia	Minnesota	Utah
Hawaii	Missouri	Virginia
Idaho	Nevada	Washington
Illinois	New Mexico	Wyoming

Who decides if voting equipment meets the voting system standards?

The standards call for three levels of tests to be performed on voting systems to ensure that the end product works accurately, reliably, and appropriately:

- Qualification tests to be performed by independent testing authorities (ITAs) designated by the National Association of State Election Directors;
- Certification tests to be performed by the State; and
- Acceptance tests to be performed by the jurisdiction acquiring the system.

Qualification tests, conducted by an independent testing authority, encompass:

- a selectively in-depth examination of the software;
- an inspection and evaluation of system documentation;
- tests of hardware under conditions simulating the intended storage, operation, transportation, and maintenance environments; and
- operational tests verifying system performance and function under normal and abnormal conditions.

The scope of qualification testing should not be confused with the vendor's developmental testing. Qualification testing is the process whereby a voting system is shown to comply with the requirements of its own design specifications and with the requirements of the standards. The ITA is expected to evaluate the completeness of the vendor's developmental test program including the sufficiency of vendor tests conducted to demonstrate compliance with performance specifications. The ITA also performs sample testing of the vendor's test modules and designs independent system-level tests to supplement and check those designed by the vendor.

Certification tests should be conducted by individual States in order to ensure that the voting system complies with State laws and election practices and is appropriate to the intended environment. Accordingly, certification criteria are not included in the standards since they must be defined by each State. We recommend, however, that they not duplicate the qualification tests but rather include functional tests and qualitative assessments to ensure that the system functions in accordance with State law and practice.

Acceptance tests should be performed by the jurisdiction (State or local) procuring the voting system. The purpose of acceptance tests is to ensure that the units delivered to the user conform to the system characteristics specified in the procurement documentation as well as those demonstrated in the in the qualification and certification tests. Some of the operational tests conducted during qualification should be repeated on each unit during the acceptance test.

Only through these three testing procedures can local election officials ensure that the voting equipment delivered will function accurately and reliably.

How can I determine if voting equipment has met the voting system standards?

First, it is important to recognize that the independent testing authorities are not in the business of approving whole companies. Instead, they test and qualify only specific voting systems. Any given vendor may offer both systems that have been tested and systems that have not been qualified. It is essential, then, that you get a description of the configuration, the model number, and the software version of any equipment that you want check up on. There are then three avenues you can take. You can:

- ask the vendor to provide documented evidence that the equipment you are interested in has been successfully tested by an independent testing authority (ITA) designated by the National Association of State Election Directors (NASED).

- ask your chief State election official if the equipment has been successfully tested by an ITA designated by NASED and if it has been certified by the State.

- contact the Election Center which, in its capacity as secretariat to NASED's ITA Committee, maintains records on all systems that have been successfully tested by an ITA. The Election Center may be contacted at:

The Election Center
12543 Westella St, Ste 100
Houston, TX 77077-3929
Tele: 281-293-0101
Fax: 281-293-0453
email: electioncent@pdq.net

Are the current national voting system standards up-to-date?

Not entirely. Standards are not permanent. They must evolve alongside technological advancements. Indeed, it is common practice to review and update technical standards every five years or so. The voting system standards, issued in 1990, are no exception to this rule. Vendors are now using new technology and expanding system functions that are not sufficiently covered by the existing standards. Therefore, the FEC is drafting the next version of the standards to cover the newer technology as well as to change standards that currently unduly restrict design.

Still in all, the current standards remain for the most part adequate and useful for the purpose of ensuring the accuracy and reliability of voting systems.

Who will update the national voting system standards?

The FEC's Office of Election Administration (OEA) is drafting the next version of the voting system standards, in conjunction with the National Association of State Election Directors (NASED), the independent test authorities designated by NASED, and technical experts. The FEC plans to offer drafts of the new version for public comment during 2001, incorporate appropriate recommendations, and publish the next version of the standards early in 2002.

During this update process, we anticipate no delays in equipment testing.

May 18, 2001

NASED
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FEDERAL LABOR RELATIONS AUTHORITY

CONGRESSIONAL BUDGET SUBMISSION

FISCAL YEAR 2002

UNITED STATES

FEDERAL LABOR RELATIONS AUTHORITY

FISCAL YEAR 2002 APPROPRIATION REQUEST
CONGRESSIONAL BUDGET SUBMISSION

TABLE OF CONTENTS

Appropriation Language 1

Summary of FY 2002 Budget Submission 2

Summary of Requested Increases/ (Decreases) 3

Overview of Federal Labor Relations Authority Functions 4

FY 2000 Program Highlights 7

FY 2002 Annual Performance Plan 16

Miscellaneous Exhibits:

- Budget Schedules 34
- Workload Statistics 37
- Legal Authorities 46
- Exhibit on Inspector General Information for Designated Federal Entities 47

FEDERAL LABOR RELATIONS AUTHORITY

FY 2002 BUDGET REQUEST - APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere, [$25,058,000] *$26,378,000*: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: *Provided further*, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences. *(Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

SUMMARY OF FY 2002 BUDGET SUBMISSION

(In thousands of dollars)

Budget Authority	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase/ (Decrease)
Authority	$12,089	$12,818	$13,442	$624
Office of the General Counsel	10,712	11,275	11,927	652
Federal Service Impasses Panel	894	953	1,009	56
Total	$23,695	$25,046 *	$26,378	$1,332
Full-time Equivalent Workyears				
Authority	87	91	91	0
Office of the General Counsel	117	115	115	0
Federal Service Impasses Panel	9	9	9	0
Total	213	215	215	0

In FY 2002, the Federal Labor Relations Authority (FLRA) requests an annual appropriation of $26,378,000, which includes an increase of $1,332,000 over the current FY 2001 estimate. In addition, the FLRA requests 215 full-time equivalent (FTE) workyears of effort, including 213 FTEs for permanent staff positions and 2 FTEs for student appointments.

Overall, the FY 2002 request reflects a cumulative reduction of 36 FTEs, or a 14% reduction from the FY 1993 baseline levels. From the baseline level, the FY 2002 request also reflects individual reductions of 19 FTEs in the Authority, 15 FTEs in the Office of the General Counsel (OGC), and 2 FTEs in the Federal Service Impasses Panel (FSIP).

The FY 2002 request exhibits the FLRA's effort to keep its budget as low as possible, while enabling the agency to accomplish its statutory mission. As part of this effort, over the past several years, the FLRA has closed four subregional offices, eliminated space in its headquarters and regional offices, lowered its administrative costs by reducing administrative staff, contracted out administrative support functions, and increased its reliance on computer technology.

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* The estimate for FY 2001 includes a reduction of $55,128 to reflect the rescission of budget authority pursuant to P. L. 106-554, and an increase of $42,753 to reflect FY 2000 carryover funding available for obligation in FY 2001 pursuant to P.L. 106-58, Title V, Section 511.

SUMMARY OF REQUESTED INCREASES/ (DECREASES)

Salaries and Benefits **$1,226,000**

An increase of $1,266,000 is requested in FY 2002 to fund 215 FTEs, including 213 FTEs for permanent staff positions and 2 FTEs for student appointments. An adjustment to provide for FY 2001 and FY 2002 statutory pay increases has been included for FY 2002, consistent with current pay policy. As a result of the FLRA employment population's continuing shift away from the CSRS retirement system and towards the FERS retirement system, employee benefit costs continue to increase. Finally, $155,000 has been included to fund the costs of a Transit Subsidy Benefit Program at the FLRA.

Rent, Communication, and Utilities **106,000**

A increase of $106,000 in GSA space costs is included in this request to provide for GSA rate increases applied to our existing space. The FLRA's current FY 2002 space estimate is based on rates recently calculated by the General Services Administration under its new pricing methodology.

Total Requested Increase From FY 2001 ..... **$1,332,000**

OVERVIEW OF FLRA FUNCTIONS

The FLRA is an independent agency responsible for directing the labor-management relations program for 1.9 million non-postal Federal employees world-wide, nearly 1.1 million of whom are exclusively represented in approximately 2,200 bargaining units. The FLRA is charged by the Federal Service Labor-Management Relations Statute (the Statute) with: providing leadership in establishing policies and guidance relating to Federal sector labor-management relations; resolving disputes arising among Federal agencies and unions representing Federal employees; and ensuring compliance with the Statute.

The FLRA fulfills its statutory responsibilities through its three primary operational components -- the Authority, the Office of the General Counsel and the Federal Service Impasses Panel. It also provides full staff support to two other organizations -- the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

The Authority is a quasi-judicial entity with three full-time Members who are appointed for 5-year terms by the President with the advice and consent of the Senate. One Member is appointed by the President to serve as Chairman of the Authority and as the Chief Executive and Administrative Officer of the FLRA. The Chairman of the Authority also serves as Chairman of the Foreign Service Labor Relations Board.

The Authority adjudicates disputes arising under the Statute, deciding cases concerning the negotiability of collective bargaining agreement proposals, unfair labor practice (ULP) allegations, representation petitions, and exceptions to grievance arbitration awards. In addition, consistent with its statutory responsibility to provide leadership in establishing policies and guidance to participants in the Federal labor-management relations program, and as part of the Collaboration and Alternative Dispute Resolution (CADR) Program described below, the Authority assists Federal agencies and unions in understanding their rights and responsibilities under the Statute and resolving their disputes through interest-based problem-solving rather than adjudication.

In addition to the three Member Offices, the Authority component of the FLRA also houses the Office of Administrative Law Judges, the Collaboration and Alternative Dispute Resolution Office, the Office of the Solicitor, the Office of the Executive Director, and the Office of the Inspector General.

> ***Office of the Administrative Law Judges***: The FLRA's Administrative Law Judges (ALJs) are appointed by the Authority to hear and prepare recommended decisions in cases involving alleged ULPs. In addition, the ALJs issue decisions involving applications for attorney fees filed pursuant to the Back Pay Act or the Equal Access to Justice Act. The decisions of the ALJs may be affirmed, modified, or reversed, in whole or in part, by the Authority. If no exceptions are filed to an ALJ's decision, the decision is adopted by the Authority and becomes final and binding on the parties. The ALJs also issue subpoenas as requested by the parties. While performing their duties, the ALJs engage in settlement

efforts throughout all stages of the process and also conduct prehearing conferences in all ULP cases.

Collaboration and Alternative Dispute Resolution (CADR) Office is responsible for coordinating, supporting and expanding the unified CADR Program. Under this program, all three agency components offer a variety of collaboration and alternative dispute resolution services at all steps of the process, from investigation and prosecution to the adjudication of cases and resolution of bargaining impasses. The CADR Program also provides facilitation and training programs to assist labor and management in developing constructive approaches to conducting their relationship.

Office of the Solicitor: The Office of the Solicitor represents the Authority in court proceedings before all United States Courts, including the U.S. Supreme Court, U.S. Courts of Appeals, and Federal District Courts. The office serves as the agency's in-house counsel, providing legal advice to all FLRA components. The Solicitor is also the Designated Agency Ethics Officer under the Ethics in Government Act of 1978, as amended.

Office of the Executive Director: The Office of the Executive Director provides operational support to all components of the FLRA including budget and finance, human resources, procurement, administrative services, and information resources management. The office is also responsible for developing and implementing agency-wide initiatives, such as strategic planning.

Office of the Inspector General: The Office of the Inspector General is responsible for directing and carrying out audits and investigations related to FLRA programs and operations. In addition, the office recommends policies that promote economic, efficient, and effective agency programs that prevent fraud and abuse. The office is responsible for keeping the FLRA Chairman and the Congress fully informed of problems and deficiencies, as well as the necessity for corrective action. The Office of the Inspector General is mandated by Public Law 100-504 and the Inspector General Act Amendments of 1988.

The Office of the General Counsel (OGC) is the independent investigative and prosecutorial component of the FLRA. The OGC investigates all ULP charges filed by labor or management and prosecutes all ULP complaints before the Authority. The General Counsel, who is appointed by the President with the advice and consent of the Senate for a 5-year term, manages all OGC employees, who comprise over 50% of the FLRA's staff. Most of the OGC's staff serves in the FLRA's seven regional offices located in Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, D.C.

The regional offices: investigate and settle or prosecute ULP claims, actively encouraging, as part of the CADR Program, the use of collaboration and alternative dispute resolution at every step; ensure compliance with all ULP orders issued by the Authority; receive and process representation petitions; and provide facilitation, intervention, training, and education services to the parties. The

General Counsel reviews all appeals of a Regional Director's decision not to issue a ULP complaint and establishes policies and procedures for processing ULP charges.

The Federal Service Impasses Panel (FSIP or the Panel) is composed of seven part-time Members who are appointed by the President to serve for a 5-year term. One Member is appointed by the President to serve as the Panel Chair. The Panel resolves bargaining impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment under the Federal Service Labor-Management Relations Statute and the Federal Employees Flexible and Compressed Work Schedules Act. If bargaining between the parties, followed by mediation assistance, proves unsuccessful, the Panel has the authority to recommend procedures and to take whatever action it deems necessary to resolve the impasse.

The Foreign Service Labor Relations Board (the Board) was created by the Foreign Service Act of 1980 to administer the labor-management relations program for Foreign Service employees in the U.S. Information Agency, the Agency for International Development, and the Departments of State, Agriculture and Commerce. The Board is composed of three Members, including the Chairman of the Authority who appoints the other two Members, who serve on a part-time basis. The Chairman of the Authority also serves as Chairman of the Board. The FLRA General Counsel acts as General Counsel for the Board and the Authority staff provides necessary support to the Board.

The Foreign Service Impasse Disputes Panel (the Disputes Panel) was also created by the Foreign Service Act of 1980. The Disputes Panel is composed of five part-time Members who are appointed by the Chair of the Foreign Service Labor Relations Board (the FLRA Chairman). The Disputes Panel resolves bargaining impasses between Federal agencies and Foreign Service personnel in the U.S. Information Agency, the Agency for International Development and the Departments of State, Agriculture and Commerce over conditions of employment under the Foreign Service Act of 1980. The FSIP staff supports the Disputes Panel.

FY 2000 PROGRAM HIGHLIGHTS

FLRA Strategic Plan: The FLRA is implementing a 5-year strategic plan (FY 2000-2005), in accordance with the Government Performance and Results Act (GPRA). The agency has set four goals for itself:

- Provide high quality services that timely resolve disputes in the Federal labor-management relations community.
- Use and promote alternative methods of resolving and avoiding disputes and provide services to enhance labor-management relationships.
- Develop, manage and utilize the FLRA's internal systems and processes to meet program needs.
- Develop, manage and utilize the FLRA's human resources to meet program needs.

The strategic plan is linked to the FLRA's performance management plan, which is designed to improve individual and organizational effectiveness through the integration of planning, monitoring, appraising, and rewarding individual and organizational performance. The performance management plan ties together the FLRA strategic plan, organizational action plans, and individual performance plans, as envisioned by the Government Performance and Results Act.

FY 2000 Program Accomplishments: Consistent with the FLRA Strategic Plan, FLRA developed its FY 2000 Annual Performance Plan which identifies 28 performance goals to implement the four Strategic Plan goals. During FY 2000, FLRA fully met or exceeded 21 of the 28 performance goals. FLRA substantially met the remaining seven goals. The specific details of our performance are fully described in the FY 2000 Annual Program Performance Report submitted to the President and Congress in March 2001.

Significant accomplishments were made by FLRA in implementing its FY 2000 performance goals. FLRA reduced the number of overage cases, the overall age of the pending inventory, and case processing times. For example, the Office of the General Counsel reduced its inventory of representation cases to an all-time low. The Authority reduced the average age of pending Authority cases by more than 50%. Finally, the Federal Service Impasses Panel exceeded its goal to issue decisions and orders by 21 days, thus improving processing times to resolve impasses. At the same time these reductions occurred, FLRA continued to maintain high standards of quality.

FLRA continued its efforts to integrate the use of alternative dispute resolution approaches at all stages of case processing -- notably related to negotiability appeals and unfair labor practice cases. FLRA negotiability regulations include: conferences designed to narrow and clarify issues; procedures to resolve all aspects of a dispute, where appropriate; and clarification of the responsibilities of each party. FLRA pre-complaint ULP regulations facilitate dispute resolution and

attempt to simplify, clarify and improve processing of ULP charges. In addition, FLRA post-complaint ULP regulations formalize the Settlement Judge Program and provide for a pre-hearing conference program. During FY 2000, FLRA staff provided training, facilitation and intervention services -- conducting over 1700 sessions for more than 12,000 participants. In addition, FLRA made significant progress in its commitment to maintain sound internal systems and processes by ensuring FLRA systems were Year 2000 (Y2K) compliant, upgrading computer hardware and software, designing and converting agency databases, and expanding the FLRA web site to provide the ability to search FLRA case decisions electronically. Finally, FLRA continued its commitment to maintaining a highly skilled work force through employee and leadership development programs.

Authority Program Activity Highlights

PROGRAM HIGHLIGHTS

Authority Decisional Activity: In FY 2000, the Authority continued to focus on the strategic planning goal of providing high quality services that timely resolve disputes in the Federal labor-management community. Previously, in FY 1999, the Authority concentrated on significantly reducing the number of cases awaiting merits decision for more than one year. In FY 2000, the Authority set a more demanding goal of ensuring that no more than 10% of cases pending merits review is over nine months old. Despite a vacant member seat on the three Member Authority for almost half of FY 2000, the Authority surpassed this goal. At the close of FY 2000, the Authority had only six (or 9%) of the cases pending merits review over nine months old. The Authority reduced the number of such pending overage cases by almost half from the prior fiscal year.

The Authority also reduced the period of time for all parties awaiting decisions. The average age of all pending cases fell to 86 days, more than a 50% reduction from the start of FY 2000. Moreover, for a second consecutive year, the Authority reduced the number of cases pending before it to the lowest level in the agency's history, based in part on an increased emphasis on alternative dispute resolution (ADR) in negotiability cases, as well as application of the Authority's revised negotiability regulations which became effective in April 1999. Despite the vacant Member seat, the Authority issued approximately the same number of merits decisions as in the prior fiscal year. As a result of the Authority's efforts in FY 2000, it was able to set an even more stringent performance goal for FY2001 of ensuring that no more than 10% of the cases pending merits review are over six months old. The Authority's focus on timely resolving disputes reflects a continuing response to concerns raised in a 1998 customer survey regarding the length of time before disputes filed with the FLRA were resolved.

In addition to targeting overage cases, the Authority maintained its focus on resolving complex issues, and established comprehensive legal doctrine to help guide agencies. In order to maximize the clarity and stability of the law so that parties can understand and be guided by it, in FY 2000 the Authority utilized several tools that sharpen the decision making process. These included: a case screening mechanism to identify cases for streamlined processing; techniques to identify relevant case law, issues, and potential problems prior to decision drafting; and forums in which Authority staff discuss recent case precedent and other issues of relevance to the Authority's ongoing work.

In FY 2000, consistent with the agency's strategic planning goals, the Authority conducted a comprehensive evaluation of the quality of its decisions and measures for assessing that quality. The Authority established an internal task force to conduct the evaluation. The task force utilized a variety of tools to review the quality of decisions and potential measures, including conducting a focus group with Authority customers and bench marking other similar Federal and state agencies. In FY 2001, the Authority will review the results of the evaluation and implement any appropriate follow-up action.

As one measure of the Authority's continuing emphasis on the quality of its decisions, Authority decisions issued in the last few years, including those issued during FY 2000, and reviewed on the merits by Federal Courts have received extremely favorable treatment. Authority decisions issued during the most recent five year period were the subject of favorable appellate opinions in approximately 89% of the cases, as compared with an overall favorable rate of only 52% for Authority decisions reviewed in the preceding 16 years.

Wherever possible, the Authority encouraged parties to resolve their disputes by means other than litigation. For example, in post-petition conferences with Authority staff in pending negotiability appeals, parties were regularly advised of the availability of agency ADR services. During FY 2000, in 27 of the 65 negotiability cases filed with the Authority, the parties agreed to utilize CADRO's services. Of these 27 cases, 20 were subsequently withdrawn due to CADRO's assistance. In sum almost one-third of the negotiability cases filed in FY2000 were resolved through FLRA provided ADR services during the fiscal year.

Reviewing the Effectiveness of the Process for Resolving Exceptions to Arbitration Awards: In accordance with its FY 2000 strategic planning performance goals, the Authority conducted a review of the effectiveness of its processes for resolving exceptions to arbitration awards. The Authority established an internal task force, which obtained input from FLRA staff, parties and arbitrators. In particular, the task force examined the results of prior external focus group initiatives on arbitration exceptions, the results of the 1998 FLRA customer survey, and comments provided by participants at the annual Society of Federal Labor Relations Professionals conference. The task force also obtained the views of participants in recent Authority arbitration cases. One of the preliminary conclusions of the evaluation was that the FLRA needs to provide the parties with more information and training in the area of arbitration appeals. As part of the FY 2001 Annual Performance Plan, FLRA plans to implement a training initiative to increase the parties' understanding of arbitration regulations and procedures.

Outreach and Training: In FY 2000, the Authority provided significant training and outreach to the labor-relations community. The Authority conducted 16 training sessions, with over 1,000 participants, focusing on the Statute and Authority regulations and procedures. Sessions ranged from programs for local labor organizations and agency field offices to presentations at national conferences. The Authority also provided 131 copies of a negotiability training video. In response to the recognized needs of its customers, in FY 2001 the Authority will further expand its leadership role in providing outreach and training to the labor-relations community. It has set a strategic planning performance goal of implementing a training initiative to increase parties' understanding of the Statute and Authority regulations and procedures with a goal of conducting at least 30 training sessions.

Office of the Administrative Law Judges: Effective October 1, 1997, the Authority revised its ULP regulations to encourage collaboration and alternative dispute resolution and sharpen the issues to be litigated in ULP cases. A key feature of the new regulations is a prehearing conference to be conducted by the ALJs to narrow issues and resolve as much of the dispute as possible.

These ULP regulations also incorporated the Office of the Administrative Law Judges' settlement program, which encourages the prompt resolution of cases. As these new regulations are used, and as they build on the success of the earlier settlement program, more cases are being settled earlier in the litigation process. In fact, the number of cases settled "on the courthouse steps" has been reduced by 85% over the past few years. Resolving cases earlier saves time and money for all the parties involved. In addition to its success in these settlement efforts, the Office of the Administrative Law Judges has also reduced the median time from hearing to decision by 40% since FY 1996.

Office of the General Counsel Program Activity Highlights

Unfair Labor Practice (ULP) Cases: The OGC continued to address the quantity, quality and timeliness of its ULP case decisions in FY 2000. The OGC has succeeded in reducing its overage ULP cases from 31% at the end of FY 1997 to meeting its strategic planning goal of no more than 15% overage at the end of FY 2000. The OGC received 5,638 new cases during FY 2000, and produced 5,707 initial dispositive actions. In the small number of cases where the OGC is unable to resolve an unfair labor practice charge, the OGC issues an unfair labor practice complaint. The OGC experienced a significant increase of more than 19% in unfair labor practice complaints from 356 in FY 1999 to 425 complaints in FY 2000. In FY 2000, the OGC was successful in working with the parties to resolve more than 92% of the complaints scheduled for hearing, without resorting to costly litigation, consistent with the OGC's Settlement Policy. Of those complaints that could not be settled, the OGC litigated 35 cases before the FLRA's Administrative Law Judges in order to enforce the Statute.

Appeals Cases: The OGC's streamlined Appeals process, which was implemented in FY 1997 to facilitate more expeditious decisions on appeals, has continued to result in quality and timely decision-making. Within the FLRA Strategic Plan, the OGC's internal strategic plan has an objective to ensure that no more than 15% of its pending Appeals cases are more than 90 days old. The OGC was able to meet this objective by reducing its overage percentage to 3% at the end of FY 2000. As a result of these efforts, the OGC was able to close 401 Appeals cases, while receiving 432 Appeals cases in FY 2000. The OGC plans to continue its efforts to improve its responsiveness to the concerns raised in these cases by agencies, unions and individuals. The improved timeliness of Appeals case processing is indicative of the OGC's efforts to improve its responsiveness to the concerns raised in these cases by agencies, unions and individuals.

Representation (REP) Cases: The OGC received 434 new representation cases in FY 2000 and closed 492 representation cases. As in the ULP case function and consistent with the FLRA Strategic Plan, the OGC continued to emphasize timely REP case processing in FY 2000. At the end of FY 1997, the OGC had 51% of its pending representation caseload that was more than 90

days old without issuance of a notice of hearing. By the end of FY 2000, the OGC had reduced its pending representation caseload that was overage to 23%. Similarly, the OGC reduced the total number of pending representation cases without issuance of a notice of hearing to 70 cases, resulting in a 47% reduction in pending caseload. The actual number of overage cases pending decreased to 16 cases in FY 2000 -- the lowest number of overage representation cases in OGC history. Although the OGC has not yet reached its goal in this case processing function (no more than 15% overage), the reduction by more than 50% in overage representation cases indicates substantial progress was made and the OGC anticipates meeting this goal in FY 2001.

Dispute Resolution Activities: The OGC continued to use innovative approaches to resolving labor-management disputes in the Federal sector instead of resorting to costly, time-consuming litigation, which often fails to address the real problems giving rise to a dispute. These approaches, which focus on improving the parties' relationship, include facilitation, intervention, training and education services delivered jointly to management and union representatives on the Statute, interest-based bargaining, alternative dispute resolution and relationship building and intervention. These alternative approaches to resolving cases -- which are praised by management and union representatives alike -- have provided another tool for OGC employees to use in trying to resolve the parties' disputes, as well as helping the parties to work toward resolving their own disputes. As a result, the parties have filed fewer ULP charges than seven years ago, and have tried to resolve many of their issues themselves, thus avoiding litigation. In FY 2000, the OGC provided the parties -- both labor and management -- with 264 alternative dispute resolution (ADR) training activities, which have been included in the Collaboration and Alternative Dispute Resolution Program workload table. To assist employees in the delivery of these services, the OGC has continued to develop and disseminate training materials to employees.

The OGC continued to emphasize its Alternative Dispute Resolution Case-Related Intervention Services in FY 2000. The OGC engaged in 1,207 ADR initiatives, including several major ADR initiatives during FY 2000. For example, under the OGC's program to assist labor and management representatives develop labor relations strategic plans to successfully deal with one another at Charleston Air Force Base in South Carolina, OGC representatives helped the 437th Airlift Wing and the 315th Airlift Wing, and American Federation of Government Employees Local 1869, develop a labor relations strategic plan. As a result of the adoption and implementation of the plan and an accompanying action plan, these parties were recently recognized as an honorable mention award winner in the 2000 John N. Sturdivant National Partnership Awards. Among other positive results flowing from the strategic planning process, the award cited the fact that collaborative efforts improving base productivity now abound, and that an example of the progress being achieved is a 40% increase in productive time in fabrication flight operations. As another example, the OGC was successful at establishing a pre-charge ADR process at Warner Robins Air Force Base, Georgia. In previous years, Warner Robins averaged more than 200 unfair labor practice charges a year. From June through October 2000, no unfair labor practice charges have been filed at Warner Robins AFB. This new process has greatly improved the approach used by both the union and management to resolve unfair labor practice disputes.

Technical Assistance Workload: As a result of Government downsizing and various reorganizations, the OGC has observed a marked increase in requests for technical assistance from agencies, unions and private individuals. Technical assistance consists of providing information to

parties who call the OGC Headquarters and the Regional Offices, such as copies of materials, answers to questions, and suggestions regarding how to deal with various labor relations matters. In FY 2000, the OGC handled 2,336 requests for assistance.

Development and Revision of Case Handling Manuals: In late September 1999, the OGC completed development of an Unfair Labor Practice (ULP) Case Handling Manual to address the prevention, resolution, and investigation of unfair labor practice disputes. The ULP Manual provides operational and procedural guidance to OGC staff and the parties. During FY 2001, the ULP Manual and all of the following manuals will be made available for purchase through the Government Printing Office and will be available for the public's use on the FLRA web site.

- The Litigation Manual was revised in order to provide current and comprehensive guidance on each aspect of the trial process -- the issuance of a complaint by a Regional Office, the notice of hearing before an Administrative Law Judge, and the issuance of an Authority decision and order. This Manual contains references to relevant case law, OGC policy and provides examples of litigation techniques.

- The Representation Case Handling Manual was revised to provide current and comprehensive procedural and operational guidance in the processing of representation petitions. This Manual provides information on pre-filing assistance available to the parties, the filing of petitions, and the investigation and resolution of representation case matters.

- The Hearing Officer's Guide was revised to provide current and comprehensive guidance on conducting hearings in FLRA representation proceedings. Information is provided on preparing for and conducting hearings, evidentiary issues and employee categories.

- The Representation Case Law Guide was developed to provide information on relevant substantive representation issues that arise in the processing of representation petitions, and representation issues that arise in unfair labor practice cases.

Guidance and Policy Memoranda: The OGC continued to issue guidance and policy memoranda to the Regional Directors (which are also made available to FLRA customers) in order to provide leadership in promoting productive labor-management relations in the Federal sector.

On September 24, 1999, the OGC issued a guidance memorandum on *Developing a Labor Relations Strategic Plan*. As a result of the issuance of this guidance memorandum, the OGC conducted a training conference in January 2000 focused on enhancing the attendees relationship building skills. This training prepared attendees to assist management representatives and union officials in developing effective labor relations strategic plans to successfully deal with each other in the work place.

During FY 2000, the OGC issued guidance memoranda on *Remedies for Unfair Labor Practices*. The Guidance discusses the OGC's policy on seeking appropriate remedies and describes the types of remedies and the elements of proof that are necessary to obtain these remedies. This guidance is intended to assist Regional Directors in investigating, settling and litigating unfair labor practice

charges, as well as assisting the parties in providing evidence and arguments concerning the appropriate remedy to an unfair labor practice charge.

In addition, employee and customer training on the above topics was conducted at the national and regional levels.

Federal Service Impasses Panel Program Activity Highlights

Voluntary Resolution of Disputes: The Panel strongly believes that voluntary settlements of Federal sector bargaining impasses are in the best interests of the parties and the public. In this regard, it has been the Panel's consistent experience that the best way to promote voluntary settlements is by providing face-to-face assistance to the parties. The Panel provided face-to-face assistance in 45 cases during FY 2000, and 20 complete settlements were achieved. The Panel supplements its face-to-face efforts through the frequent use of telephone conferences. Overall, voluntary settlements occurred in 64 cases, which represents 36% of the cases closed during FY 2000. Many of the voluntary settlements occurred as a result of the direct involvement of individual Panel Members who provided assistance through informal conferences and mediation-arbitration, either face-to-face or by telephone.

In those cases in which face-to-face assistance was provided but which ultimately required a formal Panel decision, the number of issues in dispute was frequently reduced and the Panel reached a better understanding of the underlying workplace problem. The success of the Panel in the voluntary resolution of disputes, many of which are extraordinarily complex and contentious, is attributable to its expert mediation and problem-solving skills.

During FY 2000, the Panel continued its collaboration with the Federal Mediation and Conciliation Service (FMCS) by experimenting with new ways of providing the parties with added incentive to reach voluntary agreements. In addition to directing the parties to return to the bargaining table for concentrated efforts with FMCS assistance, the Panel continued to include mediators in selected cases in its prejurisdictional investigative process. In a number of multi-issue disputes where it has been used, the approach has proved to be effective in providing mediators with additional tools to assist their efforts, and is now an established method of responding to the challenges of Federal sector impasse resolution.

Formal Panel Action: While voluntary settlement is the Panel's preferred dispute resolution outcome, there are cases that require the Panel to impose terms on the parties. During FY 2000, the Panel resolved 42 cases through written decisions. The length of such decisions varied depending on the nature of the case and the number of issues involved. These decisions promptly provided finality to the collective bargaining process, and were based on clear rationale.

Customer Feedback and Education: The Panel, which conducted its first customer survey in 1995, has continued to gather information from its customers by holding "round table" discussions throughout the country, and taking advantage of the invitations it receives from labor, management, and professional organizations to participate in training seminars, conferences, and symposia. This

allows the Panel to hear from users on how it can better address their needs. In addition, informational presentations by Panel Members and professional staff at conferences and training seminars are crucial in the current era of downsizing and government reorganizations for educating the growing number of new labor-management relations practitioners.

Agency-Wide Activity Highlights

Collaboration and Alternative Dispute Resolution Program: The CADR Program implements one of the FLRA's primary strategic goals -- to reduce litigation and its attendant costs by helping the parties resolve their own disputes with collaboration and alternative dispute resolution and labor-management cooperation activities. The CADR Program offers collaboration and alternative dispute resolution services in pending ULP, representation, negotiability, and bargaining impasse disputes at every step, from investigation and prosecution to the adjudication of cases and resolution of bargaining impasses. The CADR Program also provides facilitation and training to assist management and labor in developing collaborative relationships. The CADR Office provides support and guidance for these efforts throughout the agency and coordinates intra-component collaboration and alternative dispute resolution activities.

During FY 2000, FLRA, under its CADR Program, conducted over 300 ADR training, facilitation and education sessions to over 12,000 participants to enable the parties to constructively manage their own workplace disputes. Over 1400 case-related intervention services were provided to successfully resolve pending unfair labor practice, representation, negotiability, and bargaining impasse disputes. The OALJ settlement program continued to be an effective way for the parties to successfully settle their issues -- 149 cases were settled in FY 2000. Finally, the CADR Offices intervened in 27 negotiability cases filed with the Authority in FY 2000, and 20 (or 74%) were subsequently withdrawn due to FLRA assistance -- a significant increase from the FY 1999 rate of 56%.

During FY 2000, an ADR Tool Kit was developed to assist OGC staff in delivering ADR services. FLRA also developed an electronic case tracking system which collects information on ADR services, and customer evaluations to assist in measuring actual performance. In addition, a new evaluation form was developed and is now being used by FLRA staff to measure the effectiveness of the ADR services.

Office of the Solicitor: In FY 2000, 21 new court proceedings involving the FLRA were filed and a total of 29 court proceedings were closed. At the end of the year, the FLRA was a party to 9 cases under judicial review.

Office of the Executive Director: In FY 2000, the office coordinated the implementation of the agency's five-year strategic plan, including the FLRA FY 2000 Annual Performance Plan. In addition, the office worked to make significant improvements in the agency's information resources management (IRM) program, consistent with goals reflected in the FLRA strategic plan and the FY 2000 Annual Performance Plan.

Significant progress was made in support of the FLRA commitment to maintain sound internal systems and processes, primarily through information technology improvements. Specifically, FLRA successfully and effectively transitioned all of its computers, computer networks and facilities into the new millennium without encountering any Y2K software-related operational problems. FLRA continued replacing its workstations according to an agency-wide life cycle management plan while implementing other improvements such as installing upgraded electronic mail servers and purchasing faster network switching hardware. The agency's wide area network was successfully converted from an FTS 2000 leased-line network to a faster and more cost-effective FTS 2001 frame relay network.

FLRA also implemented a search capability on its web site and significantly increased the number of decisions available to the public in an improved electronic format. Moreover, the agency completely redesigned and expanded its web site's appearance, scope and functionality in October 2000.

In addition, FLRA designed and implemented significant database systems, which permitted for the first time the collection of information concerning its agency-wide alternative disputes resolution activities. Finally, the agency completed an initial review and analysis to determine what changes were required to its core business processes to become compliant with the requirements of the Government Paperwork Elimination Act (GPEA).

Office of the Inspector General: The FLRA Inspector General (IG) maintained an oversight program which focused heavily on prevention through management consultation, program and process evaluation and audits and internal reviews. During FY 2000, the FLRA IG issued two Semi-Annual Reports to the President, provided information for the Presidential Council for Integrity and Efficiency/Executive Council for Integrity and Efficiency's (PCIE/ECIE) FY 2000 Report to the President and the FLRA's FIMFIA Report and quasrterly Newsletter. During FY 2000, the FLRA IG completed an Audit of FLRA's Computer Information Security; completed major internal reviews on FLRA's FY 1999 Annual Performance Plan, Human Capitol Investment, Y2K Monitoring, External Affairs Function; and began a comprehensive review of the Office of the FLRA's General Counsel's Unfair Labor Practice Charge Investigation Process. During this same timeframe, the FLRA IG completed 7 administrative investigations, and processed 36 Hotline calls. The FLRA IG emphasized the importance of follow-up and completion of corrective actions and elicited management's cooperation in implementing contemporary process changes that enhance efficient and effective operations and maximize resource in support of the FLRA mission.

FEDERAL LABOR RELATIONS AUTHORITY
FY 2002 ANNUAL PERFORMANCE PLAN

Mission Statement
The Federal Labor Relations Authority (FLRA) exercises leadership under the Federal Service Labor-Management Relations Statute to promote stable, constructive labor-relations that contribute to a more effective Government.

The Federal Labor Relations Authority fulfills its mission by:
- enforcing and clarifying the law through sound, timely decisions and policies;
- using fast, simple processes to conduct its business;
- providing high quality training and education programs, and furnishing effective intervention services; and
- administering its resources to ensure that services are responsive to the unique needs of its customers.

FY 2000-2005 Strategic Plan

In order to accomplish this mission, the FLRA has established the following four goals:

1. Provide high quality services that timely resolve disputes in the Federal labor-management relations community.
2. Use and promote alternative methods of resolving and avoiding disputes and provide services to enhance labor-management relationships.
3. Develop, manage and utilize the FLRA's internal systems and processes to meet program needs.
4. Develop, manage and utilize the FLRA's human resources to meet program needs.

Resources Requested to Meet Goals
The FY 2002 Annual Performance Plan assumes a FY 2002 budget level of $26,378,000, consistent with OMB passback guidance. The Plan may be subject to change if this budget level does not occur. At the beginning of FY 2002, an operating plan will be developed in order to align agency resources with the FY 2002 performance goals.

The FY 2002 performance plan goals were constructed with the assumption that the agency would experience level staffing and funding, relative stability in case intake and normal staff attrition.

The following describes the FY 2002 program performance goals FLRA plans to accomplish.

FY 2002 Annual Performance Plan Goals

Strategic Plan Goal 1: Provide high quality services that timely resolve disputes in the Federal labor-management relations community.

Component/ Type of Case	Program Performance Goals	Experience
Office of the General Counsel (OGC)/ Unfair Labor Practices (ULP) Charges	**FY 2002 Goal:** Ensure that no more than 15% of the cases pending are over 90 days without initial dispositive action. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** 15% of cases pending over 90 days old without initial dispositive action. **FY 1999 Actual:** 16% of cases pending over 90 days old without initial dispositive action. **FY 1998 Actual:** 25% of cases pending over 90 days old without initial dispositive action. **FY 1997 Actual:** 31% of cases pending over 90 days old without dispositive action.
OGC/ Representation Petitions	**FY 2002 Goal:** Ensure that no more than 15% of the cases pending are over 90 days without notice of hearing issued. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** 23% of cases pending over 90 days without notice of hearing issued. **FY 1999 Actual:** 16% of cases pending over 90 days without notice of hearing issued. **FY 1998 Actual:** 41% of cases pending over 90 days without notice of hearing issued. **FY 1997 Actual:** 51% of cases pending over 90 days without notice of hearing issued.

Office of the Administrative Law Judges (OALJ)/ ULP Hearing	**FY 2002 Goal:** Ensure median age of no more than 70 days from date complaint issued to hearing; no more than 10% of cases pending decision will reach hearing in more than 115 days. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** Median age of 75 days of cases pending from date complaint issued to hearing; 10% of cases pending decision reached hearing in more than 120 days. (FY 2000 Goal) **FY 1999 Actual:** Median age of 65 days of cases pending from date complaint issued to hearing; 25% of cases pending decision reached hearing in more than 120 days. **FY 1998 Actual:** Median age of 63 days of cases pending from date complaint issued to hearing; 12% of cases pending decision reached hearing in more than 120 days. **FY 1997 Actual:** Median age of 73 days of cases pending from date complaint issued to hearing; 13% of cases pending decision reached hearing in more than120 days.
OALJ/ ULP Post-Hearing	**FY 2002 Goal:** Ensure median age of no more than 90 days from close of hearing to decision; no more than 10% of cases pending decision will exceed 160 days. **FY 2001 Goal:** Ensure median age of no more than 88 days from close of hearing to decision; no more than 10% of cases pending decision will exceed 160 days.	**FY 2000 Actual:** Median age of 95 days from close of hearing to decision; 0% of cases pending decision exceeded 165 days (FY 2000 Goal) **FY 1999 Actual:** Median age of 82 days from close of hearing to decision; 0% of cases pending decision exceeded 165 days. **FY 1998 Actual:** Median age of 73 days from close of hearing to decision; 0% of cases pending decision exceeded 165 days. **FY 1997 Actual:** Median age of 108 days from close of hearing to decision; 2% of cases pending decision exceeded 165 days.

Authority Member Offices/ Arbitration, Negotiability, ULP, Representation Cases	**FY 2002 Goal:** Ensure that no more than 10% of cases pending decision are over 183 days old. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** 9% (6 cases) of case inventory pending over 270 days old (FY 2000 Goal was to reduce the number of cases over 270 days), 205 merit decisions issued. **FY 1999 Actual:** 18% (15 cases) of case inventory pending merit decision over 365 days (FY 1999 Goal was to reduce the number of cases over 365 days); 204 merit decisions issued. **FY 1998 Actual:** 38% (49 cases) of case inventory pending merit decision over 365 days; 217 merit decisions issued. **FY 1997 Actual:** 29% (60 cases) of case inventory pending merit decision over 365 days; 187 merit decisions issued.
Federal Service Impasses Panel (Panel)/ Impasses	**FY 2002 Goal:** Ensure median age of no more than 70 days for cases where jurisdictional issues are raised and jurisdiction is declined. **FY 2001 Goal:** Ensure median age of no more than 68 days for cases where jurisdictional issues are raised and jurisdiction is declined.	**FY 2000 Actual:** Median age of 66 days for cases where jurisdictional issues were raised and jurisdiction was declined. **FY 1999 Actual:** Median age of 63 days for cases where jurisdictional issues were raised and jurisdiction was declined. **FY 1998 Actual:** Median age of 73 days for cases where jurisdictional issues where raised and jurisdiction was declined. **FY 1997 Actual:** Median age of 72 days for cases where jurisdictional issues are raised and jurisdiction is declined.

Panel/ Impasses	**FY 2002 Goal:** Ensure median age of no more than 90 days for cases that settle voluntarily after procedural determination. **FY 2001 Goal:** Ensure median age of no more than 94 days for cases that settle voluntarily after procedural determination.	**FY 2000 Actual:** Median age of 84 days for cases that settled voluntarily after procedural determination. **FY 1999 Actual:** Median age of 91 days for cases that settled voluntarily after procedural determination. **FY 1998 Actual:** Median age of 101 days for cases that settled voluntarily after procedural determination. **FY 1997 Actual:** Median age of 99 days for cases that settled voluntarily after procedural determination.
Panel/ Impasses	**FY 2002 Goal:** Ensure median age of no more than 150 days for cases that close through Decisions and Orders. **FY 2001 Goal:** Ensure median age of no more than 148 days for cases that close through Decisions and Orders.	**FY 2000 Actual:** Median age of 127 days for cases that closed through Decisions and Orders. **FY 1999 Actual:** Median age of 146 days for cases that closed through Decisions and Orders. **FY 1998 Actual:** Median age of 138 days for cases that closed through Decisions and Orders. **FY 1997 Actual:** Median age of 154 days for cases that closed through Decisions and Orders.
All FLRA Components	**FY 2002 Goal:** Consistently comply with established quality standards; ongoing evaluation of the effectiveness of quality performance measures. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** Quality standards established and incorporated into employee performance plans; quality evaluated through peer reviews, supervisory reviews, compliance with agency policies, and reviews of written work products. **FY 1999 Actual:** Same as above. **FY 1998 Actual:** Same as above. **FY 1997 Actual:** Same as above.

Means and Strategies

All of the above services will be performed by FLRA staff -- primarily by the components' attorneys and labor relations specialists -- throughout the agency components in headquarters and regional offices. In order to achieve the above goals, the FLRA will continue to ensure that the staff has the requisite skills, knowledge and abilities to perform its mission. The FLRA will monitor workload and staffing trends to ensure that resources, including staff, travel and training, are appropriately allocated to achieve the above goals. The

FLRA will use its technology to: 1) produce its work products; 2) provide electronic research and electronic communications capabilities to agency staff; and 3) monitor, measure and report on the status of workload.

Consistent with the FLRA performance management plan, individual performance plans (elements, standards and work plans) will contain the appropriate performance goals specific to the individual's program function to ensure the linkage between organizational and individual goals and performance.

Verification and Validation

The above performance targets were developed by evaluating and projecting workload trends; reviewing historical workload data and trends; and discussing performance measures with other similarly situated agencies. The performance targets were based on the assumption that the agency would have a fairly level case intake, with the usual mix of cases, and that staff resources would remain constant. The FLRA intends to measure its achievement of the case processing and issuance goals through the use of the agency's case tracking system. The system has the capability to monitor, measure and report case production within all program functions, and to project trends through the use of computer models. By regularly measuring case production, the FLRA is able to determine whether the agency, or any program function, is on track to meet its targets. Through monthly and quarterly reviews, agency management will be able to identify problem areas and make adjustments to its work processes or resource levels. The FLRA will also regularly

monitor the quality of its work at both the headquarters and regional levels. Quality standards have been established and incorporated into the performance plans of FLRA employees. Standards are monitored through peer reviews and supervisory reviews, compliance with FLRA policies, procedures and manuals; and review of work products including written decisions, dispositive actions such as complaints, dismissals, settlement agreements, decisions and orders and elections.

Strategic Plan Goal 2: Use and promote alternative methods of resolving and avoiding disputes and provide services to enhance labor-management relationships.

Component	Program Performance Goals	Experience
All FLRA components and the Collaboration and Alternative Dispute Resolution (CADR) Office	**FY 2002 Goal:** Provide training, facilitation and intervention services to resolve pending disputes and to provide parties with tools to constructively manage workplace disputes. **FY 2001 Goal:** Same as above.	**FY2000 Actual:** 301 training, facilitation and relationship-building sessions provided to 12,043 participants; conducted 1409 case-related interventions. **FY 1999 Actual:** 269 training, facilitation and relationship-building sessions provided to 14,875 participants; conducted 1387 case-related interventions. **FY 1998 Actual:** 401 training, facilitation and relationship-building sessions provided to 14,562 participants; conducted 1768 case-related interventions. **FY 1997 Actual:** 315 training, facilitation and relationship-building sessions provided to 13,461 participants; conducted 1090 case-related interventions.

CADR Office, and Authority Member Offices	**FY 2002 Goal:** Offer and encourage parties to use collaboration and alternative dispute resolution services in all negotiability cases pending before the Authority that are not dismissed as procedurally deficient. **FY 2001 Goal:** Offer and encourage parties to use collaboration and alternative dispute resolution services in every negotiability case pending before the Authority.	**FY 2000 Actual:** ADR services were offered in all pending negotiability cases; in 52% of these cases, the parties used the services; 74% of the cases in which the services were used were successfully settled. **FY 1999 Actual:** Under new regulations, effective April 1, 1999, ADR services were offered in all negotiability cases; in 68% of these cases, the parties used the services; 56% of the cases in which the services were used were successfully settled. **FY 1998 Actual:** Offered ADR services in 90% of the pending negotiability cases; in 43% of these cases, the parties used the services; 79% of the cases in which the services were used were successfully settled. **FY 1997 Actual:** Offered ADR services in 85% of the pending negotiability cases, in 15% of these cases, the parties used the services; 78% of the cases in which the services were used were successfully settled.

OALJ	**FY 2002 Goal:** Offer and encourage parties to use collaboration and alternative dispute resolution services in all ULP cases pending before the Office of Administrative Law Judges. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** ADR services were offered in all cases; in 44% of these cases the parties used the services; 81% of the cases in which the services were used were successfully settled. **FY 1999 Actual:** ADR services were offered in all cases; in 63% of these cases, the parties used the services; 81% of the cases in which the services were used were successfully settled. **FY 1998 Actual:** ADR services were offered in all cases; in 63% of these cases, the parties used the services; 78% of the cases in which the services were used were successfully settled. **FY 1997 Actual:** ADR services were offered in all cases; in 63% of these cases, the parties used the services; 78% of the cases in which the services were used were successfully settled, ADR procedures formalized in post-complaint ULP regulations implemented October 1, 1997.
OGC	**FY 2002 Goal:** Provide alternative dispute resolution services in ULP cases consistent with the regulations. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** Section 2423.1(a) services (services provided before the filing of a ULP charge) in 3 cases; section 2423.1(b) services (services provided after the filing of a ULP charge and before a Regional Director merits determination) in 1142 cases; section 2423.7 services (alternative case processing, in which the underlying ULP dispute is resolved without taking evidence and without determining the merits of the charge) in 30 cases. **FY 1999 Actual:** Section 2423.1(a) services in 7 cases; section 2423.1(b) services in 1002 cases; section 2423.7 services in 11 cases. **FY 1998 and FY 1997:** Data not available -- Regulatory changes did not become effective until 1999.

OGC	**FY 2002 Goal:** Provide alternative dispute resolution services in representation cases consistent with the regulations. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** Section 2422.13(a) (services provided before the filing of a petition) in 1 case. Under section 2422.13(b), narrowed or resolved REP issues in 31 cases after petitions were filed. **FY 1999 Actual:** Section 2422.13(a) (services provided before the filing of a petition) services in 5 cases. Under section 2422.13(b), narrowed or resolved REP issues in 36 cases after petitions were filed. **FY 1998 and FY 1997:** Data not available – Regulatory changes did not become effective until 1999.
Authority Member Offices	**FY 2002 Goal:** Continue training initiative to increase the parties' understanding of the Statute and Authority regulations and procedures, with an emphasis on arbitration and negotiability case law, with a goal of 30 sessions and providing electronic access to informational material. **FY 2001 Goal:** Implement a training initiative, including curriculum and materials, to increase the parties' understanding of the Statute and Authority negotiability and arbitration regulations and procedures with a goal of conducting at least 30 sessions.	**FY 2000 Actual:** Authority staff conducted 16 training sessions with a total of 1,030 participants; and provided 131 copies of a negotiability training video. **FY 1999 Actual:** Authority staff provided training and materials to parties in conferences including the two FLRA National Training Conferences, developed training curriculum and materials on negotiability regulations; conducted 15 training sessions on revised negotiability regulations; developed training video on negotiability regulations.

CADR Office, in coordination with all FLRA components	**FY 2002 Goal:** Conduct coordinated internal cross-component training opportunities. **New Goal**	**New Goal** – Program to be designed in FY 2001.

Means and Strategies

All of the above services will be performed by FLRA staff -- primarily by attorneys and labor relations specialists -- throughout the agency components in headquarters and regional offices. Consistent with its priority to maintain a highly skilled staff, FLRA staff will be trained in collaboration and alternative dispute resolution methods, including facilitation, intervention and dispute resolution techniques. The components and the CADR Office will implement the above goals by targeting collaboration and alternative dispute resolution services in pending ULP, representation, negotiability, and bargaining impasse disputes at every step -- from investigation and prosecution to the adjudication of cases and resolution of bargaining impasses, and provide facilitation and training to parties as appropriate. FLRA staff will implement in FY 2001, and continue in FY 2002, a training program on the Authority regulations and procedures in arbitration and negotiability appeals.

Consistent with the FLRA performance management plan, individual performance plans (elements, standards and work plans) will contain the above performance goals specific to the individual's program function to ensure the linkage between organizational and individual goals and performance.

Verification and Validation

In FY 1999, the FLRA implemented a new evaluation form that measures customer satisfaction to determine the effectiveness of the sessions and the services provided. This will enable the FLRA to make appropriate changes, including additional services and training sessions needed to serve the parties. Trends will be monitored, such as the types and frequency of disputes, to determine the cost effective services and training. The agency also will continue evaluation of customer satisfaction, analyze results, institute changes consistent with results and develop new programs as needed. In FY 2002, FLRA will analyze case tracking data, and implement appropriate changes.

Strategic Plan Goal 3: Develop, maintain and utilize the FLRA's internal systems and processes to meet program needs.

Component	Program Performance Goals	Experience
All FLRA components and Information Resources Management Division (IRMD)	**FY 2002 Goal:** Maintain, and further refine, a fully integrated agency-wide case tracking system that provides accurate case tracking and reporting, integration, and critical workload measurement of agency program activities. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** All databases are on ORACLE 8, which will facilitate an integrated case tracking system. ADR Services and Training Assistance system, developed and operational. Year 2000 remediation plan successfully completed. **FY 1999 Actual:** Four of five component case tracking systems operating under Oracle database; two systems in need of redesign and modification. Some Year 2000 remediation pending. **FY 1998 Actual:** Four of five component case tracking systems operating under Oracle database; four systems in need of redesign and modification. Most Year 2000 remediation pending. **FY 1997 Actual:** Four of five component case tracking systems operating under Oracle database; five systems in need of redesign and upgrades. All Year 2000 remediation pending.

All FLRA components and IRMD	**FY 2002 Goal:** Upgrade agency information infrastructure hardware and software according to Year Three segment of the agency life cycle management plan. **FY 2001 Goal:** Upgrade agency information infrastructure hardware and software according to Year Two segment of the agency life cycle management plan.	**FY 2000 Actual:** Windows NT 4.0 Server is network operating system. Workstation life cycle: 17 (7%) behind schedule (to be purchased in FY 2001). **FY 1999 Actual:** 100 percent of agency hardware at Pentium level capacity; Windows NT 4.0 network operating system installed agency-wide. Workstation life cycle: 21 (9%) ahead of schedule. **FY 1998 Actual:** 90 percent of agency hardware at Pentium level; operated under Banyan network operating system. **FY 1997 Actual:** 50 percent of agency hardware at Pentium level capacity; operated under Banyan network operating system.

821

All FLRA components and IRMD	**FY 2002 Goal:** Develop and implement defined requirements and enhancements to web-based research systems for internal and external use. **FY 2001 Goal:** Implement web site based research systems to ensure effectiveness and ease of use for the Federal labor relations community and for FLRA staff.	**FY 2000 Actual:** Search capability implemented on web site. FLRA decisions available from April 1991 to present. Authority decisions issued electronically with page numbers approximately one month from issuance. All OGC manuals need to be converted to HTML format. No electronic search capability available for non-exception Administrative Law Judge decisions. **FY 1999 Actual:** FLRA research systems enhanced through: availability of FLRA forms on web site; testing of word search capability of FLRA decisions on web site; completion of library review of headquarters and regional research materials. **FY 1998 Actual:** FLRA research systems enhanced through: completion of telecommunications upgrade of regional offices; start of library review of headquarters and regional research materials. **FY 1997 Actual:** FLRA research systems enhanced through: start of telecommunications upgrade of regional; establishment of FLRA web site; and study of agency telecommunications and research needs.
IRMD, in coordination with Authority Member Offices	**FY 2002 Goal:** Explore and begin to develop a system to electronically search subsequent case history of final Authority Member Decisions and Orders for internal and external use. **New Goal**	**New Goal**

IRMD in coordination with all FLRA Offices components	**FY 2002 Goal:** Implement FY 2002 phase of agency-wide plan to bring agency into compliance with requirements of the Government Paperwork Elimination Act. **New Goal** - to begin implementation in FY 2001, pending available funds.	The current GPEA plan, developed at the end of FY 2000, includes cost estimates that are not fully funded. Adjustments will be made to the GPEA plan and the FLRA operating budget to accomplish as much as possible in FY 2002 within budget limitations. **FY 2000 Actual:** GPEA plan developed in FY 2000 with implementation schedule to begin in FY 2001, pending available funds. Any necessary changes will be made in FY 2001.

Means and Strategies

The goals described above will be achieved by FLRA staff, primarily in the headquarters office, as well as by contractors providing support in web hosting, public key infrastructure (PKI) integration, database analysis and design, programming and help desk services. The FLRA will monitor workload and staffing to ensure that resources are appropriately allocated to achieve these goals. The FLRA has established technology committees, representing a cross-section of FLRA employees, to assist the Information Resources Management Division in implementing these objectives. To implement specific performance goals, the FLRA will develop action plans in order to establish deadlines for each project and to regularly measure progress toward each goal.

Consistent with the FLRA performance management plan, individual performance plans (elements, standards and work plans) will contain the above performance goals specific to the individual's program function to ensure the linkage between organizational and individual goals and performance.

Verification and Validation

The FLRA will measure the achievement of the above performance goals by: 1) testing and confirming that the database management systems are accurate and responsive to program office needs, including the flexibility to make system changes and retrieve information; 2) corroborating that FLRA network operations and its life cycle approach take advantage of mainstream commercial off-the-shelf technology; 3) verifying that agency research capabilities meet program needs for internal and external customers; and 4) reviewing actions taken and resource levels assigned to the Government Paperwork Elimination Act initiatives and monitoring progress towards completion of targeted milestones and compliance with GPEA.

Strategic Plan Goal 4: Develop, manage and utilize the FLRA's human resources to meet program needs.

Component	Program Performance Goals	Experience
Human Resources Division (HRD), in coordination with all FLRA components.	**FY 2002 Goal:** Evaluate individual and organization performance measurements and make appropriate changes. **FY 2001 Goal:** Same as above.	**FY 2000 Actual:** Conducted review of FY 1999 annual performance plan performance; prepared and submitted agency performance report; and made appropriate adjustments and changes to agency and individual goals. **FY 1999 and FY 1998 Actual:** Organizational Goals: conducted annual review to establish new organizational goals and action plans; conducted monthly and quarterly reviews of organizational progress; conducted annual evaluation of organizational performance. Individual Goals: developed (annually) individual work plans incorporating organizational goals; conducted employee progress reviews (twice per year); conducted annual performance evaluation. **FY 1997 Actual:** Implemented agency performance management plan which links organizational and individual goals and performance.
All FLRA components in coordination with HRD	**FY 2002 Goal:** Provide career development opportunities for staff including headquarters and regional office details. **FY 2001 Goal:** Implement employee development program by providing opportunities for Authority Member Office attorneys and labor relations specialists to be detailed to the regional offices.	**New Goal**

Authority component, coordinated by CADRO	**FY 2002 Goal:** Develop Authority staff to successfully deliver collaboration and alternative dispute resolution services. **FY 2001 Goal:** Develop FLRA staff to successfully deliver collaboration and alternative dispute resolution services in accordance with component action plans to include mentoring and training opportunities for staff.	**FY 2000 Actual:** Mentored 12 Authority employees in 12 different CADR interventions. **FY 1999 Actual:** Delivered training program on facilitation skills for Regional Dispute Resolution Specialists and Member Office staff; conducted 7 training sessions (one in each FLRA regional office) on interest-based negotiation skills; mentored three Member Office employees in a CADR intervention. **FY 1998 Actual:** Delivered training program on basic mediation skills for Regional Dispute Resolution Specialists; mentored five Member Office employees in a CADR intervention. **FY 1997 Actual:** Mentored five Member Office employees in a CADR intervention.
All FLRA components in coordination with HRD	**FY 2002 Goal:** Review agency Leadership Development programs and make appropriate changes. **FY 2001 Goal:** Implement Leadership Development Program for FLRA regional employees.	**FY 2000 Actual:** Implemented second year of Authority/FSIP program; developed evaluation plan for Authority/FSIP program; implemented program for OGC employees; revised managers' performance plans to include leadership, management and mentoring standards. **FY 1999 Actual:** Implemented Leadership Development Program with Authority/FSIP component participation; designed program for OGC employee participation. **FY 1998 Actual:** Designed agency Leadership Development Program.
All FLRA components in coordination with HRD	**FY 2002 Goal:** Fully implement agency-wide plan to increase diversity. **New Goal**	**New Goal** – Plan to be developed, refined and partially implemented in FY 2001.

Means and Strategies

The goals described above will be achieved primarily by FLRA staff and augmented with contract support. The FLRA will ensure that its staff has the skills to successfully achieve these goals. In FY 2002, the FLRA will focus on evaluating individual and organization performance measurements and making appropriate changes; evaluating employee development programs that provide cross-component experience for professional staff, and employee-friendly programs such as flexiplace. FY 2002 performance goals build on previous year program efforts such as the development of performance measurements and expansion of employee development programs. The FLRA will monitor agency and individual performance consistent with its performance management plan, which links organizational goals and performance with individuals goals and performance. Where appropriate, training and development will be provided to individuals and organization to improve performance.

Verification and Validation

The FLRA will measure the achievement of the above goals by reviewing agency workload data, measuring individual and organization accomplishments, measuring and monitoring work processes, measuring training and development outcomes, and monitoring the effectiveness of agency human resources practices and services.

OBLIGATIONS BY OBJECT CLASSIFICATION

(In thousands of dollars)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase/ (Decrease)
Direct Program				
Personnel Compensation:				
Full-time permanent	$14,087	$15,325	$16,181	$856
Other than full-time permanent	1,155	1,181	1,216	35
Other personnel compensation	144	216	216	0
Special, personal services payments	0	0	0	0
Total personnel compensation	15,414	16,722	17,613	891
Personnel Benefits	2,939	3,306	3,641	335
Benefits For Former Personnel	0	0	0	0
Travel and Transportation of Persons	731	740	740	0
Transportation of Things	0	1	1	0
Rental Payments to GSA	2,212	2,303	2,409	106
Other Rents, Communication, and Utilities	604	518	518	0
Printing and Reproduction	133	107	107	0
Consulting Services	19	0	0	0
Other Services	1,188	1,036	1,036	0
Supplies and Materials	246	188	188	0
Equipment	209	125	125	0
Total Direct Program	$23,695	$25,046	$26,378	$1,332
Reimbursable Program	61	100	100	0
Total	$23,756	$25,146	$26,478	$1,332

OBJECT CLASSIFICATION BY FLRA COMPONENT

(in thousands of dollars)

	Authority	OGC	FSIP	Total	%
Personnel Compensation	7,681	9,175	757	17,613	66.8
Personnel Benefits	1,620	1,848	173	3,641	13.8
Benefits for Former Personnel	0	0	0	0	0.0
Travel and Transportation of Persons	187	495	58	740	2.8
Transportation of Things	0	1	0	1	0.0
Rental Payments to GSA	2,409	0	0	2,409	9.1
Other Rents, Communications, and Utilities	502	15	1	518	2.0
Printing and Reproduction	81	21	5	107	0.4
Consulting Services	0	0	0	0	0.0
Other Services	742	284	10	1,036	3.9
Supplies and Materials	122	63	3	188	0.7
Equipment	98	25	2	125	0.5
Total	$13,442	$11,927	$1,009	$26,378	100.0

PROGRAM AND FINANCING
(in thousands of dollars)

Obligations By Program Activity	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Direct Authority Program	12,089	12,818	13,44[illegible]
Direct Office of the General Counsel Program	10,712	11,275	11,92[illegible]
Direct Federal Service Impasses Panel Program	894	953	1,00[illegible]
Reimbursable Program	61	100	10[illegible]
Obligations	23,756	25,146	26,4[illegible]8
Unobligated Balance Expiring	86	0	0
Budget Authority (Gross)	23,842	25,146	26,478
Budget Authority (Gross), Detail			
Appropriation (definite)	23,828	25,058	26,378
Appropriation (emergency)	0	0	0
Rescission	(91)	(55)	0
Reappropriation	43	43	0
Spending Authority From Offsetting Collections	61	100	100
Budget Authority (Gross)	23,842	25,146	26,378
Change In Unpaid Obligations			
Unpaid Obligations, Start of Year	2,846	2,592	2,592
Obligations	23,756	25,146	26,378
Outlays (Gross)	(23,747)	(25,146)	(26,378)
Adjustments In Expired Accounts	(263)	0	0
Unpaid Obligations, End of Year	2,592	2,592	2,592
Budget Authority and Outlays			
Budget Authority (Net)	23,842	25,046	26,378
Outlays (Net)	23,686	25,146	26,478

Note: FY 2001 amounts include an actual rescission amount of $55,128 (pursuant to P.L. 106-554) and an actual carryover (reappropriation) amount of $42,753.

AUTHORITY CASELOAD

FY 1999 - 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year	189	125	110	83
Case Intake:				
Arbitration	125	140	133	133
Negotiability	56	65	66	66
Representation	17	15	19	19
Unfair Labor Practice	38	60	51	51
Miscellaneous	0	0	1	1
Total Case Intake	236	280	270	270
Total Caseload	**425**	**405**	**380**	**353**
Case Closings:				
Arbitration	141	143	142	142
Negotiability	81	76	79	79
Representation	15	19	17	17
Unfair Labor Practice	59	57	58	58
Miscellaneous	2	0	1	1
Total Case Closings	298	295	297	297
Cases Pending, End of Year:				
Arbitration	60	57	48	39
Negotiability	38	27	14	1
Representation	5	1	3	5
Unfair Labor Practice	22	25	18	11
Miscellaneous	0	0	0	0
Total Cases Pending, End of Year	**125**	**110**	**83**	**56**

OFFICE OF THE ADMINISTRATIVE LAW JUDGES
CASELOAD

FY 1999 - 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year	45	85	127	166
Case Intake	347	414	410	410
Total Caseload	**392**	**499**	**537**	**576**
Case Closings:				
Cases Closed Before Hearing	252	291	300	310
Cases Closed At Hearing	5	5	6	6
Cases Closed By Decision	50	76	65	65
Total Case Closings	307	372	371	381
Cases Pending, End of Year:				
Awaiting Hearing	73	119	145	169
Awaiting Decision	12	8	21	26
Total Cases Pending, End of Year	**85**	**127**	**166**	**195**

OFFICE OF THE GENERAL COUNSEL
UNFAIR LABOR PRACTICE CASELOAD

FY 1999 - 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year:				
Charges Pending Without Initial Dispositive Action	1,731	1,504	1,435	1,435
Complaints Pending Without Dispositive Action	364	89	197	197
Compliance Actions	27	57	20	20
Total Cases Pending, Start of Year	2,122	1,650	1,652	1,652
Charges Filed	5,686	5,638	5,700	5,700
New Complaints	356	425	400	400
New Compliance Actions	219	213	210	210
Total Caseload	**8,383**	**7,925**	**7,962**	**7,962**
Dispositive Actions:				
Initial Dispositive Actions	5,913	5,707	5,700	5,700
Post-Complaint Actions	631	317	400	400
Compliance Actions	189	250	210	210
Total Dispositions	6,733	6,274	6,310	6,310
Cases Pending, End of Year:				
Charges Pending Without Initial Dispositive Action	1,504	1,435	1,435	1,435
Complaints Pending Without Dispositive Action	89	197	197	197
Compliance Actions	57	20	20	20
Total Cases Pending, End of Year	**1,650**	**1,652**	**1,652**	**1,652**

OFFICE OF THE GENERAL COUNSEL
UNFAIR LABOR PRACTICE CASELOAD
APPEALS

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year	99	47	78	58
Case Intake	508	432	465	465
Total Caseload	**607**	**479**	**543**	**523**
Case Dispositions	560	401	485	485
Cases Pending, End of Year	**47**	**78**	**58**	**38**

OFFICE OF THE GENERAL COUNSEL
REPRESENTATION CASELOAD

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year	700	701	229	200
Case Intake	503	434	450	450
Case Actions	169	206	200	200
Total Caseload	**1,372**	**1,341**	**879**	**850**
Case Dispositive Actions	671	1,112	679	650
Caseload Pending, End of Year	**701**	**229**	**200**	**200**

OFFICE OF THE GENERAL COUNSEL
TECHNICAL ASSISTANCE WORKLOAD

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Agency Initiated Requests	458	276	370	370
Union Initiated Requests	927	898	900	900
Other Requests	1,121	1,162	1,140	1,140
Total	**2,506**	**2,336**	**2,410**	**2,410**

FEDERAL SERVICE IMPASSES PANEL CASELOAD

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Cases Pending, Start of Year	30	40	30	30
Impasses Received	169	167	170	170
Total Caseload	**199**	**207**	**200**	**200**
Impasses Resolved	159	177	170	170
Cases Pending, End of Year	**40**	**30**	**30**	**30**

ALTERNATIVE DISPUTE RESOLUTION: TRAINING SERVICES

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Training Sessions On the Statute	144	177	200	200
Number of Participants	*9,118*	*7,809*	*8,200*	*8,200*
Training Sessions On Interest-Based Bargaining, Alternative Dispute Resolution, Relationship Building and Partnership	125	138	185	185
Number of Participants	*5,757*	*4,474*	*5,900*	*5,900*
Total	**269**	**315**	**385**	**385**
Total Number of Participants	***14,875***	***12,283***	***14,100***	***14,100***

ALTERNATIVE DISPUTE RESOLUTION: CASE-RELATED INTERVENTION SERVICES

FY 1999 - FY 2002

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Collaboration and Alternative Dispute Resolution Office:				
Interventions	17	22	30	30
Office of the Administrative Law Judges:				
Interventions	178	183	130	130
Office of the General Counsel:				
Pre-filing Assistance in ULP and Representation Cases	15	4	10	10
Pre-merit Resolution of ULP Charges	1,128	1,142	1,300	1,300
Alternative Case Processing Procedures	11	30	30	30
Resolution of Representation Issues After Filing of Petition	38	31	30	30
Total	**1,387**	**1,412**	**1,530**	**1,530**

LEGAL AUTHORITIES

Reorganization Plan No. 2 of 1978, consolidated the central policy-making functions in Federal labor-management relations under the Federal Labor Relations Authority, an independent agency. Previously, these functions had been divided between the Federal Labor Relations Council and the Assistant Secretary of Labor for Labor-Management Relations.

Civil Service Reform Act of 1978, as amended by the Civil Service Miscellaneous Amendments Act of 1983, established the Federal labor-management relations program under a statute administered by the Federal Labor Relations Authority.

Section 903 of the Civil Service Reform Act of 1978, provides permanent authorization for the Federal Labor Relations Authority to be appropriated "... such sums as may be necessary to carry out the provisions of this Act."

Panama Canal Act of 1979, expanded the jurisdiction of the Federal Labor Relations Authority to employees, including foreign nationals, of the Panama Canal Commission and U.S. agencies in the Panama Canal area. The jurisdiction ended as of July 1, 1998, pursuant to recent Congressional amendments to 22 U.S.C. § 3701 et seq.

Foreign Service Act of 1980, established a labor-management relations program for the members of the Foreign Service and established the Foreign Service Labor Relations Board and the Foreign Service Impasse Disputes Panel, which are supported by the Federal Labor Relations Authority.

Federal Employees Flexible and Compressed Work Schedules Act of 1982, as converted into permanent authority by the Act to Convert the Temporary Authority to Allow Federal Employees to Work on a Flexible or Compressed Schedule under Title 5, U.S. Code, into Permanent Authority, granted the Federal Service Impasses Panel jurisdiction over negotiation impasses regarding alternative work schedules.

Section 291 of the Federal Crop Insurance Program and Department of Agriculture Reorganization Act of 1994, Pub. L. No. 103-354, codified at 7 U.S.C. § 7011, as amended by section 749 of Pub. L. No. 106-78, assigns the Authority specific responsibilities concerning the certification of new or modified bargaining units resulting from reorganizations within the Department of Agriculture.

Section 307 of the Wendell H Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. No. 106-181, codified at 49 U.S.C. § 40122(g), applies Chapter 71 of 5 U.S. Code to the Federal Aviation Administration's personnel management system, as required by the Act.

Presidential and Executive Office Accountability Act, 3 U.S.C. §§ 401-435, applies various civil rights, labor and employment laws, including Chapter 71 of 5 U.S. Code, to employees of the Executive Office of the President. Pursuant to section 431 of the Act, the Federal Labor Relations Authority has promulgated regulations to include the newly covered employees.

EXHIBIT ON INSPECTOR GENERAL INFORMATION FOR DESIGNATED FEDERAL ENTITIES

(in thousands of dollars)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Budget Authority	$200	$195	$199
FTE Workyears	1.7	1.0	1.0

The Office of Inspector General (OIG) was established within the Federal Labor Relations Authority in FY 1989 pursuant to the provisions of the Inspector General Act of 1988, Public Law 100-504, funded within the Authority Decision Unit.

In addition to salary and benefits for the FTE reflected, other support funds for travel, training, printing, and $75,000 in contract audits are included in this request.

In-house legal counsel and advice is provided to the OIG by the FLRA Office of the Solicitor.

WEDNESDAY, MAY 9, 2001.

U.S. GENERAL SERVICES ADMINISTRATION

WITNESSES

THURMAN M. DAVIS, SR., ACTING ADMINISTRATOR

PAUL CHISTOLINI, ACTING COMMISSIONER, PUBLIC BUILDINGS SERVICE

DONNA D. BENNETT, COMMISSIONER, FEDERAL SUPPLY SERVICE

SANDRA N. BATES, COMMISSIONER, FEDERAL TECHNOLOGY SERVICE

G. MARTIN WAGNER, ASSOCIATE ADMINISTRATOR, OFFICE OF GOVERNMENTWIDE POLICY

WILLIAM R. BARTON, INSPECTOR GENERAL

CHAIRMAN'S OPENING STATEMENT

Mr. ISTOOK. The subcommittee will come to order. We regret having to get started late, but we appreciate people's patience with us. This morning we're welcoming Mr. Thurman Davis, the Acting Administrator of the General Services Administration. And of course, Mr. Davis, I look forward to hearing your testimony on the budget request for fiscal year 2002 and all the other issues. Given the nature of the organization, I think that the concerns of the subcommittee will go beyond just the budget request itself. I know some people might look at it and say, well, GSA isn't that important if the direct appropriation is only, as they see it, $198 million.

Of course that's only the direct appropriation as opposed to other funds that you must handle. Even adding the forward funding that was in last year's bill, compared to some agencies the GSA appropriation might seem a bit more modest, but that's not a good measure of GSA. As you point out in your written testimony, the importance and the reach of the GSA extend far beyond the norm of most agencies, because it extends into most Federal agencies.

The GSA projects its total fiscal year 2002 obligations will be about $18.2 billion. When you consider all the transfer and pass-through accounts, most of that is related to revolving funds that do not require the direct appropriations but of course I and all Members, I think, of Congress are concerned not only with the management of the funds but the health of the entire agency and its impact on the rest of government. Especially the private sector has a major role, because I believe it's—I was given the figure of about 94 percent of GSA's actual budget flows to the private sector for supplies and services.

The size of funding, of course, is not the only thing that affects the visibility of things. We recognize, of course, you have high profile accounts such as that for the former Presidents, about which we've visited, and I appreciate your attention to resolving that matter. And even though the total appropriation for the accounts of

former Presidents is only about $3 million, it always gets a level of attention far beyond the dollars involved.

We're seeing an emphasis on information technology in GSA and other government agencies, and GSA, of course, has a central role in much of the government work with IT. Your budget, of course, follows the trend of emphasizing information technology. For example, there's increases regarding governmentwide Web sites, governmentwide encryption capabilities for safeguarding financial transactions, for responding to computer incidents and for a new account involving e-government initiatives.

I have questions regarding several of those. We may not get to all of them during the hearing. We'll probably have some significant quantity that will be part of the questions for the record.

FEDERAL BUILDINGS FUND

There is the perennial concern of the Federal Buildings Fund, especially as it relates to new courthouse construction. And of course it's not just courthouses alone. You're certainly aware, Mr. Davis, of my interest in the new Federal campus that will be breaking ground soon at Oklahoma City to replace the Murrah Building, which was bombed in 1995. But in FY '02, there's almost half a billion dollars proposed in construction funding for 13 different courthouses. Many of them are not yet authorized, or the funding levels of authorization are below the request levels. So it is certainly the policy of our committee not to fund such projects that don't have authorization, and then we always have concerns over the cost on a per-square-foot basis or per-project basis. It's not a question of whether new courthouses are needed. It's a question of should they cost the amounts that they have. I certainly appreciate your attention to different controversies. I know of one in Florida that we've met about before that I hope we can get resolved, but it appears that that is still not at that stage of resolution.

We have increases in other parts of the Federal Building Fund. For repair and alteration, there's $145 million increase, but I recognize there's a major backlog, and estimations of a far greater number that would be necessary to bring everything up to the desired standard. There's increases in building operations covering rising fuel and utility costs. And frankly, Mr. Davis, knowing what has happened with energy prices since the budget was prepared and submitted, I think we need to get into the adequacy of that particular figure.

We do want to make sure that all accounts and certainly those that have any sort of increase are prudent and appropriate levels. It's a difficult role that GSA plays. On many occasions I recognize Congress and the public may not fully understand or appreciate all that you do, but that does not mean that we don't appreciate your devoted efforts. And speaking of that, I understand that you have a significant retirement coming up with the Inspector General, William Barton, who's had 50 years of Federal service, and until June the 1st?

RECOGNITION OF WILLIAM BARTON

Mr. BARTON. June 1st.

Mr. ISTOOK. I hope there's little bit more than just a gold watch that's involved in that after 50 years. I understand, Mr. Barton, that your career goes back to active duty in the Pacific with the Marines during the Second World War, 32 years with the Secret Service, and now completing your service with the GSA. So we very much appreciate your devoted service, as well as, Mr. Davis, all of you who have worked diligently on behalf of the citizens of the country.

And, Mr. Barton, we certainly wish you the best——

Mr. BARTON. Thank you very much, Mr. Chairman.

Mr. ISTOOK [continuing]. In the retirement that you've been looking forward to probably for a very long time.

That concludes my opening remarks. Mr. Hoyer is not yet here. So I would certainly reserve to him the opportunity for his opening statement.

Mr. Price, was there something you were wishing to say?

Mr. PRICE. No, Mr. Chairman. I have no opening statement. I do want to welcome our witnesses and we'll await their testimony with interest.

Mr. ISTOOK. Very good. I thank you. I remind witnesses that although prepared statements have been submitted which will be included in the record in their entirety, I always encourage people to feel free to be extemporaneous. Oftentimes that will help us to have a better understanding or get into areas that might not be fully covered in the written testimony. It is our policy, of course, to swear the witnesses. So if I could do that at this time. And I should ask, Mr. Davis, the lady you have with you I haven't met. Would you like to identify her for the record?

Mr. DAVIS. Yes, sir. This is Deborah Schilling. She's our Director of Budget. Paul Chistolini, of course, is the Acting Commissioner. And I'll introduce a couple of other people if—should I do that now?

Mr. ISTOOK. Let's go ahead and just—I just want to make sure we swear anyone that you expect might be actually testifying.

Mr. DAVIS. Well, all of these people might be testifying.

Mr. ISTOOK. Let's have them swear together, and then you can introduce them immediately thereafter. Thank you.

[Witnesses sworn.]

Mr. ISTOOK. Mr. Davis, if you would like to identify the four persons not at the table who are potential witnesses, and then we'll be happy to receive your testimony.

STATEMENT OF MR. DAVIS

Mr. DAVIS. Thank you, sir, and thanks again for allowing us to appear before you and present our requests this morning. Joining me for testimony is Bill Early, who is the Chief Financial Officer of GSA; Commissioner Sandy Bates from the Federal Technology Service; Commissioner Donna Bennett from the Federal Supply Service; and Associate Administrator Marty Wagner, Government-wide Policy; and of course you've already recognized our distinguished Inspector General, who we will miss sorely. He's been a tremendous asset to us and a wise counsel for many years.

Mr. ISTOOK. Certainly.

Mr. DAVIS. Thank you, sir.

Mr. ISTOOK. And I don't think for the record we've identified Mr. Chistolini.

Mr. DAVIS. Oh, I'm sorry. Acting Commissioner Paul Chistolini from the Federal Public Buildings Service. We just always thought everybody up here knows him already anyway.

ELECTRONIC GOVERNMENT

We just want to cover a couple of points if we may. The first is GSA's ongoing involvement in electronic government, which you've mentioned earlier. Electronic government, with the emphasis on improved citizen access to the government, and the efficiencies made possible through the Internet, is a major focus for the new administration. GSA's budget request includes funding for several critical programs aimed at enhancing and protecting our Nation's information technology, including the administration's proposed Electronic Government Fund for initiatives that use the Internet and other electronic methods to make the Federal Government more accessible, efficient, and productive; FirstGov, which will provide a single e-portal for public access to the Federal Government with links to State and local governments as well; PKI, the Public Key Infrastructure program, which will use digital signal and encryption to facilitate e-government; and finally, the FedCIRC, which assists Federal civilian agencies in identifying, containing and recovering from adverse events impacting our information infrastructure.

In addition to these governmentwide programs, more and more of our businesses at GSA take advantage of new technology and the Internet offers our customers great deals and prices. GSA Advantage, for example, offered 1.2 million products on-line by the end of FY 2000. Buyers.gov is a Web-based government business and auction exchange, which private citizens can bid on surplus property through GSAauctions.gov. Our Federal customers can track rent bills, work orders on-line, and an increasing number of other payables and receivables are handled electronically.

Our business volume continues to grow as our customers take advantage of the cost efficiencies we offer them. Even though our business continues to expand, our employee base has reduced by about 30 percent since 1993. We're continuing to do more with less. Our total budget, as you already mentioned, is $18.—budget request was $18.2 billion, of which 94 percent, as you've already mentioned, goes to the private sector.

CAPITAL PROGRAM

The other topic I'd like to mention just briefly is our capital program for the Federal Building Fund. At $1.5 billion, this would be the largest capital program since 1994. $276 million of this total is funded by advance appropriations enacted in FY 2001 for FY 2002, and $1.2 billion is funded from the fund's revenues.

The top priority of our capital program is the request of $827 million for repair and alterations. This represents the largest request for this program since 1991. Our existing government-owned space inventory has a fair market value of over $33 billion, with an identified workload inventory of over $4 billion. More than half of our government-owned buildings are over 50 year old, and more

than a quarter of the inventory bears historic designations. This is a little different than what our private sector counterparts face. A recent study released by the Government Accounting Office has recognized that billions of dollars will be needed in coming fiscal years to maintain the value and condition of these assets. Approval of this request will go a long ways towards helping that effort.

Our capital request also includes significant construction programs, $663 million, including funding for courthouse constructions, six border station projects, a new NOAA satellite monitoring facility, and design of a new Census facility at the Suitland Federal Center and funding for ongoing FDA headquarters consolidation out in White Oak, as well as several other projects. Unlike previous years, most of our construction program would be paid for by resources from the Federal Building Fund.

We are proud of the work that's going on within the Public Buildings Service, with innovative programs like linking budget to performance, customer satisfaction ratings over 80 percent and operating costs per square foot at 17 percent below the private sector. Our improved management of resources in the Federal Buildings Fund has allowed us to plan for significant capital investments.

Thank you, Chairman Istook, thank you, Mr. Hoyer, and other members of the committee for the opportunity to be here this morning. And we'll take your questions, if we may.

[The information follows:]

STATEMENT OF THURMAN M. DAVIS, SR.
ACTING ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND
GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

May 9, 2001

Mr. Chairman and Members of the Committee:

I am Thurman Davis, Acting Administrator of General Services, and I am pleased to appear before you this morning to discuss the fiscal year 2002 budget request for the General Services Administration (GSA).

GSA is the Federal Government's central management agency for administrative services. GSA's mission is to provide policy leadership and expert solutions in services, space and products, at the best value, to enable Federal employees to accomplish their missions. Our principal goals are to promote responsible asset management, to compete effectively for the Federal market, to excel at customer service, to meet Federal social and environmental objectives, and to anticipate future workplace needs. We believe that our dual policy and operational roles provide a unique capability to ensure high performance and cost effectiveness in Federal work environments.

ACCOMPLISHMENTS AND NEW DIRECTIONS

Before addressing the specifics of the budget request, I would like to give you some perspective of where we have been and where we are going. GSA has evolved

with the times to become an agent for change in our Government. GSA has become increasingly attentive to the needs of Federal employees and the citizens for whom they work. We have committed ourselves to bringing best practices and the latest technology to the Federal workplace, while leveraging the large Federal market to provide the Government the best value available for commercial-quality goods and services.

In the past few years, GSA has become adept at using the Internet to transact business electronically and helping others to do so. Federal agencies can easily get the support they need to do their work, and Americans wishing to do business with the government can now use the Internet to avoid traveling to government offices, waiting in line, or mailing paper forms. We are on the cutting edge in developing and implementing new information technology practices and solutions for electronic government, electronic commerce, and electronic security.

Electronic government is a major focus of the new administration, as expressed in President Bush's Budget Blueprint, and GSA expects to play a major role in its implementation. Expanding e-procurement will reduce transaction costs and foster greater competition. Expanding citizen access to the government through the Internet will result in a citizen-centric government, where citizens can readily access the information and services they need, and agencies can conduct transactions with the public through secure web-enabled systems that use portals to link common applications and protect privacy. Citizens will be able to go online and interact with their Federal Government—and with their State and local governments that provide similar

information and services—around citizen preferences and not agency boundaries. Our Office of Governmentwide Policy (OGP) has a major role in the implementation of electronic government, and is working with both the E-Gov fund and FirstGov initiatives.

The Administration's proposed Electronic Government (E-Gov) fund would provide $20 million in FY 2002 for initiatives that use the Internet or other electronic methods to make the Federal Government more accessible, efficient and productive. These initiatives would emphasize providing the public with easy, standardized access to Federal information, benefits, services and business opportunities. OMB would determine the allocation of the funds to various Federal agency information technology projects, and GSA would administer the new fund.

Additionally, in FY 2002 we are requesting $3 million to augment almost $8 million in agency contributions for the FirstGov Program. Designed to be a single point of access for the U.S. Government, the FirstGov web site consolidates and simplifies connections to agencies' records, services, and informational releases. In addition, the program will coordinate with State and local governments to create links to their web sites. By consolidating access through one E-Portal, FirstGov will provide a comprehensive resource to those attempting to gather information from government agencies. FirstGov currently accesses more than 30 million Federal web pages, and links to web sites in all fifty states.

GSA's Federal Technology Service is also supporting electronic government initiatives through the products and services it provides on a fee for service basis. FTS also supports the Federal Computer Incident Response Capability (FedCIRC) and Federal Public Key Infrastructure (PKI) initiatives. We are requesting an increase of $6.5 million for these two programs in FY 2002.

FedCIRC is a collaborative partnership drawing on the skills and resources within Government, academia, and the private sector to address computer security related incidents. Federal civilian agencies turn to FedCIRC for assistance in identifying, containing and recovering from adverse events that impact on the confidentiality, integrity or availability of information traversing the critical information infrastructure.

The PKI initiative requires development of an interoperable, Government-wide capability that will use digital signature and encryption to provide four basic security services: authentication, data integrity, non-repudiation, and confidentiality.

Our enthusiasm for innovation is apparent in everything we do under both our policy and operational roles. GSA provides the leadership needed to develop and oversee the implementation of policies designed to achieve the most cost-effective, innovative solutions for the delivery of administrative services, and the products and services to make them a reality. For example, we are working collaboratively with agencies to develop the appropriate policy and technical solutions for electronic commerce including smart card technology, leading the Federal civilian sector in

security solutions related to Internet use, promulgating regulations in plain language, and creating shared databases for interagency access through the Internet.

Using obligations as an indicator of business volume, our fiscal year 2002 budget program will be about $18.2 billion, most of which will be funded in the form of revenues from other agencies for goods and services. GSA revenues have steadily grown each year, thanks to the successful strategies that make GSA an extremely competitive and cost-effective source of goods and services. At the same time, we have significantly streamlined our organization. Budgeted fiscal year 2002 employment of 14,216 full-time equivalents (FTEs) is almost 30% below fiscal year 1993 levels, and is 25,000 below our peak workforce of the early 1970's. We are in fact doing more - and doing it better - with less.

It is also worthwhile to note that the vast majority of GSA funding – 94% – is ultimately channeled to the private sector. Of the anticipated $18.2 billion budget program, only $1.1 billion, about 6%, is for salaries and benefits of GSA personnel.

In addition to funds obligated directly by GSA, the agency will put in place contractual mechanisms through which all Federal agencies in FY 2002 will directly place over $37 billion in commercial purchases, up almost 19% compared with FY 2000. We have simplified and expanded the use of multiple award schedules and purchase agreements to further streamline the acquisition process. We strive to get the best deals for the Government by leveraging vendor-competitiveness and the size of

the Federal market to contract for top quality goods and services at a discount. For example:

- The Contract Airline City-Pairs program provides Federal travelers discounts of 70% from published unrestricted coach fares, with no advanced booking requirements or penalties for changes. The contracts covered about 5,000 routes, yielding $2 billion in annual savings in FY 2000.
- Overnight package delivery is priced about 46% lower than comparable corporate rates, saving $108 million in FY 2000, with a money-back guarantee for late delivery.
- Negotiated agreements with motor carriers on freight shipments resulted in charges to Federal customers that were below commercial rates for comparable services in FY 2000, 46% below rates for freight and 52% below rates for household goods, saving about $145 million.
- Vehicle fleet services are the most cost-effective anywhere, with compact sedan acquisitions providing an average of 27% savings compared to commercial "Black Book" prices. (The *Black Book Lease Guide* is recognized by the automotive industry as an authoritative baseline for invoice and retail prices.)
- The cost of Federal long-distance telecommunication services declined from an average 27 cents per minute in FY 1988 to 5 cents per minute under FTS2000. Under FTS2001, average prices were 3.5 cents per minute for FY 2000, and are expected to drop to less than 1 cent per minute by the end of the contract period. GSA is also conducting telecommunications

acquisitions in major metropolitan areas across the country as a way of establishing competition for local telecommunication services. These acquisitions, known as Metropolitan Area Acquisitions (MAAs), began in May 1999, with contracts awarded in San Francisco, New York and Chicago, which resulted in an average price reduction of 70% in those cities. To date, 37 contracts have been awarded to six industry partners in 20 cities. These 37 contracts have the potential to save the Federal Government approximately $1.1 billion over the eight-year contract term. These contracts will help GSA realize its ultimate goal of delivering end-to-end competitive telecommunications services.

- Our success in offering information technology and telecommunication services is reflected in the extremely rapid growth of our programs. IT Fund resources have grown from approximately $1.5 billion in FY 1995 to over $5 billion in FY 2000 and are expected to exceed $6 billion in FY 2002.

Making it easier for Federal agencies to purchase items at discounted prices is only part of the story. We are working to change Government procurement, and technology is helping us to pave the road to a new way of buying in the 21st century. To expand and promote electronic commerce, we made over 1.2 million products available on-line by the end of FY 2000 through our *GSA Advantage!*, an Internet-based ordering system. Our goal is to have 95% of all FSS schedule contracts on-line by the end of FY 2001.

In the real property arena, we have much to be proud of. Some of our successes include:

- Linking Budget to Performance. In FY 1998, PBS identified several performance indicators that reflect the core drivers of its regional operations and serve as the centerpiece for its Linking Budget to Performance incentive program. This program has improved the quality of our asset management. FY 2000 measures included: Funds From Operations, Customer Satisfaction, Non-revenue-producing Space, Operating Costs Compared To Industry, Leasing Costs Compared to Industry, Indirect Costs as a Percentage of Revenue, Data Accuracy, Capital Investment Program, and Security – Customer Satisfaction. Overall, Linking Budget to Performance has achieved savings of approximately $400 million since its implementation in mid-1998.
- At the end of FY 2000, non-revenue producing Government-owned space was 12.2% of the GSA inventory. This was a significant improvement over the 13.5% posted in FY 1999. Non-revenue producing space declined in leased space as well, from 3.7% in FY 1999 to 3.3% in FY 2000.
- Operating costs per square foot of office space are 17% below private sector.
- Customer satisfaction with Government-owned space scored 82% in FY 2000; leased space scored 80%.
- We continue to be a world leader in energy efficiency. Preliminary data show the energy consumption rate in GSA buildings, at 66,861 BTUs per gross square foot, is currently better than the revised 67,144-BTU Federal energy - use target for FY 2000. This consumption rate is 20.3% below the 1985

baseline level. GSA's energy conservation goal is to reduce energy consumption 2% per year in FY 2001 and FY 2002.

These efficiencies are paying off. In FY 2002 the Federal Buildings Fund will generate $1.2 billion in revenues in excess of operating costs. However, this level of performance cannot be sustained if we do not use these revenues to modernize a deteriorating government-owned inventory. We need Congressional approval of our FY 2002 repair and alteration budget request of $827 million in order to begin to bring our buildings up to 21st century standards.

In addition to bottom-line cost effectiveness, GSA is committed to improving the quality of life for Federal employees, as well as promoting such broad socioeconomic goals as improving environmental quality and increasing access to technology.

- In its support of family-friendly workplaces, GSA took a giant step in FY 2000 toward making child care affordable to more Federal employees. GSA oversees 113 child care centers in Federal facilities that serve around 8,000 children. Nearly 88% of the GSA centers are accredited by the National Association for the Education of Young Children, significantly higher than the national average.
- A general provision in GSA's FY 2000 appropriations legislation allowed Federal agencies for the first time to provide tuition assistance for lower-income employees' child care needs. GSA was one of a handful of employers to develop a subsidy program, and, in FY 2000, over 50 GSA

families received child care subsidies. More than twice as many families will benefit in FY 2001.

- GSA has an award-winning recycling program. About 83% of all Federal office buildings nationwide participate in recycling. As a result, more than a third of the office waste stream generated in these buildings is recycled, saving more than $23 million in landfill and hauling costs. In addition, GSA recycles a fourth of its construction waste. We also use products that are recycled. GSA's entire paper supply is of 30% recycled content; 29% of the building insulation used comes from recycled sources; and 60% of the concrete used contains fly ash, a byproduct of burning coal.
- GSA's experiments with innovative motor vehicle technologies, such as alternative-fuel vehicles (AFVs), led to GSA's induction into the Clean Air Hall of Fame. GSA has purchased over 36,000 AFVs since FY 1991, with 30,000 of them for the GSA fleet.
- GSA remains committed to purchasing from small business. Approximately 77% of Schedule contracts are awarded to small business.

These accomplishments are both individually significant and a direct consequence of GSA's Strategic Plan, submitted to Congress in September, 2000 in accordance with the Government Performance and Results Act. The goals and objectives of the Strategic Plan have been translated into specific performance goals under each of the agency's major programs, with output, outcome, or other performance measures used to gauge the success of the effort. These goals are reflected in the detailed budget justification materials submitted to the Committee. We

think that these will help demonstrate what we have long believed: that a dollar invested in GSA is taxpayer money well spent.

FY 2002 BUDGET REQUEST

I would now like to turn to the specifics of the budget request. As mentioned earlier, most of our planned $18.2 billion program for fiscal year 2002 is provided by revenues from our customers. We are asking the Committee to appropriate only $197.9 million for GSA direct funded operations. We are also requesting $6.4 billion in new obligational authority (NOA) to spend available resources in the Federal Buildings Fund (FBF), which includes $663 million for new construction projects. Our request is shown by account in the following table:

The Fiscal Year 2002 Program
Requiring Congressional Action
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Budget
Operating Appropriations			
Policy and Operations	139,426	137,406	138,499
Electronic Government (E-Gov)	0	0	20,000
Office of Inspector General	33,317	34,444	36,025
Allowances, Former Presidents	2,241	2,511	3,376
Presidential Transition	0	7,084	0
Subtotal Budget Authority/Appropriations	174,984	181,445	197,900
Federal Buildings Fund New Obligational Authority:			
Construction & Acquisition of Facilities	94,363	499,575	662,689
Repairs and Alterations	669,010	673,263	826,676
Installment Acquisition Payments	201,646	185,369	186,427
Rental of Space	2,917,896	3,163,370	2,959,550
Building Operations	1,588,543	1,624,771	1,748,949
Transfer to Pennsylvania Ave. Act	3,652	0	0
Columbia Hospital for Women	14,000	0	0
Subtotal New Obligational Authority (NOA)	*5,489,110*	*6,146,348*	*6,384,291*
Subtotal FBF Budget Authority	*(210,471)*	*280,887*	*307,454*
Subtotal FBF Appropriations[1]	*0*	*476,523*	*276,400*

[1]$276.4 million advance appropriation enacted in FY 2001 for FY 2002.

Operating appropriations, while only about one percent of the total proposed budget, are a vitally important part of GSA's total program. They support our Governmentwide policy function, the Office of Inspector General, Former Presidents, and other direct funded programs. The $197.9 million requested is $16 million above levels enacted in fiscal year 2001. This net increase is made up primarily of the following increases, some of which have been discussed above:

- $3 million for the FirstGov program.
- $6.5 million for the Federal Computer Incident Response Capability (FedCIRC) and Public Key Infrastructure (PKI) programs.
- $4.5 million for pay raise and other administrative costs.
- $800 thousand for full-year staff and rent for Former President Clinton, and equipment, rent and other costs for other Former Presidents.
- $20 million for the new Electronic Government fund (E-Gov).

These increases are offset by decreases for several one-time costs incurred in FY 2001, including decreases of:

- $7.1 million for Presidential transition.
- $11.2 million for unrequested one-time grants and other Congressional initiatives.

The Federal Buildings Fund (FBF) finances GSA's real property activities, except for disposal. $6.4 billion in New Obligational Authority (NOA) is requested for the FBF.

The budget proposes $663 million for new construction projects in FY 2002. $827 million is also being requested for repairs and alterations projects. This $1.5 billion capital program is the largest since 1994:

- $276 million of this total is funded from direct appropriations enacted in FY 2001 for FY 2002, and
- $1.2 billion is funded from Fund revenues.

GSA's FY 2002 budget reflects a significant construction program, including:

- $217 million for twelve Federal Judiciary projects, including construction funding for two projects, funding for five new design starts, and additional funding for five projects currently underway.
- $17 million for six Border Station projects, three each on the Northern and Southern borders of the Continental United States.
- $6 million for nonprospectus projects.
- $34 million for the Suitland, MD, National Oceanic and Atmospheric Administration (NOAA) facility, which is to house NOAA's satellite monitoring computer equipment.
- $6 million for a new Federal Bureau of Investigation (FBI) facility's site and design in Houston, TX.
- $5 million for demolition of the existing facility utilized by the U.S. Mission to the United Nations so that construction of its replacement can proceed.

- $9 million for the design of the Montgomery County, MD, Center for Devices and Radiological Health Laboratory and Office, as part of the consolidation of the Food and Drug Administration Headquarters office and laboratory space.
- $5 million for site remediation work at the Southeast Federal Center in Washington, DC.
- $3 million for design of a new Department of Commerce, Bureau of the Census facility, to be located in the Suitland Federal Center.
- $84 million for repayment to the Judgment Fund for monies disbursed in settlement of 20 claims against 11 new construction projects.

Our proposed fiscal year 2002 capital program emphasizes repairs and alterations. More than half of our government-owned buildings are over fifty years old and nearly a quarter of the inventory bears historic designation. Our first capital program priority must be repairs and alterations of our existing inventory to ensure that its value and condition do not decline. For fiscal year 2002, we are proposing a $827 million repairs and alterations program.

To allocate the limited resources of the Federal Buildings Fund for Repairs and Alterations projects, we evaluate and rank our proposals based on the following criteria: 1) Economic Justification, 2) Project Timing and Execution, 3) Physical Urgency, 4) Client/Agency Needs and 5) Historical Significance. *Economic Justification* evaluates both the project's financial impact to the Federal Buildings Fund and the overall cost to the U.S. taxpayer. *Project Timing and Execution* examines our ability to deliver the

project in the respective year in which we are requesting funding as well as the timing of those projects that could possibly affect the execution of our proposal. Evaluating *Physical Urgency* examines the infrastructure needs of our assets. This includes but is not limited to Americans with Disabilities Act (ADA) requirements; seismic; asbestos abatement; heating, ventilation and air conditioning (HVAC); fire-life health safety; security; roof repairs and elevators. *Client/Agency Needs* looks at positioning our assets/buildings to best support the mission and goals of our agency clients in a cost efficient manner. *Historical Significance* puts a special emphasis on maintaining our national treasures that are often long lasting symbols of our Federal Government.

One of the initiatives funded by the $827 million Repairs and Alterations program includes the recapture of 734 thousand vacant square feet at a cost of $30 million, which would generate $13.2 million in annual revenue to the FBF.

We will continue our investments in 1) security enhancements, such as glass fragment retention program, 2) PCB removal, 3) HVAC upgrades, 4) elevator upgrades, 5) tenant improvements, 6) asbestos abatement, 7) electrical upgrades, 8) fire-life safety, 9) ADA improvements, and 10) roof repair and replacement.

Under the FBF operating programs, the $3 billion budget for Rental of Space is based on projections of a 1.2% increase in the size of the inventory, or an additional 1.8 million square feet. While many agencies are downsizing and releasing unused space to us, others, such as the Department of Justice, Social Security Administration, and

the Judiciary, are expanding. Market rents that we pay for space also continue to increase for the portion of inventory that will be subject to new lease agreements (about one-sixth of our leased inventory turns over every year). Market rents are continuing to rise more steeply than the inflation rate - as much as 10% in some large markets.

The $1.7 billion budget requested for Building Operations in FY 2002 funds building services provided by PBS for facilities occupied by Federal Government employees, including cleaning, protection, maintenance, minor repairs, and utilities. This year's request is $124 million higher than the $1,625 million approved for FY 2001. The increase includes pay raises, new space entering the inventory, Law Enforcement Security Officer (LESO) hires, an enhanced contract guard security program, security system/equipment replacements, and utility increases.

The funding levels achieved in the FY 2002 request reflect our improved stewardship of the FBF. The accuracy of our revenue forecasts has improved dramatically, and our operating cost efficiencies have allowed us to plan for a reasonable level of capital investment.

GSA's proposed FY 2002 budget emphasizes protecting and enhancing our nation's real property and information infrastructures. Real property assets will be protected and preserved through capital repairs and alterations to our aging owned buildings, and will be enhanced by new courthouse construction to accommodate the expanding needs of our judicial system. Information assets will be protected by the

Federal Computer Incident Response Capability (FedCIRC), and enhanced by innovative information technology applications, including the FirstGov, E-Gov, and Public Key Infrastructure (PKI) initiatives.

Mr. Chairman, this concludes my formal statement, and I would be glad to answer any questions about our accomplishments or proposed budget program.

Mr. ISTOOK. Thank you, Mr. Davis. Let me yield first to Mr. Hoyer to give him an opportunity for his opening statement.

MR. HOYER'S OPENING STATEMENT

Mr. HOYER. Mr. Chairman, it's my understanding Mr. Price has a real scheduling problem. I will yield to him. No? Okay.

Thank you, I apologize for being late. I was on the House floor. I want to welcome Thurman Davis and Paul Chistolini to the room. You don't have a name tag, or I would welcome you as well. Debbie, do you know who you are? There you go. And she's the Director of the Budget. I should know who you are. We need more Debbies.

I want to make a few comments as we open, Mr. Chairman. First of all, I want to recognize and thank Inspector General William Barton——

Mr. BARTON. Thank you very much.

Mr. HOYER [continuing]. For his service, both to the Secret Service, which he served so ably for 32 years, and now since 1985 for his service as Inspector General of General Services Administration. The country owes you a debt of gratitude. I don't know whether the chairman expressed that. I guess he did, and I want to join him.

Mr. Chairman, GSA is presenting a budget request that provides, $18.239 billion in total obligations connected to its revolving fund. That is of course only $474 million in direct appropriations. Of that, some 94 percent will go to the private sector. I think we need to keep that in mind. $276 million is requested to pay for Federal courthouse projects forward-funded in fiscal year 2001, so that was in the pipeline before this year.

The Courthouse Construction program is an integral part of this budget submission, one that I feel frankly doesn't go nearly far enough. It is irresponsibly underfunded, and we need to do something about that. Very frankly, the past administration didn't really step up to the bar on this, nor has this administration. So it's been bipartisan neglect, in my opinion. Luckily, I think the Congress is cognizant of this issue.

Since fiscal year '96, when the GSA started approving prioritized 5-year courthouse project plans, Mr. Chairman, over $3.4 billion has been requested to meet the infrastructure needs. And I underline needs, as assessed by the Office of the Court Administrators and the General Services Administration. This is not a partisan list. This is not constructed by politicians, but by those who know the needs in the communities and the capabilities of the Federal Government to construct.

Because of funding constraints, only 1.7 billion has been appropriated, leaving a backlog of $1.7 billion, to which we're responding by appropriating or requesting another $250 million or thereabouts. We must get serious about this program, Mr. Chairman. The courthouses on the Judiciary's priority list are busting at the seams in terms of caseload. Some have serious security vulnerabilities, and some are just dilapidated structures that cry out for replacement. The longer we wait, Mr. Chairman, the larger the backlog grows, and the cost increase. That's the key, Mr. Chair-

man. The costs are increasing as we wait, not decreasing. They will not go away.

Your budget also includes the funding for two initiatives that I think require further analysis. The first is $20 million for an e-government initiative, the second $11 million for computer security. I'm going to ask more detailed questions later about them.

I also plan to ask questions, Mr. Davis, on the conditions of our Federal facilities, one that said the Federal Government is $4 billion behind in repairs to these buildings.

I serve on the board of directors of the Naval Academy. We have a capital structure, and what we're trying to do is between, one, 5 and 2 percent a year on maintenance and repairs to keep our infrastructure up to snuff. I'd like to hear, A, what our capital investment is, our inventory, the value of that, and what percentage we are spending on an annual basis to keep that maintained and repaired properly.

I also want to learn more about the progress we are making with the Food and Drug Administration consolidation, and replacement of the Census Bureau facility and the Suitland Federal campus. Mr. Chairman, I don't know that you've been out to the Suitland campus, but it was built during the Second World War. It is essentially temporary buildings that are not only unsightly but also unhealthy and clearly do not lend themselves to productivity and an atmosphere in which employees are going to do well. You might want to take an opportunity to see the Suitland Campus at some point in time.

Mr. Davis, I want to thank you. Mr. Chairman, I had the opportunity to work with Thurman Davis for a long period of time now. He is one of the best professionals we have in government. He has been relied upon by succeeding administrations of both parties for his fairness and his ability. Mr. Davis, I appreciate your testimony and lament my lateness. So I couldn't look forward to it.

Mr. DAVIS. Thank you.

Mr. HOYER. Thank you.

TIMETABLE FOR NEW ADMINISTRATOR

Mr. ISTOOK. Thank you very much, Mr. Hoyer. Mr. Davis, let me pose to you one thing, and I recognize, of course, your professionalism and years of experience. Of course, at this time, you know, you have the acting designation on top of that. I think it would be helpful to have you advise us what your understanding is of the timetable in which there might be any sort of permanent appointment, which potentially could obviously affect different policies and decisions that we may have to make.

Mr. DAVIS. Mr. Chairman, we have a nominee for Administrator, General Services. My understanding is that there might be possible hearings before the end of the month. We would hope that we would have an Administrator on board by the first of next month. That's just a——

Mr. ISTOOK. Certainly.

Mr. DAVIS [continuing]. Hope.

Mr. ISTOOK. That general overview is fine. We wouldn't expect anything more detailed from you. We know that you're not in control of that process.

RISING ENERGY PRICES AND CONSUMPTION

Let me—with so many potential things to dig into, but let me start with one of the pressing issues. Energy. I refer in my opening statement, of course, to the impact of rising energy prices and questions about supply levels. Could you give us an overview, please, of the energy consumption that is involved with GSA on an annual basis, not only in—associated with the Federal buildings but also the Federal motor vehicle fleet and what you see as the issues and challenges that will affect the cost and availability of that energy in the future years?

Mr. DAVIS. Okay. I'm going to invite Commissioner Chistolini and Commissioner Bennett to answer two parts of that question, if I may.

Mr. ISTOOK. Certainly.

Mr. CHISTOLINI. Mr. Chairman, you've hit one very important issue for us, and that's energy. During this current year, we have seen energy prices go up considerably over what we estimated just a year ago. To deal with this, we have in a lot of places entered into long-term contracts, where we've aggregated Federal needs for energy and, therein, have gotten better prices for all of that. The budget before you talks about an energy increase of at least $22 million. During our current year, we're monitoring both our consumption and our plan against the budget on a monthly basis. Our budget this year has somewhere in the range of around $260 million for energy. And so monitoring that, following energy conservation guidelines and practices are very important to us.

With regard to the recent memorandum that President Bush issued, it really stresses conservation. For States such as California it requires the Federal Government to actively participate in the types of actions that are taking place based on the energy levels, for instance. Normally out in California, they have a 7 percent reserve. When they get to a stage 2, that's down to 5 percent. And a stage 1, it's below 1.5 percent. Yesterday they were in a stage 3, and that's in the month of May, and that impacted over 165,000 customers across the country. So we've taken a lot of measures to be ready for that.

We have energy curtailment plans for all our buildings in California and actually we have plans for all our buildings where we're expecting high energy uses. The Northeast, the Midwest, the Northwest and California are the areas that we're most concerned about and where we're seeing the greatest increases.

ALTERNATIVE FUEL VEHICLES

Mr. ISTOOK. Let me come back to some specifics on that, but on the motor vehicle fleet and any other energy consumption issues?

Ms. BENNETT. GSA is a major supporter of buying alternative fuel vehicles. We have in fact bought some 44,000 vehicles since 1991, and we have also, from our own fleet program, offered $4 million a year that we use to assist our customer agencies in placing AFVs in areas of high pollution, in particular, Albuquerque, Minneapolis, Denver, Salt Lake City, Melbourne-Titusville and San Francisco. Our goal for our fleet program is to meet all of the cus-

tomer requests for AFVs, to the extent that they are available in the market.

Mr. ISTOOK. Well, let me ask for some perspective on that. You mentioned 44,000 alternative fuel vehicles purchased since 1991.

Ms. BENNETT. Yes.

Mr. ISTOOK. That's against an overall purchase number of what?

Ms. BENNETT. We buy about 50,000 vehicles a year.

Mr. ISTOOK. So that would be maybe 8, 9 percent?

Ms. BENNETT. Yes.

Mr. ISTOOK. Over that particular period of time? And it is by request of agencies that that is——

Ms. BENNETT. It is by request, although we actively educate our customers about the importance of the program. We've worked hard with industry to build the infrastructure, that is one of the impediments to really getting better acceptance.

Mr. ISTOOK. And most of these alternative fuel vehicles are using what fuel?

Ms. BENNETT. At this point I think they're using ethanol.

Mr. ISTOOK. And do you know if there were desire, because, as you mention, there's an infrastructure with the availability, whether it be ethanol or LPG or natural gas, whatever it may be. Considering the availability of the fuel in different areas, what would be the maximum number of vehicles that could be purchased and maintained from alternative fuels?

Ms. BENNETT. The infrastructure is a limitation. That's why we have concentrated the $4 million that we have put into the pool for customers to try to concentrate the use of vehicles in certain areas so that industry will come in and build the fueling sites to support those vehicles. So it is hard to spread it out throughout the country without building that sort of infrastructure.

Mr. ISTOOK. Sure. But under current circumstances, you know, right now——

Ms. BENNETT. Yes.

Mr. ISTOOK [continuing]. If you desired to have all 50,000 annual purchases be alternative fuel vehicles, I'm sure you could not. What is the maximum number that you believe could be sustained with the existing infrastructure, if you maximized that purchase?

Ms. BENNETT. I don't think I have a figure for you. I'm not sure that I know how to estimate that number.

FEDERAL BUILDINGS PROJECTED ENERGY COSTS

Mr. ISTOOK. Okay. All right. I appreciate that. I might have some others on that, but let me get back to the Federal buildings a moment before I yield to a different member here.

I'm going to mispronounce it again. Chistolini?

Mr. CHISTOLINI. Chistolini.

Mr. ISTOOK. The figures you mentioned, and you mentioned a $21 million plus-up, but I don't know really the aging of that figure, recognizing that a lot of your calculations by necessity were done last year when you were making budget preparations, and the major spike in energy prices has happened since January 1st. What is the projection, considering both the prices today and the trends today? How does that change your figures of your estimation of the expenses at the Federal buildings, and do you have a mechanism

where that is passed through under your leases with other Federal agencies so that the cost is ultimately absorbed by their budgets rather than by GSA's?

Mr. CHISTOLINI. We actually modified our budget in January of this year and we really spent a lot of effort in trying to project what was happening in the different markets. We have an energy center of expertise, and their job is to keep track of what's going on in the market. So they did use the best information that we have. We have tried to recapture as much as possible. In looking ahead at the following year's budget, we're in that process right now of making sure that our numbers that we're going to pass on to our customers reflect the ability to recapture that energy cost, just as you mentioned.

Mr. ISTOOK. Are you saying that you believe that the figure that you've supplied in your budget you believe will hold up and will be adequate for FY '02?

Mr. CHISTOLINI. Right now we believe it will be adequate.

Mr. ISTOOK. Even considering the spikes in price, even since January the 1st?

Mr. CHISTOLINI. Yes.

Mr. ISTOOK. Okay. And what proportion of that is passed through to the tenant agencies of GSA?

Mr. CHISTOLINI. In government buildings, that's part of our operating costs which we pass on, too. So the vast majority is passed on to our clients.

LONG-TERM CONTRACTS TO PURCHASE ENERGY

Mr. ISTOOK. And the final question I have in the series: You mentioned long-term contracts in a number of places. Considering the annual energy purchases by the GSA agencies, what proportion of those are covered by long-term contracts rather than by current pricing and its variations?

Mr. CHISTOLINI. I'll have to get you exact numbers but I think it's about half. For instance, in California, a couple of years ago, as States deregulate, we try to aggregate what the Federal usage is and then bring all the Federal agencies' use to the marketplace and have them bid on that, and that's worked very well. Recently in Pennsylvania we were able to get a reduction of about 8 percent over what the previous rate was. But not a lot of States have gone to deregulation and permit that, but we do have other long-term utility contracts, and I will get that information for you.

[The information follows:]

LONG-TERM ENERGY CONTRACTS

The General Services Administration (GSA) awards two types of long term utility contracts. One kind is for utility services which are regulated by State Public Utility Commissions and the other is for utility commodities which are not regulated by any State or local entity, i.e., where deregulation has occurred and customers can choose their utility provider of choice. In a regulated environment, GSA awards Public Utility Areawide contracts on behalf of the Federal Government. These are 10-year umbrella contracts between the Federal Government and various investor owned or municipal utility companies across the country. It is important to note that these contracts only provide a vehicle for any Federal building in a participating utility service area to receive services. These contracts merely streamline the administrative process for other Federal agencies to order utility services, thus reducing overhead costs associated with contract administration. GSA's Public Utility Areawide contracts do not, in themselves, commit the Federal Government to procuring any services or lock us into any utility price. That is done by individual Federal agencies placing orders off of our umbrella contract. Even then, the utility prices are set by tariff, which are assigned according to building consumption trends. These are mandatory prices that the Federal Government must pay like any other commercial building owner, until deregulation occurs. The Department of Energy (DOE) states that the Federal Government's utility bill for buildings and facilities is approximately $3,200,000,000 annually. These types of contracts represent the vast majority of energy costs, which the Federal Government pays each year. Please see the attached list of GSA Public Utility Areawide Contracts.

Only when a utility service area is deregulated, or, either State law deregulates an entire State or regulatory order does the Federal Government have the option to compete and lock into long term utility contracts. In this scenario, GSA has awarded very few long term contracts, i.e., exceeding one year, on behalf of the Federal Government. They are as follows:

New York State –

Contract for generation and transmission of electric power at guaranteed rate discounts to various federal facilities located in NY State
Approximate total Megawatt Load 600 megawatts
Approximate Dollar Value $50,000,000
Over 800 accounts
Projected cost avoidance based on market conditions $5,000,000 (assuming the cost of electricity continues northward)
Buying only the commodity (electricity)
AES/New Energy serving rate class nine facilities within Con Edison's service territory
36 month contract term (April 25, 2001 – April 24, 2004)

Maryland and Washington DC -

Contract for the generation and transmission of electric power at guaranteed rate discounts to various Federal facilities located in the Potomac Electric Power Company (PEPCO) Maryland and DC service territories
Approximate 1,100,000,000-Kilowatt hour per year
Approximate dollar value $95,000,000
Participants in the procurement include the Architect of the Capitol, the Smithsonian Institution, the Kennedy Center, the Post Office and the State Department.
Projected cost avoidance based on market conditions $5,054,000 ($1,970,000 for GSA) off of PEPCO's standard offer service rates.
25 month term contract (March 27, 2001 – April 26, 2003)
PEPCO Energy Services awarded contract (Washington Gas has filed a protest)

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
Alabama Power - Southern Company	GS-00P-96-BSD-0022	8/25/06		
Alabama Gas	GS-00P-98-BSD-0095	1/22/08	Columbia Gas of Virginia, Inc.	GS-00P-00-BSD-0144
Allegheny Energy -	GS-00P-97-BSD-0066	7/13/07	Kansas Gas Service Co.	GS-00P-00-BSD-0150
Potomac Edison Co.			KGE, Western Resources, Inc., Co.	GS-00P-01-BSD-0163
West Penn Power Co.			Laclede Gas Company	GS-00P-01-BSD-0129
Monongahela Power			Louisville Gas & Electric Co.	GS-00P-01-BSD-0174
Aliant Energy - Wisconsin Power & Light Co.	GS-00P-96-BSD-0035	3/2/07	Niagara Mohawk Power Corporation	GS-00P-00-BSD-0155
Ameren Services Co.	GS-00P-98-BSD-0109	6/25/08	Portanland General Electric Co.	GS-00P-99-BSD-0137
American Electric Power Service Company	GS-00P-98-BSD-0067	6/20/08	Southern Connecticut Gas	GS-00P-00-BSD-0143
Arizona Public Service Company (APS)	GS-00P-94-BSD-0003	10/31/03	UGI, Utilities, Inc.	GS-00P-00-BSD-0142
ARKLA (see Entex)			Virginia Natural Gas, Inc.	GS-00P-00-BSD-0151
Atlantic City Electric Company	GS-00P-98-BSD-0104	9/21/08	Western Resources, Incorporated	GS-00P-01-BSD-0162
Baltimore Energy (Trigen)	GS-00P-98-BSD-0106	5/21/08		
Baltimore Gas and Electric Co.	GS-00P-93-BSD-0010	8/25/03		
Bay State Gas	GS-0P-97-BSD-0071	7/15/07		
Black River Electric Corporative	GS-00P-99-BSD-0119	1/19/09		
Boston Edison	GS-00P-98-BSD-0087	9/28/08		
Boston Gas Company	GS-00P-96-BSD-0006	6/30/06		
Trigen Boston	GS-00P-01-BSD-0147	12/18/10		
Carolina Power & Light Co.	GS-00P-97-BSD-0047	2/19/07		
Cascade Natural Gas Corporation	GS-00P-95-BSD-0006	6/12/05		
Central Maine Power - Augusta, Maine	GS-00P-96-BSD-0030	7/31/06		
Central Louisiana Electric Company	GS-00P-93-BSD-0012	9/22/03		
Central Power & Light	GS-00P-99-BSD-0092	8/15/09		
Cheyenne Light, Fuel & Power Company	GS-00P-96-BSD-0036	10/26/06		
Cinergy Corp. -	GS-00P-97-BSD-0015	4/27/07		
Cincinnati Gas & Electric Company				
Union Light, Heat & Power				
PSI Energy				
City of Alameda, California	GS-00P-93-BSD-0007	6/10/03		
City of Bethal, Alaska	GS-00P-87-BSD-0013	expired		
City of Oakdale, Louisiana	GS-00P-95-BSD-0012	12/5/05		
City of Tampa, Florida	Gs-00P-96-BSD-0023	9/29/06		

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
City of Tuskegee Utility Board	GS-00P-94-BSD-0017	8/4/04		
City Public Service of San Antonio, TX	GS-00P-98-BSD-0056	1/21/08		
CMP Natural Gas	GS-00P-00-BSD-0141	3/29/10		
Clark Public Utilities	GS-00P-96-BSD-0031	4/30/06		
Coastal, Cobb EMC	GS-00P-97-BSD-0039	1/31/07		
Colonial Gas Company - Cape Cod Division	GS-00P-94-BSD-0018	8/7/04		
Colorado Springs Utilities	GS-00P-96-BSD-0007	6/8/06		
Columbia Gas of Ohio	GS-00P-98-BSD-0111	2/28/09		
Columbia Gas of Pennsylvania, Inc.	GS-00P-95-BSD-0002	3/29/05		
Columbus Southern Power (AEP)	GS-00P-98-BSD-0067	6/18/08		
Connecticut Natural Gas Corporation	GS-00P-96-BSD-0010	1/31/06		
Consolidated Edison Co. of New York	GS-00P-95-BSD-0003	4/27/04		
Consumers Power Company	GS-00P-91-BSD-0015	8/30/01		
Consolidated Natural Gas Company- East Ohio	GS-00P-98-BSD-0110	9/30/08		
Continental Divide Electric Cooperative, Inc.	GS-00P-93-BSD-0009	7/19/03		
Cumberland County Utilities Authority	GS-00P-89-BSD-0037	expired		
Commonwealth Edison Company	GS-00P-96-BSD-0004	1/15/06		
Commonwealth Gas Services, Inc.	GS-00P-91-BSD-0022	10/31/01		
Oglethrope	GS-00P-97-BSD-0039	1/31/07		
Dayton Power and Light Company	GS-00P-96-BSD-0014	8/14/06		
Delmarva Power & Light	GS-00P-98-BSD-0080	9/29/08		
Detroit Edison Co.	GS-00P-96-BSD-0013	1/5/06		
Duke Energy Corp.	GS-00P-94-BSD-0002	10/25/03		
El Paso Electric	GS-00P-98-BSD-0089	2/27/09		
EMC - (Oglethrope)	GS-00P-97-BSD-0039	7/31/07		
Snapping Shoals				
Flint				
Jefferson EMC				
Sumter				
Entex	GS-00P-93-BSD-0006	5/23/03		
Entergy Corporation, Operatig Co. of	GS-00P-96-BSD-0002	11/20/05		
(Mississippi Power & Light Co.				
Louisiana Power & Light Co.				

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
New Orleans Public Services, Inc. Gulf States Utilities Company Arkansas Power & Light Co.) Equitable Gas of Pennsylvania	GS-00P-98-BSD-0088	11/5/07		
First Energy (Cleveland Elec. Illuminating) - Ohio Edison Co. Pennsylvania Power Company The Toledo Edison Co. Florida Power & Light Company	GS-00P-99-BSD-0105 GS-00P-95-BSD-0005	5/21/09 7/9/05		
Gas Company of New Mexico	GS-00P-90-BSD-0020	expired	Svcs. Provided under PNM Areawide	
Golden Valley Electric Assoc., Inc.	GS-00P-96-BSD-0021	3/31/06		
GPU Energy-Penelec(PA elec.& Metropolitan Edison	GS-00P-98-BSD-0112	9/25/08		
Gulf Power Co. (aka Southern Co.)	GS-00P-96-BSD-0022	8/25/06		
Houston Lighting and Power Co. (Reliant)	GS-00P-98-BSD-0091	6/30/08		
Hope Gas, Inc. (Consolidated Natural Gas Co.	GS-00P-98-BSD-0110	9/29/08		
Idaho Power	GS-00P-99-BSD-0124	10/15/09		
Illinois Power Company	GS-00P-96-BSD-0033	7/18/06		
Illinova Corporation	GS-00P-94-BSD-0014	7/31/04		
Indiana Michigan Power Company (AEP)	GS-00P-98-BSD-0067	6/18/08		
Intermountain Gas Company	GS-00P-96-BSD-0005	2/28/06		
Iow-Illinois Gas & Electric	GS-00P-89-BSD-0015	expired		
Jemez Mountains Electric Coop., Inc.	GS-00P-94-BSD-0021	9/29/04		
Jersey Central Power & Light Company	GS-00P-96-BSD-0037	9/22/06		
Kansas City Power & Light Co.	Gs-00P-97-BSD-0063	8/3/07		
Kansas Gas Service Company	GS-00P-00-BSD-0150	Pending Award		
Kentucky Power Company (AEP)	GS-00P-98-BSD-0067	6/18/08		
Kingsport Power Company	GS-00P-98-BSD-0067	6/18/08		
Kodiak Electric Association, Inc.	GS-00P-92-BSD-0005	11/2/01		

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
LaClede Gas Company	GS-00P-99-BSD-0129	6/4/09		
Louisville Gas & Electric Co.	GS-00P-91-BSD-0012	5/21/01		
Louisiana Power & Light (Entergy)	GS-00P-96-BSD-0002	11/20/05		
Colonial Gas Co.	GS-00P-94-BSD-0018	8/7/04		
Michigan Consolidated Gas (MCN)	GS-00P-94-BSD-0005	9/30/03		
Midwest Power System, Inc.	GS-00P-94-BSD-0020	9/29/04		
Minnegasco	GS-00P-97-BSD-0051	6/30/07		
Mississippi Power (Southern Company)	GS-00P-96-BSD-0022	8/25/06		
Montana -Dakota Utilities	GS-00P-96-BSD-0018	2/28/06		
Montana Power Company	GS-00P-96-BSD-0012	6/17/06		
Navajo Tribal Utility Authority	GS-00P-94-BSD-0013	9/9/04		
New Jersey National Gas Company	GS-00P-99-BSD-0115	10/27/09		
New Mexico Public Service Company	GS-00P-95-BSD-0008	8/22/05		
New Orleans Public Service (Entergy)	GS-00P-96-BSD-0002	11/20/05		
Niagara Mohawk Power Corporation	GS-00P-92-BSD-0008	4/30/02		
Nicor Gas	GS-00P-87-BSD-0026	expired		
NorAM Energy Corporation - (MINNE GAS CO.)	GS-00P-97-BSD-0051	6/30/07		
North Shor Gas	GS-00P-97-BSD-0075	9/23/07		
Northern Illinois Gas Company	GS-00P-97-BSD-0055	7/13/07		
Northern Indiana Public Service Company	GS-00P-96-BSD-0028	2/1/06		
Northern States Power Co. Minnesota	GS-00P-94-BSD-0004	11/21/03		
Northern States Power Co. Wisconin	GS-00P-92-BSD-0009	9/29/02		
Northern Virginia Electric Cooperative	GS-00P-93-BSD-0011	9/10/03		
Northern Utilities	GS-00P-97-BSD-0057	5/28/07		
Northwest Natural Gas Co. Oregan/Wash.	GS-00P-96-BSD-0001	10/14/05		
OGE Energy Corp.	GS-00P-97-BSD-0069	8/4/07		
Oglethorpe Power Corporation	GS-00P-97-BSD-0039	1/31/07		
Ohio Power Co. (AEP)	GS-00P-98-GSD-0067	6/18/08		
Okaloosa County Gas District	GS-00P-94-BSD-0019	2/21/05		
Oklahoma Natural Gas Co.	GS-00P-99-BSD--0133	8/9/09		
Omaha Public Power District	GS-00P-98-BSD-0082	9/29/08		

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
Pacific Gas & Electric Co.	GS-00P-97-BSD-0043	2/28/07		
Pennsylvania Power & Light Company	GS-00P-95-BSD-0009	8/30/05		
Peoples Gas Light & Company	GS-00P-96-BSD-0040	10/30/06		
Peoples Gas System	GS-00P-98-BSD-0094	1/23/08		
Peoples Natural Gas - Div. Of Utilicorp United, Inc.	GS-00P-94-BSD-0015	7/19/04		
Peoples Natural Gas -(Consolidated Natural Gas. Co	GS-00P-98-BSD-0110	9/29/08		
Philadelphia Electric Company (PEPCO)	GS-00P-96-BSD-0008	6/30/06		
Potomac Electric Power Co.	GS-00P-00-BSD-0138	4/18/10		
PP&L, Inc.	GS-00P-98-BSD-0081	2/26/08		
Providence Gas Company	GS-00P-98-BSD-0096	7/22/08		
PSI Energy, Inc. Plainfield, Indiana	GS-00P-95-BSD-0004	4/19/05		
Public Service Company of Colorado	GS-00P-96-BSD-0011	1/21/06		
Public Service Electric & Gas Company of NJ	GS-00P-97-BSD-0068	5/22/07		
Public Service Company of New Mexico (PNM)	GS-00P-95-BSD-0008	8/22/05		
San Diego Gas & Electric	GS-00P-00-BSD-0156	11/14/10		
Southern California Gas Co.	GS-00P-94-BSD-0011	3/31/04		
Snapping Shoals EMC	GS-00P-97-BSD-0039	1/31/07		
South Carolina Electric & Gas Co.	GS-00P-96-BSD-0019	3/31/06		
South Jersey Gas Company				
Southern California Edison	GS-00P-98-BSD-0058	4/30/08		
Southern Compaines (Georgia Power, Gulf Power) Savannah Electric & Power)	GS-00P-96-BSD-0022	8/25/06		
Southern Maryland Electric Cooperative, Inc.	GS-00P-97-BSD-0041	7/1/07		
Southwestern Public Service Company	GS-00P-97-BSD-0038	3/5/07		
St. Louis Thermal Energy Corp.- (Trigen)	GS-00P-90-BSD-0015	expired	in process of renewal	
Tampa Electric Co.	GS-00P-97-BSD-0050	1/4/08		
TXU Electric Company (Texas Utilities Electric)	GS-00P-98-BSD-0085	5/27/08		
TXU Gas Co. (Lone Star Gas Company)	GS-00P-98-BSD-0101	9/29/08		
TXU SESCO Co. (Southwestern Elec. Service)	GS_00P-98-BSD-0102	5/27/08		
Texas Utilities	GS-00P-94-BSD-0007	1/14/04		
Trigen Boston Energy Corp.	GS-00P-01-BSD-0147	12/18/10		

GSA PUBLIC UTILITY AREAWIDE CONTRACTS

Utility Company	Contract Number	Expiration Date	Pending Areawides	Contract Number
Tropigas de P.R.	GS-00P-97-BSD-0070	6/8/07		
Tucson Electric Power Co.	GS-00P-99-BSD-0120			
Union Electric	GS-00P-97-BSD-0064	9/28/07		
Union Electric Company	GS-00P-95-BSD-0001	11/30/04		
Virginia Electric & Power Company	GS-00P-98-BSD-0086	8/23/08		
Virginia Natural Gas (Conolidated Natural Gas Co.)	GS-00P-98-BSD-0010	9/30/08		
Washington Gas Light Co.	GS-00P-96-BSD-0029	4/16/06		
Washington Natural Gas Company	GS-00P-96-BSD-0017	6/30/06		
West Florida Natural Gas Co. Panama Cty.	GS-00P-91-BSD-0009	3/23/01		
West Plains Energy Div. Of UtiliCorp. United	GS-00P-93_BSD-0004	4/19/03		
Wheeling Power Company (AEP)	GS-00P-98-BSD-0067	6/18/08		
Wisconsin Electric Power Company	GS-00P-96-BSD-0020	6/16/06		
Wisconsin Gas	GS-00P-97-BSD-0074	8/19/07		
Wisconsin Power & Light	GS-00P-96-BSD-0035	3/2/07		
Yankee Gas Services Company	GS-00P-98-BSD-0103	4/6/08		

Mr. ISTOOK. Okay. I would appreciate that for the record, and including, of course, information about expiration dates of those contracts, because renegotiation might be very interesting. Thank you.

I need to yield time. I understand, Mr. Hoyer, you wanted to yield to Mr. Price, who has commitments and needs to go forward. Is that correct, or am I mistaken?

Mr. HOYER. Well, I was trying to determine that.

Mr. ISTOOK. Okay. I'll tell you what, Mr. Hoyer, I'll yield to you. If you want to then yield to Mr. Price, that's fine—certainly fine. We'll come back to you.

Mr. HOYER. Mr. Price says he's okay.

Mr. ISTOOK. Okay.

Mr. HOYER. Mr. Davis, let me go through quickly the courthouse construction questions that I have. I think you know what I'm going to ask and will provide that information. First of all, what's the total request for the courthouse construction program?

COURTHOUSE CONSTRUCTION REQUEST

Mr. CHISTOLINI. It's—including last year's advance appropriations, it's approximately $490 million.

Mr. HOYER. And how much was the advance appropriation, $276?

Mr. CHISTOLINI. $276 million, yes.

Mr. HOYER. So, then, the net is $220 or $214?

Mr. CHISTOLINI. Approximately, that's correct.

Mr. HOYER. So it's plus $214. How much money did the Administrative Office of the Courts (AOC) request this year for new courthouses?

Mr. CHISTOLINI. Well, the priority listing of the next segment of projects was approximately $626 million.

Mr. HOYER. So the request did not include the $276, or did it?

Mr. CHISTOLINI. It did not.

Mr. HOYER. So then in effect, of the $626 million requested, $214 was granted?

Mr. CHISTOLINI. That's right.

Mr. HOYER. Okay. So some $408—$412 million low. What was the GSA's request to OMB?

Mr. CHISTOLINI. When we began the budget process in October, we asked for the full amount.

Mr. HOYER. $626?

Mr. CHISTOLINI. $626 million. As we went through the process, some projects dropped out. They simply would not be available or ready for award.

Mr. HOYER. I understand there are two projects that fall in that category?

Mr. CHISTOLINI. There's Salt Lake City and Eugene, Oregon, and those have to do with the site selection and being ready for a chosen site.

Mr. HOYER. Can you tell me how much the request for Salt Lake City was?

Mr. CHISTOLINI. Those two projects together come to about $150 million.

Mr. HOYER. So the difference between the $412 and the $150 would be what the current needed between the Administrative Office of the Courts and GSA?

Mr. CHISTOLINI. That is correct.

FISCAL CONSTRAINTS ON CAPITAL PROGRAM

Mr. HOYER. Okay. Can you provide any insight as to the rationale for not including the AOC's full request in the fiscal year 2002 budget? In other words, I'm not getting at the politics, but just is there a rationale for not doing this beyond fiscal constraints—pursuant to fiscal constraints?

Mr. CHISTOLINI. All our decisions were based on fiscal constraints. Once we knew that all of the projects, the repair and alterations, new construction projects all had to come out of the Federal Buildings Fund, we tried to get a balance. We had the recent GAO report before us, so we tried to put a lot of emphasis on our repair and alterations program. So we balanced repair and alterations with some new construction of border stations and some new courthouses and tried to balance all of those needs out within the resources of the fund.

Mr. HOYER. So its fair to say that OMB gave you a number and you then worked the distribution of that money internally?

Mr. CHISTOLINI. That's how it works, yes, sir.

IMPACT OF NOT FULLY FUNDING COURTHOUSE PROGRAM

Mr. HOYER. Okay. What's the financial impact on GSA of not providing full funding for the particular courthouses that were on the list or delaying the anticipated start of construction?

Mr. CHISTOLINI. Well, it varies from project to project. Not having a steady stream of money to deal with courthouse projects makes the initial stages of site selection and design very difficult and causes a lot of problems. Sites are purchased by someone else. They get into city development plans, and so we often lose opportunities to get the best sites that are adjacent to existing courthouses, which make for ease of administration within the court system. And some of the markets where the greatest needs are also have some of the highest construction inflation. So it's not uncommon to see these construction costs go up 5 to 7 to 8 percent a year in some of the markets. So that if you delay a project, a $100 million courthouse project delayed a year might cost $108 million the next year.

Mr. HOYER. So that—would I be correct—if you're 262 million under the request for this year and if you take your low figure of 5 percent, approximately $13 million a year escalated cost on the $262?

Mr. CHISTOLINI. At least, and part of that included what unfunded requirements were for some sites, and site to site costs are escalating faster than construction indices, although the site is just a small part of the overall project cost.

ADDITIONAL COURTHOUSE PROGRAM

Mr. HOYER. Mr. Chistolini, we are getting to the point in the courthouse construction program, where there needs to be addi-

tions to buildings that have been constructed. Have you discussed this issue with the Administrative Office?

Mr. CHISTOLINI. Yes. One of the things that we're doing now is we're looking at major renovations of existing courthouses—in fact, in the budget, there's over $100 million for repair and alterations money that's targeted toward existing courthouse buildings, where we're coming in and doing major systems, security work, fixing up the infrastructure of some of these buildings. And in courthouses, particularly, many of them are in historic buildings on the National Register or have a great many historical considerations you have to take care of as you do the work.

Mr. HOYER. Now, two last questions. Thank you, Mr. Chairman. Since the Judiciary started approving prioritized 5-year project plans, what facilities are ready for expansion repairs or renovations but have not made it on the 5-year list because of delays in funding? Now, if there are a number of them, you may want to include that for the record.

Mr. CHISTOLINI. I would like to consult and provide that for the record.

[The information follows:]

JUDICIARY'S FIVE-YEAR PLAN

The Judiciary's five-year rolling plan outlines their new courthouse construction requirements for a five-year period; it includes construction of new, stand-alone courthouses and expansion of existing courthouses by construction of an annex. It does not include renovation of existing courthouses. The Judiciary has identified a number of projects for future new construction which they have not yet placed on their five-year plan.

The General Services Administration's (GSA's) policy is to build new courthouses identified on the Judiciary's five-year plan to meet the 10-year needs of the courts, with a site capable of accommodating the 30-year expansion needs of the courts.

The Greenbelt, Maryland United States Courthouse is the only completed project that GSA is aware of at this time that the judiciary has identied for future expansion on their list of future new construction needs. This project will be considered in relation to all other new courthouse construction projects under the Judiciary's prioritization process as they develop their future five-year plans.

Mr. HOYER. Okay. Thank you. What process is in place to determine how these projects will be considered in relation to new construction projects? Now, you may want to include that in the record as well, because obviously that relates to a question nine. And as you know what I'm getting at, some courthouses were built on the theory that they would be every 10 years expanded so that they were not built on 30-year projection of needs. And so that's what I'm getting at. If you could answer that in your question.

Thank you very much, Mr. Chairman.

Mr. ISTOOK. Thank you very much, Mr. Hoyer, and I need to remind our subcommittee members, we've had a number of members come in, and we certainly do need to follow the 5-minute rule then. Realizing that Mr. Price has a possible scheduling concern, I'd certainly yield time now to Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. Mr. Davis, I want to welcome you and your colleagues to the subcommittee.

Mr. DAVIS. Thank you, sir.

Mr. PRICE. And take particular note of your North Carolina roots which we're very proud of. You might feature that a little more prominently in your biography here, I'd say. We know you haven't

lived there for a number of years, but still have family in Raleigh. So I particularly welcome you on that.

Mr. ISTOOK. Mr. Price, would you like to recognize anyone else in the room that has North Carolina roots?

Mr. PRICE. Well, don't get me started.

EPA FACILITY—RESEARCH TRIANGLE PARK

Mr. Davis, the main project I've had going with the GSA in my district, in recent years has, as you know, been the new state of the art EPA facility in Research Triangle Park in North Carolina. Employees from 13 rented locations in the Raleigh-Durham area will soon be moving into this facility, and I want to thank you and your agency for the parts you've had in the planning and design of this new facility. Some years ago with Mr. Hoyer at the helm of this subcommittee, we managed to telescope the planning and design funds, which were considerable, into 3 years instead of 5 and to move that long delayed project ahead with a joint EPA/GSA appropriation. And now of course you're working with EPA on plans for completing the project and for moving the employees into the new facility.

Can you give us any updated information as to when this move will start and when it will in all likelihood be completed?

Mr. DAVIS. I don't know the particulars, Mr. Price. I'll ask Mr. Chistolini. I have visited the facility. It is going to be a great facility.

MOVE SCHEDULE FOR EPA FACILITY

Mr. CHISTOLINI. Some parts will start this fall, and I'd be glad to provide you with a very detailed schedule of when the move-in will take place.

[The information follows:]

ENVIRONMENTAL PROTECTION AGENCY RESEARCH TRIANGLE PARK CAMPUS

The new Environmental Protection Agency (EPA) Research Triangle Park Campus consists of three separate facilities. Areas 1 through 6 (one building with separate towers) consist of office, general, and lab areas. The High Bay Building is connected with a breezeway and will house the industrial, process systems construction area. The National Computer Center is the third building.

The following dates are the construction completion schedules. The EPA scheduled move-in dates are approximately three months after construction completion.

Note: The early date shown below is reflecting the earliest possible construction completion date and the latest possible date shown is the latest possible completion date.

	Early date	Late date
Area 1:		
Office	June 1, 2001	July 1, 2001.
Lab	August 1, 2001	September 1, 2001.
Area 2:		
Office	June 1, 2001	July 1, 2001.
Lab	August 1, 2001	September 1, 2001.
Area 3:		
Office	July 1, 2001	August 1, 2001.
Kitchen (special)	September 1, 2001	January 1, 2002.
Area 4: Plaza, auditorium, Classrooms, etc	October 1, 2001	January 1, 2002.
Area 5:		
Office	November 1, 2001	December 1, 2001.
Lab	December 1, 2001	February 1, 2002.

	Early date	Late date
Area 6: Lab	January 1, 2002	April 1, 2002.
High Bay Building	August 1, 2001	October 1, 2001.
National Computer Center	October 15, 2001.	

Mr. PRICE. All right. I know that we're—I understand we're on schedule for an early fall beginning to this move. I also know that it's a long complicated process.

Mr. CHISTOLINI. It is. It involves moving out of, as you mentioned, a number of lease locations and people move in different stages and they move out of buildings at different times. It has a PERT chart that would fill the entire wall of this room.

LOCATING FEDERAL OFFICES IN DURHAM

Mr. PRICE. I know the move is going to contribute to a greater efficiency for EPA, which is now, as I said, in 13 rented locations, but the agency will be sorely missed as the presence in downtown Durham, where a lot of those employees are now located. I do appreciate GSA's awareness of that sensitivity to it and willingness to work with us to see what we can do to locate other Federal offices in spaces that will come available as a result of EPA's move or otherwise to help fill the gap that that will leave. I do appreciate your cooperation on that, and we'll count on that cooperation continuing.

FSS SCHEDULE 1122 PROGRAM

Let me ask you briefly about the 1122 program, which, as you know, was designed to provide State and local law enforcement access to counterdrug equipment on the Federal supply schedules. We had some problems a few years ago with the expansion of that program, which I understand is now back to the original 10 supply schedules. Is that program continuing to operate with the same 10 schedules it had originally included?

Mr. DAVIS. That's correct, sir.

Mr. PRICE. Now, in fiscal 2000, you would have operated the entire year under those 10 schedules. Is that right?

Mr. DAVIS. I think that's right.

Ms. BENNETT. We have actually consolidated some of those schedules. We're down to 7, but it is the same items that were originally covered.

Mr. PRICE. So the same items are covered?

Ms. BENNETT. That is correct.

Mr. PRICE. And with the close of fiscal 2000, were you operating that entire year on these 10 schedules, essentially?

Ms. BENNETT. I'm not certain when those consolidations occurred.

Mr. PRICE. If you could check that.

Ms. BENNETT. I certainly will.

Mr. PRICE. I'd appreciate for the record the final totals for 1122 sales in fiscal 2000 and the year to date totals for this year just to give us some indication of the status of that program.

Ms. BENNETT. With regard to the sales, we no longer can measure those. GSA originally in this program served as the agent that took the orders from the States and actually placed them with the

vendors. When we went to a pure solution of just having them pass the orders to the vendors, we no longer actually measure those sales except in one area. And that is in motor vehicles, where we place the orders. In 1999, the last year we had full sales, motor vehicles represented about 41 percent of the sales. In the year 2000, we actually saw a decline in those sales of about 15 percent. That's the extent of the sales figures I have.

Mr. PRICE. That's the extent of the figures.

Ms. BENNETT. Yes.

Mr. PRICE. Well, I appreciate the agency's cooperation in first of all maintaining this program, which is important to State and local law enforcement agencies, providing the kind of economies they need in their counterdrug efforts, but also keeping that program within bounds.

Ms. BENNETT. Yes.

Mr. PRICE. So that we're not hurting local businesses or otherwise expanding its reach in ways that do go counter to its original intent. So I thank you for that report.

How am I doing on time, Mr. Chairman?

Mr. ISTOOK. You have about 60 seconds, Mr. Price.

REPAIRS AND ALTERATIONS REQUEST

Mr. PRICE. Well, let me just get into an area that Mr. Hoyer raised, and then maybe we can return to it. Mr. Davis, your testimony indicates that your first capital program priority is for repairs and alterations to existing properties. The administration has requested $827 million for these projects. I am appreciative of the security enhancements that have been funded from this account, for example, in our Terry Sanford Federal Building in Raleigh. But I know there's a continuous need at that building and most other Federal buildings for repair and alterations. GAO reported last year that GSA needs about $4 billion to bring many buildings up to acceptable quality, health and safety standards. I assume that's a number you agree with. It's not a new number. Funding continues to be an issue.

Could you give us an outline, either now or for the record, of the status of initiatives undertaken by GSA to provide better program oversight, a more strategic approach to managing repair and alterations needs? Clearly this request falls far short of the need. Are there ways that you can do more with less, achieve efficiencies, and in addition, what are these criteria that you referenced in your testimony that you used to evaluate and rank proposals? What are those criteria, and are they working to achieve some economies?

CRITERIA FOR SELECTING REPAIRS AND ALTERATIONS PROJECTS

Mr. CHISTOLINI. Well, let me talk about the criteria first, and then we can talk about the others, either here or for the record. We look at buildings and look at the tenants' needs in the buildings, the infrastructure needs of the buildings, the health and safety issues of the buildings, what is the economic sense of doing the project, is moving out of leased space and into government-owned space involved. And we have an algorithm that looks at all these projects from across the country and ranks them, and then based

on the availability of funds we're then able to fund a certain level of projects.

At the same time, though, we don't just draw the line there. We go back to look to make sure that those projects that don't get funded do not have conditions that really need to get addressed at this time.

REPAIRS AND ALTERATIONS BACKLOG

Your comment about the $4 billion backlog, that's accurate. We recognize that. We've worked with GAO on that. We know the backlog is growing at a rate of about 10 percent a year, and so we need to get additional funding into this. I think both the chairman and Mr. Hoyer recognized in their comments that it's necessary to address or put at least 2 to 4 percent of the valuation of the assets into these properties. So with a $33 billion inventory, we should be putting at a minimum of $660 million and preferably about $1.2 billion into that. Squeezing that much out of the Federal Buildings Fund and taking care of some of these other needs has been difficult, if not impossible. GAO has recommended a number of other measures that could be used to finance projects like that so that we could do renovations.

Mr. PRICE. And your security——

SECURITY IMPROVEMENTS

Mr. ISTOOK. Mr. Price, the gentleman's time has expired.

Mr. PRICE. For the record, if you could let us know how much of this goes for security improvements, which I understand do come out of this account. What percentage of this overall are we talking about?

Mr. CHISTOLINI. I'd be pleased to do that.

[The information follows:]

REPAIRS AND ALTERATIONS—BUILDING SECURITY

The fiscal year 2002 Repairs and Alterations program contains $24,900,000 for building security. This amount is three percent of the total Repairs and Alterations request of $826,676,000.

Mr. PRICE. Thank you. Thank you, Mr. Chairman.

Mr. ISTOOK. Thank you, Mr. Price.

Mr. Tiahrt.

Mr. TIAHRT. Thank you, Mr. Chairman. Mr. Davis, welcome to the committee.

Mr. DAVIS. Good morning, sir.

NEW TECHNOLOGIES

Mr. TIAHRT. Reading through your statement, I notice that you—in your accomplishments and new directions, you deal quite a bit with technology, and I think that's good that you're expanding the Internet, making e-procurement a priority and simplifying the process so that people have—small businesses, in particular, have processes to many providing services, and I commend you on that.

COMPUTER SECURITY INCIDENTS

There is one thing that sort of struck me when I was going through here. The FedCIRC is collaborating a partnership with addressing computer security related incidents. What are those incidents? Are they related to fraud or waste or terrorism, or what is your risk that you have there?

Mr. DAVIS. I'm going to invite Commissioner Bates to respond. It could be any number of incidents, and it's in her area of responsibility, so I'll let her respond to that.

Mr. TIAHRT. Welcome, Ms. Bates.

Ms. BATES. Thank you. Good morning. The incidents that the FedCIRC is primarily involved with have to do with cyber crime, as well as hacking that you read about, computer incidents. It's not so much fraud, waste and abuse but, rather, computer hacking and computer crime.

Mr. TIAHRT. Have you noticed any of it coming from outside of the United States, or was it mostly just kids? What incidents have you experienced, and do we know where they've come from?

Ms. BATES. Our information is based solely on what is reported to us, and the incidences are from everywhere worldwide and they come in all sizes, shapes and forms. It's not just limited, by any means, to children or pranksters. We have every reason to believe that this is a very serious threat that's facing everyone today.

COLLABORATION FOR COMPUTER SECURITY

Mr. TIAHRT. Do you have any overlap with other government agencies working in the same area, or do you rely on other agencies for protection from these types of hackers?

Ms. BATES. One of the very important cornerstones of the entire program is that of collaboration with other government agencies and other entities, the industry, everybody, as well as relying on education of the entire population. So there are many, many entities that we deal with in the collaborative effort. While there may be some perceived overlap, it's probably very good at this point, because we can't have enough information and cannot encourage people strongly enough to report the incidences. There's a common feeling that many incidences go unreported for a variety of reasons. But we do collaborate very strongly with the law enforcement community as well as industry, communities, State and local governments and international bodies.

OVERNIGHT PACKAGE DELIVERY RATES

Mr. TIAHRT. Okay. Thank you very much. Mr. Davis, on page 6, your overnight package delivery, it says you're 46 percent lower than comparable corporate rates. Do you use private carriers or do you use the Post Office for overnight?

Mr. DAVIS. I'm sorry. I didn't understand the question, sir. I'm sorry.

Mr. TIAHRT. In overnight package delivery, it's noted that you're 46 percent lower than corporate rates. Do you use the Post Office for overnight package or is it Fed Ex or UPS?

Mr. DAVIS. We're using Fed Ex right now, but I think we're going to—come on up, Donna. We're going to be doing some further competition to involve more contractors in that particular program.

Ms. BENNETT. The current Fed Ex contract expires this summer. We have received offers on a multiple award solicitation which opens up the business to a wider array of carriers. We'll be making awards sometime in the next couple of months.

Mr. TIAHRT. When you make an award, will it just be with one air carrier or will they have access to several carriers?

Ms. BENNETT. There will be access to several carriers.

Mr. TIAHRT. I think that's very wise. I was wondering if you're responsible for the $2 billion overrun that the Post Office was having. I don't think you are.

Ms. BENNETT. No, sir.

SALE OF ALTERNATIVE FUEL VEHICLES

Mr. TIAHRT. Another question, since you're here, Ms. Bennett. When you sell vehicles after they're used and you've converted them to ethanol, do you convert them back, or do you sell them as they are? Do you have any experience along those lines now about getting rid of——

Ms. BENNETT. We sell them as they are.

Mr. TIAHRT. As they are?

Ms. BENNETT. Yes.

Mr. TIAHRT. So these go through a regular bidding process?

Ms. BENNETT. Yes, we auction them.

Mr. TIAHRT. Auction them off?

Ms. BENNETT. Yes.

Mr. TIAHRT. Do you have any Harley Davidsons? I need a Harley Davidson.

Ms. BENNETT. Well——

Mr. ISTOOK. The gentleman is out of order.

Mr. TIAHRT. Thank you, Mr. Chairman.

Mr. ISTOOK. I have priority if any Harley comes up.

Mr. TIAHRT. Thank you, Mr. Chairman.

Mr. ISTOOK. I wasn't meaning to cut you off, Mr. Tiahrt. If you're not——

Mr. TIAHRT. Well, I was wondering—just curious about the ethanol vehicles, because I think that's sort of the next step in our energy policy is to have a heavier reliance on ethanol. It solves two problems, partial solving of the import of foreign oil, plus it helps farm commodity prices, which are greatly in need of help right now.

Mr. ISTOOK. Certainly. And I don't know if they have any ethanol motorcycles or other alternative fuel motorcycles but——

Mr. TIAHRT. It would be the cutting edge there.

Mr. ISTOOK. Certainly. Thank you. Mr. Hoyer, did you want to——

Mr. HOYER. I just wanted to warn both the chairman and Mr. Tiahrt that of course the chairman of the Senate committee will be very concerned about us undermining his supply of Harley Davidsons.

Mr. ISTOOK. Point well taken, Mr. Hoyer. Point well taken.

Mr. TIAHRT. Do those dinosaurs drive motorcycles?

Mr. HOYER. Pardon?

Mr. ISTOOK. Very good. I think we have a hearing to continue. Thank you all, and we'll meet you out in the parking lot and all get on our hogs and drive off.

Mr. Rothman.

Mr. ROTHMAN. Thank you, Mr. Chairman. Acting Administrator Davis, it's a pleasure to have you here, and thank you for coming.

Mr. DAVIS. Thank you, sir.

REPAIRS TO THE PETER RODINO FEDERAL BUILDING

Mr. ROTHMAN. Thank you for bringing all of your extremely qualified coworkers. I understand that the General Services Administration has requested $5,295,000 dollars for the repair and alteration of the Peter Rodino Federal Building in Newark, New Jersey, which pleases me. The bulk of this money will be used for construction, with a smaller portion used for design, management and inspection. I understand that the main agency that will be benefitting from this new construction or expansion is the, Immigration and Naturalization Service, which is apparently going to be consolidating several locations into the Rodino Building. Can you tell me please, what the time line is for design and construction and completion of this project?

Mr. CHISTOLINI. Well, you're correct, sir, that this project is a renovation of the existing building. It will bring INS in from three lease locations. Part of the design is underway now. They expect we will make a construction award about a year from today. The budget is approved. And it has about an 18-month construction period. As you know, this is the main place for INS in Newark, which basically makes it the main place in northern New Jersey.

Mr. ROTHMAN. Right. I would say I'm interested for several reasons. I formerly served on the Judiciary Committee, and we're very proud of Mr. Rodino's legacy. And also, I would say immigration constitutes close to 90 percent of our case work, and so it is a priority for us. We have a lot of new Americans anxious to become citizens, and so we hope your timetable turns out to be as you say. And if you can expedite it and keep the quality level up to your standards, that would be even better.

I have no further questions, Mr. Chairman.

Mr. ISTOOK. Thank you very much, Mr. Rothman. Mrs. Meek or—whoops. She's—okay.

Ms. MEEK. I'll be right back.

Mr. ISTOOK. That's okay. We'll get back to you. Thank you.

Ms. MEEK. I didn't know I was next in the rotation.

Mr. ISTOOK. We try to surprise you, Mrs. Meek.

Ms. MEEK. Am I next? If so, I'll come back.

Mr. ISTOOK. I'll recognize you if you wish or I'll recognize you when you come back. Mr. Sherwood—I'm sorry. Mrs. Northup. I'm going to get myself in big trouble in a second.

CONTRACT GUARDS AT FEDERAL BUILDINGS

Ms. NORTHUP. You're right. Thank you. I'm not sure who's best to answer this question, but I know that in the last couple of years there's been an effort to reduce the number of Federal employees. I was surprised to find out that the employees now that provide all

the security at the Federal building where my offices are located are not Federal employees anymore. They're under contract, and they get no benefits, no health insurance, no vacation, and I was quite surprised by that and wondered if that's true in all of our facilities and exactly what the reasoning is behind that.

INCREASE IN NUMBER OF CONTRACT GUARDS

Mr. CHISTOLINI. Well, since the tragedy of Oklahoma City, we have more than doubled the number of contract guards providing the type of service that you're talking about. We now have more than 6,000 contract guards on duty at Federal buildings and lease locations across the country and it has been done for a couple of reasons. One, we've had a ceiling limitation as to the number of Federal employees we could have and, two, the types of services that the contract guards provide, which is mainly a security service as opposed to law enforcement, seems to work very well with this here.

Ms. NORTHUP. Well, it seems to me like why it works well is to be able to point to a reduction in Federal employees but actually have the same number. I think that there were always these security provisions. Am I not right, that this—this is a Federal building. This isn't an area that I represent off Federal property, that they always had formerly Federal employees, but they've always had security officers there at the entrance?

Mr. CHISTOLINI. Without knowing the specific building, generally our policy is that—we use contract guards to assist the Federal officers at these locations, and now that we have more magnetometers and other security measures, the types of duties that these contract guards provide fit into that mold of security a lot better. In fact, we actually have more law enforcement people on board now than we've had since 1995.

Ms. NORTHUP. So what you're saying is that they are not needed for the house security needs but more for personnel—they have less training?

Mr. CHISTOLINI. Well, they don't need to have the law enforcement training or credentials, but they do need to help provide the security measure, such as manning the magnetometer, looking at people's identification, signing contractors in and escorting them throughout the building. So it's more of matching the task with the person's qualifications.

Ms. NORTHUP. Well, that's fine. I mean, you can put them at wherever that rank is that they would fall, any other building, but the fact is that they are full-time employees serving a Federal purpose, and I'm pretty shocked to find out that, you know, we see all the time Members of Congress talking about fair employment, about reasonable benefits and that we have this whole staff, none of whom are getting what we think are sort of the goal of basic packages that we hope employers will provide in the private sector. I don't know if that surprises anybody else at this table, but I think that's pretty shocking.

Mr. HOYER. Will the gentlelady yield?

Ms. NORTHUP. Sure.

PRIVATIZATION

Mr. HOYER. It's known as privatization. It's known as contracting out. It's known as trying to get rid of Federal employees theoretically on the rolls and having private sector do it, which, as you know, many people on both sides of the aisle are strongly in favor of. As you know, I'm not particularly a fan of contracting out.

Ms. NORTHUP. Well, if the gentleman will yield, I—first of all, let me say that I think privatization is a reasonable thing. I do not believe that when the goal is to point to how many fewer Federal employees we have, that when actually we have the same number, we're just moving them from a—from actually naming them as employees to a contract, that that should count as a reduction. But more importantly, I think that when we have a request for a proposal, what a basic level of benefits are would be expected. I don't—I happen to believe that sometimes privatization is a good way to go. But I don't think providing such a low level of benefits and in particular, like I said, even health insurance isn't provided for these employees. I find that pretty surprising.

Mr. HOYER. If the gentlelady would yield again. In the Defense Department, for instance, when we have these discussions about cutting the Federal employees, many say, oh, yes, we've cut a lot of people in the Defense Department. That's why, the assertion being that that's why we got the numbers down. In fact, if you look at the Defense Department, there is a very high level of contract employees in the Defense Department, and the net number, if you combine them both, may not have gone down but you make a good point on two levels. First of all, the claim that we're reducing numbers of employees may or may not be accurate, depending upon, whether we kept them on as contract employees. And secondly, that if there is a cost savings, particularly in the short-term—I'm not convinced there's a long term savings but if there's a cost saving in the short term, it is in many respects because the employees are paid less or the benefits are less. I think you make a good point.

Ms. NORTHUP. Well, again let me just say it's not the privatization. The reason we talk about fewer employees is if you look at the private sector, whether it's building trucks or whether it's building washing machines, they make a lot more washing machines with a far lot fewer employees, and the benefits are still there for those employees. They've just relied on technologies and efficiencies to do more. My concern is, is that there should be—when you have a request for proposal, that there should be a basic level of what the benefits would be. I'm not presuming that, you know, quite honestly, you know, we—we could debate for a long time what the private sector's acceptable level of benefits are, but no benefits, no benefits strike me as going in the opposite—you know, going to the opposite extreme.

FSS SCHEDULE 1122 PROGRAM

Let me ask you another question. I think that Mr. Price approached this with you. The selling to the private sector, to State governments and local governments, to nonprofits, a list of—while I understand that that permissive legislation is there for the pur-

pose of law enforcement, which is seven schedules, what was purchased went far beyond what would be necessary for law enforcement.

Mr. DAVIS. The 1122 Program has been cleaned up and we're sticking to those particular items that have been included. I think it's down to seven schedules now, you're saying?

Ms. BENNETT. Yes.

Mr. DAVIS. Those items have been included specifically for law enforcement purposes and that has been the case for the last year.

Ms. NORTHUP. If you are no longer able to track them because they go directly to the supplier, how do you know who—whether or not the entity is entitled to purchase off the Federal schedule for—and if they're purchasing for, example, law enforcement? For example, if you allow local government to buy cars, it's one thing if they buy police cars or unmarked cars. It's another thing if they buy them for their park service.

Ms. BENNETT. The States are actually required to designate State Points Of Contact who are specifically designated as the authorized entity to buy from the schedules, and they are familiar with which schedules are open to them for that purpose. We educate our schedule holders or our contractors at the same time. They meet periodically to review their activities. In fact, we are conducting a large customer meeting later this month. They will actually be meeting as a group just to make sure that they understand the program, and we will be talking to them again about the controls on the program and the limitations on it.

Ms. NORTHUP. Recently I was looking for a printer, and I went to a Web site of, you know, one of the computers, and there you could access for businesses, for individuals or for the U.S. Government. Now, it asked for a U.S. Government number, and I suppose if I had had my number, I could have actually put it in there, but I didn't have it. But it struck me that, you know, I might be able to, you know—which I think is wrong, be able to buy a home printer if I wanted to. It was all on-line. You purchased it. Is that true, could I have done that?

Ms. BENNETT. It would depend on what on-line site you were looking at. There are certainly some sites that commingle the offerings of a company with regard to what's available to a government buyer versus a nongovernment buyer. I can only speak to the site that GSA hosts, GSA Advantage, which does require specifically that the buyers from Advantage have designated code numbers or they won't be recognized.

Ms. NORTHUP. But my point is as a Federal employee and as an office myself, could I or anybody else that has access to that number put it in and purchase—purchase from that schedule?

Ms. BENNETT. If you know the schedule number.

Ms. NORTHUP. Well, it was—I didn't need to know a schedule number. What I needed to know was what my Federal Government purchasing number was.

Ms. BENNETT. Yes, if you have a Federal Government purchasing number, meaning you have a charge card or an authorized account number, then you are authorized to buy from a schedule.

Ms. NORTHUP. And so no one would have checked to see whether that was a private purchase? I could have purchased it for my chil-

dren's private school? I could have purchased it for the friends who live across the street? I mean, is that the only safeguard that exists?

Ms. BENNETT. Well, if you buy it with a government charge card and you get caught buying in fact for personal uses, you are fraudulently using that card and there is follow-up action taken.

Ms. NORTHUP. Actually, I think this was asking not for a charge card number. I think I could have put in my personal credit card. It was asking for—for a purchase number, like apparently my office has——

Ms. BENNETT. It would not be, at least in an authorized GSA site, it would not be any personal number. We assign numbers. We know who the numbers are assigned to in terms of authorization codes.

Ms. NORTHUP. All right. And so if I use that, my question is how carefully do you document what's purchased with an authorized number, and for what purpose is it purchased?

Ms. BENNETT. GSA does not monitor those purchases. Those are done within agencies.

Ms. NORTHUP. And this was—I think this was the Sony Web site. Does Sony—if what you said earlier was that local governments purchase directly from the——

Ms. BENNETT. From the contractor?

Ms. NORTHUP [continuing]. Producer, the person selling it—I mean, I guess what I'm trying to figure out is if—let's say the Web site I'm on, let's say it is the City of Louisville, and they decide they're going to purchase a computer for their policemen. All right. That's an okay. Then they decide, well, let's go and purchase them for the health department to and, hey, while we're at it why don't we purchase some computers for the parks department. Is that possible?

Mr. DAVIS. It's possible. But if one of our purchasing agencies using a card or a code goes onto the system and makes a purchase, it is the responsibility of the manager to ensure that that expenditure of funds is correct and appropriate. That's true with any other agency, too. GSA itself is not responsible for ensuring that other agencies expend their funds in an appropriate fashion. The other agency has that responsibility.

Ms. NORTHUP. I think you're missing my point. My point——

Mr. SHERWOOD [presiding]. Mrs. Northup, I think maybe we better see if you can follow this up with——

Ms. NORTHUP. Okay. Let me just—I'm concerned about taking the commerce out of the local community and allowing much more expanded purchasing from the GSA account, which makes us become like the Wal-Mart of a small community.

Mr. DAVIS. I understand. Okay.

Mr. SHERWOOD. Thank you. Mrs. Meek.

Ms. MEEK. Thank you, Mr. Davis, and I welcome your staff.

Mr. DAVIS. Thank you. Good to see you.

GSA COORDINATION WITH CONGRESS

Ms. MEEK. Good to see you. I have just 5 minutes, and I'll make a comment first regarding GSA. I just wish I knew more about what GSA does. I know that this has been something that your

people have tried to help me with all the time, and we've met with them. They've come to Miami and back and forth. But there still is that gap, you know, of knowing what you do. It makes us better Congress people when we know what GSA is doing, so that sometimes when you're going to run into sticky wickets, we don't know about it until you are in the sticky wicket. Now, if we were to know about it ahead of time, many times we could run interference for you. That's happened a lot in my area, particularly with INS buildings—I'm sure you're aware of that—and a lot of other facilities you plan to bring to my area that I know nothing about until there's some little turmoil or something going on in the community.

My point is, is there any way that you could improve the contact? You know, we're getting almost like pothole people these days in the Congress, particularly in an area such as mine, in my district. People want to know—they ask me questions that I can't answer. I know to call you, but I would like to know ahead of time some of these things that are going on. Is my point well understood?

Mr. DAVIS. Yes, ma'am. We would be pleased to sit down with you at any time and give you an update as to what we're doing in your district, what's going on there and so forth. We could do that either here or in your district with your State director or your district director.

Ms. MEEK. That would be very helpful, Mr. Davis. Your procurement responsibilities are critical in building this Federal Government of ours that works better and costs less, and you're making good progress with this. Your real estate activities are commendable. You're doing a good job in that regard, but I want to focus my points on two areas, and I know each of your workers know about this. Every time you see me it's courthouse, courthouse, courthouse, in that it's been a while in trying to bring this courthouse situation to a head. And I'm hoping that it's ended before I go to the senior citizens center. Before I'm in a retirement home, I am hoping that the Miami courthouse will become a reality, and that's been a long process.

The status of this—at this point I want you to talk a little bit more about it. I know a lot about it, but certainly time is important, and the more time that—the more time it turns over, the more money it's going to take to put this courthouse—have it to come up.

The second thing I want to ask you about has to do with one of my favorite agencies, and that's the Consumer Product Safety Commission, and they have some initiatives going on, and you're involved with that. It appears to me that you are moving just like a—not a torque or a terrett, as my mother would say, in moving in this particular account. And this is a very small agency, but they're doing some extremely important work with children and the safety of children, and you promised to build them a warehouse. It doesn't sound much to you, I know, but it's important that this warehouse, which they're trying to get, comes on-line. And it's sort of slowing up what they're doing.

But first of all, would you address the Miami courthouse for me? Tell me something you haven't told me in the last three times.

STATUS OF MIAMI COURTHOUSE PROJECT

Mr. CHISTOLINI. Well, it's in the budget. There is $121 million in the budget for the Miami courthouse. In fact, this afternoon, one part of this project has been authorized by the Senate but not the House, and this afternoon we'll be talking to people on the House authorizing subcommittee about scheduling a hearing and about getting this project authorized. We have completed the design. It's a very attractive building, designed by a world class firm that's renowned for both security and for first-class architecture. I'm very hopeful that next year at this time they will be breaking ground.

DISAGREEMENTS CONCERNING DESIGN

Ms. MEEK. That's very good. I'll have to show you some of the things we get involved in. We've been in a big hassle about the design. I have nothing to do with the design, but there are people who have problems with the design. We have a very mixed populace in Miami and Florida, and of course I'm glad that GSA is open to the many vicissitudes of what it takes to be a Congress person in that area, and the more I can stay in contact with your office or with your people, the better it will be. And I'll tell you a sign they used to have on my desk, and I need to put it back when it comes to agencies. "Assume nothing." Please contact us, let us know what's going on. Don't assume that the people are going to like what you're doing. And I'd appreciate that.

STATUS OF CONSUMER PRODUCTS SAFETY COMMISSION PROJECT

And my last part has to do again—you know, I accept your answer. I hope we can get it authorized very soon. The second one that is back to the consumer product safety in the quick time I have. When will they get their laboratory, and when will they get a sample warehouse at the laboratory site? Now, are you aware of this problem?

Mr. CHISTOLINI. Just vaguely, and I have no dates rolling around in my memory. But I'd be pleased to provide you that information within a day or so.

[The information follows:]

CONSUMER PRODUCTS SAFETY COMMISSION

GSA will complete the master plan for the site in early September 2001. It will then be submitted to the National Capital Planning Commission (NCPC) fro review. Given the normal time required for processing, and assuming community support, the earliest date for NCPC and Montgomery County approval is December 15, 2001.

The time required to design and build the warehouse is nine months. Therefore, the earliest possible date that the facility will be available for Consumer Products Safety Commission occupancy is September 2002.

Ms. MEEK. All right. Thank you. Well, I can't fuss anymore, because you don't know what I'm talking about. That's the end of my questions, Mr. Chairman. Thank you.

Mr. SHERWOOD. That's a good reason, Ms. Meek. Mr. Davis.

Mr. DAVIS. Yes, sir?

CRITERIA FOR CONSTRUCTION/ALTERATION OF COURTHOUSES

Mr. SHERWOOD. I'd like to continue on this courthouse chat a little bit, but I may look at it a little bit differently. Your opening

statement says your—one of your principal goals are to promote responsible asset management in the Federal Government, and I certainly think that's the case. But what is the new administration's, or what is your criteria for the construction and alteration of courthouses? You know, in view that—in my understanding, on average, trial courtrooms are used for trial or nontrial purposes on only about 54 percent of all days that could be used in the Federal workyear. In other words, the Nation's courtrooms are on average used for some purpose 135 days and vacant 115 days of the 250-day Federal workyear. Now, I realize that every Federal judge in the world would like to own his own courtroom, but is that something we can afford to do, and is it because of the fact that we've been setting unrealistic goals for courthouses that have something to do with their high cost and being behind schedule?

Mr. DAVIS. Well, let me say—and then I'll turn it over to Mr. Chistolini, who's more familiar with this than I am, but let me say that we've worked awfully hard to negotiate a design guide for the court system, and we try to adhere to that, because that at least has the agreement of all the parties involved.

COURTHOUSE PRIORITIES

With the specifics, Paul, do you want to respond to that?

Mr. CHISTOLINI. We use the court's priority list. The Administrative Office of the Courts has a matrix that they use to evaluate needs, and it takes into account a number of things: the security at a location, the caseload, the deficiencies of the existing location, etc. And out of that, they get a ranking, and they give us the projects of what's actually needed. We defer to them in terms of what project should be done next based on their expert analysis of the needs, the use of the courtrooms and the court facilities themselves.

Mr. SHERWOOD. Gentleman, you told me everything except what I wanted to know.

Mr. CHISTOLINI. I didn't pick up about the costs?

COURTROOM SHARING

Mr. SHERWOOD. No. Are you designing them for single usage or multiusage? In other words, we understand that courtrooms on the average are used 135 days a year. Now, there's more than—you know, that would be—in a one-judge court, that would be one thing, but any court I know of has several Federal judges. What is the design criteria?

Mr. CHISTOLINI. The design criteria in the court's design guide is that each active judge has a courtroom.

Mr. SHERWOOD. That may be part of our problem.

Mr. CHISTOLINI. I think last year the Administrative Office of the Courts conducted a study. They had an outside consultant come in and look at utilization and come up with some recommendations about how better to use courtrooms. Last year at this time, the administration had taken a position that once you get above a certain size, there ought to be some economies of sharing, that once, let's say, you had 10 judges, maybe you could get by with eight courtrooms, by better efficient management. The AOC did their own

study, and I'll defer to them when they testify, but I believe it's still one courtroom for every active judge.

COST OF MIAMI COURTHOUSE

Mr. SHERWOOD. It was interesting to me that the cost that you told Mrs. Meek for the Miami courtroom was—courthouse was to be $214 million. Is that—did I——

Mr. CHISTOLINI. $121 million, sir.

Mr. SHERWOOD. Oh, $121. Excuse me, Mrs. Meek. I wouldn't want to make it any worse than it is.

Ms. MEEK. Would the gentleman yield?

Mr. SHERWOOD. Certainly.

Ms. MEEK. One thing. I'm glad you mentioned Miami. And who is this—Chistolini? Is it Chistolini?

Mr. CHISTOLINI. Chistolini.

Ms. MEEK. Sorry about that, Mr. Chistolini. I understand these inflationary pressures that you're having, but the Miami project, because of the delays that came up, the costs have been increased by about $13 million as a result of these delays, and these costs should have been included in the administration's 2002 budget request. And I'd request that they be placed in our bill. Why were the increased costs of the Miami courthouse project not included in the 2002 request?

Mr. CHISTOLINI. The project that's in here anticipates a certain number of courtrooms, 12. The project that's been authorized by the Senate anticipates more courtrooms. The administration's budget is only for the number of courtrooms called for in the design guide, and to get back to——

Ms. MEEK. I thank you, gentlemen.

JUDICIARY LATITUDE IN COURTROOM CONSTRUCTION

Mr. CHISTOLINI. The chairman's point here, and that was that the judges and the courts have a certain amount of latitude about the number of courtrooms, the usage, for senior judges and all of that. This particular project has been the pinnacle of a lot of that discussion about utilization sharing and that sort of thing.

Mr. SHERWOOD. And I sympathize with you for being in the middle of those pressures, but I think it needs to be said here today that resources are finite, and if we are behind on the schedule to build our new courthouses, I think that it would bear looking at whether or not we're building them to a design standard, which might be delaying other projects because of the finite resources. And I think that that needed to be said.

Mr. Visclosky.

STATUS OF HAMMOND, IN COURTHOUSE

Mr. VISCLOSKY. Thank you, Mr. Chairman, and if I could follow up on the line of questioning on courthouses, we have one under construction in Hammond, Indiana, as you may know. I would preface my remarks by saying that after several years of construction, within about the last 30 to 45 days, I did a tour of the facility. My curiosity after 51 years got the better of me and I asked the employees who were giving me a tour whether or not I could see one

of the restrooms that was being provided for the Federal judges. The GSA employee got on her cell phone to see if she could get permission from the Federal judge for me to see this restroom in a building that's under construction. And for a moment, I thought I was in the NRO building. I suggested that we didn't need to impose on the judge's time, that I would let my imagination simply run wild. And I note your observation about the judges having a certain amount of latitude. To be very frank with you, I believe during the 8 years, the former chair, Mr. Lightfoot, Mr. Hoyer and others and I fought to get that courthouse built, that there was way too much discretion as far as the Federal judiciary. I would point out the courthouse in Hammond was to be opened and occupied in November of 1999, then in January of 2000, then in September of 2000, then in March of 2001, and now it's simply sometime later this year. Would you, for the record, give us a date as to when that building will be open?

DELAY OF HAMMOND, IN COURTHOUSE

Secondly, in October of 2000, David Wilkinson, who was a spokesman for GSA, stated that the minor work to be completed primarily consisted of discolored limestone, which was not identical in shade or color. Thereafter, in December of 2000, Mr. Wilkinson stated that the major reason for the delay now was that the wood paneling for two courtrooms was—and I'm using his words—aesthetically impaired, end quote. I understand the paneling is English brown oak and that it is a fairly standard but also a very expensive material. I am wondering why a project is being held up for aesthetic reasons, and is there paneling of a less interesting grain that could be substituted?

Mr. CHISTOLINI. Well, this is one of the——

Mr. VISCLOSKY. In this room, we have no wood—well, we do have some wood paneling behind us.

Mr. CHISTOLINI. This is a project that I've visited twice in the past 6, 7 months, with a specific goal of urging it toward completion. I'm aware of the limestone issue and the fact it's some 80 or 90 panels that look a little different. To me, that's part of the natural character of the building. I've also looked at the wood paneling in the—one particular judge's chambers, and it's not up to his particular standard, and so we're trying to work through that. With regard to a date, best information I have—and I will confirm it in writing—is that we're looking for a September date—September this year, September 2001 date to move people into that building.

[The information follows:]

COURTHOUSE, HAMMOND, INDIANA

The Hammond, Indiana United States Courthouse project has incurred significant delays due to the dwindling size of the workforce on the project. The General Services Administration (GSA) is scheduled to meet with the contractor on May 24, 2001, to address this issue and the timeframe for the expected completion of the project.

Although the wood paneling for one courtroom and the library have been unsatisfactory, new paneling has been located and will be installed at no additional cost to the Federal Government. The affected judge will use another courtroom until the replacement paneling is satisfactorily installed. This will not delay occupancy of the courthouse.

By the same token, GSA does not expect any delay or additional cost due to the courthouse's limestone. It is anticipated that the natural drying process of the stone will result in more uniform colors. After the drying is completed, if any stone is considered to be too dark, a surface treatment will be used to address the situation.

HAMMOND, IN COURTHOUSE BUDGET

Mr. VISCLOSKY. When we started this project, the price tag was going to be about $50 million, and then additional security issues were raised. And I don't think anybody can complain about that. But now the additional costs amount to about $15.4 million, which is in the ballpark of about 25 to 30 percent. And also I had always defended the program on the basis that if we could get these disparate Federal agencies all in one unit, the U.S. attorneys wouldn't be paying rent to a private landlord. I think the delays certainly have added to that rental cost.

I have several other questions, if I could submit them for the record, but I would urge you to tell people to step on it. And as I said publicly before, I am a tenant at IUN and GSA helps us as far as being the Federal landlord. From my perspective judges are tenants, too, but I do think that this has really gotten out of hand.

Mr. CHISTOLINI. Sir——

Mr. VISCLOSKY. I don't mean this as a personal attack on judges, but it certainly seems very endemic to these types of programs.

Mr. CHISTOLINI. With regard to the budget, it is my understanding we're going to finish this project within the appropriation that Congress has given us.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. SHERWOOD. Thank you. I thank you also for helping make my point before you—that I was talking about before you came in. If we have finite resources, we're going to have good courtrooms and up to standard throughout the country, we've got to have that be a reasonable standard, not an unreasonable standard.

Mr. Hoyer.

NEED FOR ADDITIONAL COURT SPACE

Mr. HOYER. I have some questions on the Census Bureau that submit for the record, because I don't think that I can come back. The questions will take longer to develop than we have time before the vote. But let me make a comment with respect to Mr. Sherwood's observations. There has been a tug of war between the Judicial Conference Congress and the appropriators, and GSA. It's going to continue to be a tug of war. Judge Roth testified last year on this issue. But very frankly, that is a side issue, and we can talk about it all we want. We can talk about waste and fraud all we want. We can pretend all we want, but the fact of the matter is we have a very substantial surplus and a very big need, not to accommodate judges but to accommodate the public, to accommodate justice being relatively prompt, not being delayed, being conducted in an environment which is healthy for those who are there and who work there every day, being secure so that when we take some dangerous people, that we have places to accommodate them. Places do not pose a risk either to the court personnel or to the public. We ought not to divert ourselves from the critical need that exists.

That is not to say that we ought not to address, Mr. Sherwood, the legitimate—very legitimate questions you raise, but I will guarantee you you're not going to save $200 million by having multiple judges use one courtroom. I think that makes sense when you get to a certain number of judges.

You observed that one-judge courthouse, obviously you couldn't have. But above that, I think it's a legitimate discussion to have. But the crisis that we have is that we are costing the taxpayers of the future more money. We are shortchanging the users of the courthouse. We are a nation of laws. We resolve disputes in courthouses across the land, and the fact is that we are woefully underfunding the courthouse construction in America. Why? For the same reason that the private sector and the public sector get into trouble with respect to their infrastructure, because we can delay it for a year, we can delay it for 2 years, we can delay it for 3 years without an immediate consequence, because it's easy to delay maintenance and replacement. But doing so, particularly when you have a surplus, particularly when you're in good times as opposed to bad times where you need to pull in the reins, building a courthouse will not cost you more operating funds. Why? Because the courthouse personnel exists. In fact, because of efficiencies that may well be built into your new structure, you may save money. However it seems to me that when you have a surplus, you need it is the most rational thing to apply that, because it does not put you in a trick bag when you have leaner times by building in additional operating costs, which creation of a new program does.

We have 3½ minutes. We better go.

Mr. SHERWOOD. Yeah. We better go, but I'd like to make the final point that whether we have a surplus or not, prudent use of our money will give us the best courthouses in the future, and if we're holding them up because of the color of the marble and the texture of the wood and spending lots of money in that regard, somebody else isn't going to get a new one that they need.

Thank you very much. The hearing is adjourned—recessed. Excuse me. Correction. The hearing is recessed.

[Recess.]

GUIDANCE REGARDING LIMITED ENGLISH PROFICIENCY (LEP)

Mr. ISTOOK. No problem, Mr. Davis. You're mighty good to put up with the difficulties of our back and forth schedule between the floor and here today. Let me ask you, Mr. Davis, how frequently does GSA issue a policy guidance to entities with which it's involved?

Mr. DAVIS. I'm not sure I understand your question.

Mr. ISTOOK. Let me be specific. Sure. Certainly. GSA published in the Federal Register January 17th of this year a policy guidance. This was in follow-up to an executive order that had been issued by President Clinton in August, relating to persons who were described as having limited English proficiency. And that is a policy guidance, which—and I'm reading from it; "General Services Administration provides this policy guidance for its recipients of Federal financial assistance to ensure meaningful access to Federally assisted programs and activities for persons with limited English proficiency. This policy guidance does not create new obligations

but rather clarifies existing responsibilities, under title VI of the Civil Rights Act of 1964, as amended, its implementing regulations and relevant case law."

So that's why my first question related to this is how common is it for GSA to issue a policy guidance that's addressed to persons that are involved in Federal financial assistance programs relating to GSA? Do you know of any other instances?

Mr. DAVIS. Marty Wagner, sir.

Mr. ISTOOK. Certainly. Thank you.

Mr. WAGNER. Mr. Chairman, I'm afraid I know absolutely nothing about what you've described, but we will submit an answer to the record. In general, we issue policy guidance under the Property Act for, you know, the standard how the government manages itself. We have the Federal acquisition regulations, which are published roughly quarterly. We'll have the Federal travel regulations which will do the per diem every year. So there is actually a fair amount of policy machinery issuing regulations and guidance on all the issues about how the government manages itself.

I'm afraid I'm not at all familiar with the issue you raised, but I will find out about it.

[The information follows:]

GSA POLICY GUIDANCE ON LEP

It is not a common practice for GSA to issue policy guidance to persons involved in Federal financial assistance programs. GSA's Office of Civil Rights has issued policy guidance to State Agency Directors for Surplus Property because they assist us in implementing our Title VI program. However, the Office of Civil Rights has never issued policy guidance to recipients of surplus property.

Mr. ISTOOK. As you describe it, those are matters of internal management. You don't know—if I understand you correctly, you're saying you don't know of any other occasion when GSA has issued a policy guidance that is not directed internally within GSA but instead is directed to people with whom it does business or people who are beneficiaries of one of it programs?

Mr. WAGNER. The only thing I would try to be absolutely clear on, a lot of regulations that GSA would apply would apply to the government as a whole, e.g., all government travelers.

Mr. ISTOOK. Certainly, or all contractors.

Mr. WAGNER. Certainly.

Mr. ISTOOK. This one, however, is not addressed to the government. It's addressed—as it states, for recipients of Federal financial assistance, which is described further on therein, but if I understand you correctly, you don't know of any other occasion when GSA has issued a policy guidance for people outside of GSA?

Mr. WAGNER. Outside the—outside of, yes.

Mr. ISTOOK. Okay. Certainly. Let me—and I understand that you may not know specific answers, but I think it's important to go through this so that you might understand the significance of this or the difficulty with this.

Now, put briefly, the policy guidance states that the entities and the people to whom it's addressed have an obligation, at their own expense, to provide an oral translator and written translations of documents from English into other languages, depending upon the language with which another person that's doing business with them or is receiving some assistance is familiar. And it imposes

that obligation to provide translation orally and with documents, including what it terms are vital documents, which frankly is so broadly stated that it can include just about any documents, including certain things posted on Web pages, and here is what I want to get to, because when you say, well, to whom is this addressed? And the question of the legal authority, because this policy guidance hinges—a lot of the statements that it contains hinge upon some lower court decisions that were reversed by the U.S. Supreme Court last month in the Sandoval decision. I think it was actually, what, Alexander v. Sandoval, whatever the style of the case was before the U.S. Supreme Court. That particular one was an Alabama case where Alabama said you had to take your driving license test in English. They claimed they didn't, that that was unlawful to require them to do it in English, and the Supreme Court ruled in favor of the State of Alabama. So the legal authority, much of it that's cited in this policy guidance, has been overruled by the U.S. Supreme Court within the last month.

Now getting to the question of, well to whom is this addressed that GSA is telling people that this is your legal obligation, and the persons—as I say, it's people who are involved in Federal financial assistance programs. And I'm going to read from the document as it describes those assistance programs and who is involved with them. As it states, the two major programs at Federal Financial Assistance are the Federal surplus personal property donation programs and the disposal of Federal surplus real property for public use. The Federal surplus personal property donation program enables certain non-Federal agencies, institutions, organizations and certain small businesses to obtain property that the Federal Government no longer needs. And it goes on to describe the broad variety of that property, everything from hand to machine tools to motor vehicles, boats, airplanes, electronic equipment and so forth.

And then it describes the entities: Federal surplus personal property may be donated to nonprofit educational and public health activities. Eligible recipients include nonprofit educational and public health activities, such as medical institutions, hospitals, clinics, health centers and drug abuse treatment centers, schools, colleges and universities, schools for persons with mental or physical disabilities, child care centers, educational radio and television licensed by the Federal Communications Commission, museums attended by the public, and libraries, nonprofit tax exempt organizations that provide food, shelter or support services to homeless people. Additionally, public agencies involved in such activities as conservation, economic development, education, park and recreation programs, public safety, public health, programs for the elderly and programs for the homeless. Public agencies generally include States, the departments, divisions and other instrumentalities, political subdivisions of States, cities, counties and other local government units and economic development districts, instrumentalities created by compact or other agreement between State or political subdivisions, Indian tribes, bands, groups, pueblos or communities located on State reservations, states and local government bodies and certain nonprofit institutions, community-based educational organizations, schools, nonprofit groups. It mentions the allocation of

space for little or no cost to Federal credit unions, vending stands operated by blind persons and child care centers.

These are the entities which, under the policy guidance, are affected by those programs, and which, therefore, are covered by this policy guidance issued by the GSA. In being—it then goes into great detail of what they're being required to do regarding making translations from English into an unlimited number of other languages available at their expense, both oral and written. It even has recommendations that sometimes you probably need to hire two different people to provide the translation services to make sure they're accurate and so forth. And it goes on to say that enforcement—enforcement—well, first, it says compliance. It states that all recipients—and I described the category of recipients. Paragraph 13 says, all recipients must take reasonable steps consistent with this policy guidance to overcome language differences that result in barriers and provide the language assistance needed to ensure that persons with LEP, limited English proficiency, have meaningful access to services and benefits. Paragraph 14 goes into enforcement, that it's going to be GSA's Office of Civil Rights will be enforcing this, and including compliant investigations, compliant reviews—compliance reviews, efforts to secure voluntary compliance and technical assistance, and it goes on to state that they will follow existing procedures under the Code of Federal Regulations if people do not comply, which I presume would mean that entities such as I've described would lose their ability to participate in these GSA programs to receive surplus government property or to use government services at little or no cost under the designated circumstances, that these are going to be enforced by GSA, which can include removal of a large number of entities from participation in those programs. All of this, of course, without any act of Congress that says that this is the law or this is what's supposed to be done.

Do you have any idea, Mr. Davis, how many people and institutions and entities would be affected by this guideline that GSA has issued, and have they been notified about it?

Mr. DAVIS. Well, the first part, quite a few people would be, from what you're describing to me.

Mr. ISTOOK. Certainly.

Mr. DAVIS. And I have to admit to you, I'm completely cold. I need to go back and find out what all this is about. But quite a few people would be affected, and I'm somewhat surprised, really. I need to go back and find out where we are and get back to you.

[The information follows:]

LEP GUIDANCE TO RECIPIENTS

The requested information on how many people, institutions and entities would be affected by GSA guidelines is not readily available for all programs. GSA is currently compiling the information and will furnish this data to the Committee upon its completion. Concerning notification, the Office of Civil Rights is in the process of notifying those entities and institutions by sending out videos to recipients explaining LEP and by meeting with recipients during on-site compliance reviews.

Mr. ISTOOK. Certainly. And I appreciate, I understand you may not have personal familiarity with it, but I don't think the entities that are about to be cut off from their participation in programs established by Congress are aware of it either, and I can only imag-

ine, you know, even if GSA were trying to notify all these people of what it says is their legal requirement and that GSA is going to be enforcing it through its Office of Civil Rights, I think they would be very surprised. And I imagine they would be very angry and coming to GSA, coming to the Congress, going to the White House, and saying, do you realize what kind of burden you're imposing upon us and the cost of it and the enormous uncertainty? If you read through—I mean, I haven't hit all the high points in this particular document, but it was published by GSA, and it states that it's effective immediately. That was on January 17th. It also says comments are to be submitted on or before March 20th. I'd certainly like to know what feedback you got, but, again, I think most people in this Nation are totally unaware of this, and I think most of the affected people—I think by reading this obviously the number of people affected would be in the millions, that they are unaware of this, and we don't want them to find out by somebody saying, got you, when they file a complaint with GSA's Office of Civil Rights. And I don't know how much it might cost us in the appropriations of GSA to fund the kind of investigations and compliance efforts that this document outlines.

So I think there's a very severe problem. It's not limited just to GSA. It's other government agencies also, pursuant to that executive order that was issued last August, but as I say, not pursuant to an act of Congress and relying on court decisions that have been overturned by the U.S. Supreme Court.

So I would appreciate certainly your responses to the record relating to this, and your review of what you're going to do, whether you're going to rescind this, whether—you know, or if you think it's justified, how people whose rights are dramatically affected would be notified by this. But I think it's an enormous burden upon taxpayers, upon nonprofit groups, upon government agencies, schools, I mean, even vending stands operated by the blind, as it states. And I certainly don't want us to have to appropriate untold millions of dollars for GSA to be involved in trying to enforce this particular policy guideline, as it's called. And evidently—and I know you'll correct me if—if you're mistaken. Evidently it seems to be very unique in the history of GSA, and it was published, as I say, on January 17th.

Mr. DAVIS. We will get back to you on that.

[The information follows:]

STATUS OF LEP POLICY GUIDANCE

The Policy Guidance was drafted in direct response to Executive Order 13166, which is under the jurisdiction of the Department of Justice (DOJ). We are awaiting further guidance from DOJ, who is awaiting a formal announcement from the White House. At that time a decision will be made regarding LEP.

Mr. ISTOOK. I appreciate that, Mr. Davis, and I realize it's always a challenge when you have things brought up for which you're not prepared to respond, but that's just part of the price of dealing with a large government agency and handling it.

Mr. DAVIS. Yes, sir.

Mr. ISTOOK. We certainly have other things that we'll be submitting for the record. I appreciate your remaining, and we'll look forward to getting that further information.

Mr. DAVIS. Okay.
Mr. ISTOOK. Thank you very much, and the hearing is adjourned.

JUDICIAL CONFERENCE OF THE UNITED STATES

STATEMENT OF

JUDGE JANE R. ROTH
U.S. COURT OF APPEALS FOR THE THIRD CIRCUIT

SUBMITTED TO

THE SUBCOMMITTEE ON TREASURY, POSTAL, AND GENERAL GOVERNMENT

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE FY 2002 COURTHOUSE CONSTRUCTION PLAN

MAY 10, 2001

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to submit this statement in my capacity as the chairman of the Judicial Conference's Committee on Security and Facilities.[1] Chairman Istook, I look forward to working with you, Representative Hoyer, the other members of the Subcommittee, and your staffs in the future.

On behalf of the entire judiciary, I would like to express our appreciation for the appropriations provided for courthouse projects last year. Unfortunately, Congress was able to fund only half of the projects which the judiciary supported. This year, the judiciary is seeking appropriations for those projects which did not get funding last year plus some additional projects that are ready for funding in FY 2002.

FY 2002 Courthouse Program

President Bush's FY 2002 budget request includes $216.8 million for courthouse construction projects and $130.3 million for court-related repair and alteration projects. While the judiciary appreciates the fact that some courthouse construction funding was included in the Administration's budget request, it does not include all of the courthouse projects which critically need funding in FY 2002.

The judiciary supports the President's budget request for courthouse projects. Most of these projects have already been authorized. Some of the projects are on the judiciary's prioritized list for FY 2002 and some are from previous years and may need additional appropriations and authorizations for inflation.

There are also ten new projects not included in the President's budget which the judiciary

[1]The Judicial Conference of the United States is the judiciary's policy-making body.

supports for FY 2002: Rockford, Illinois; Cedar Rapids, Iowa; Nashville, Tennessee; Savannah, Georgia; Fort Pierce, Florida; Jackson, Mississippi; Austin, Texas; San Diego, California; Cape Girardeau, Missouri; and San Jose, California. Three of these projects have already been authorized by the House and Senate, although these resolutions may need to be increased now to match GSA's latest estimates due to inflation. I have attached a chart to this statement that summarizes the judiciary's FY 2002 funding needs and the President's budget request.

The Judicial Conference also supports construction of a federal office building to house the court of appeals staff and potentially other federal agencies in Atlanta, Georgia. In addition, the Judicial Conference requests an appropriation of $15.0 million for inflation for the Miami, Florida courthouse project, which received an advanced appropriation which is not available until FY 2002. The judiciary supports a plan worked out by GSA and the court for constructing 14 courtrooms and shelling-out two courtrooms now, to be finished when they are needed.

Finally, the judiciary requests that the Subcommittee appropriate an additional $26 million to complete the Brooklyn, New York courthouse annex. The additional $26 million in funding is needed to build out the eight courtrooms and eight chambers in the annex as planned and authorized. These courtrooms and chambers are crucial to accommodate the judges that will be working when the annex opens and to permit the planned renovation of the existing courthouse. I am submitting for the record a separate statement by Judge Raymond Dearie of the Eastern District of New York which elaborates on the serious housing problem that will be created if sufficient space is not constructed in Brooklyn at this time.

Some FY 2002 Courthouses Have Special Requirements

The judiciary is in disagreement with OMB's unilateral decision to eliminate small

amounts of space which the judiciary needs due to special requirements in some courts. Our planning guidelines are intended to recognize that some courts operate differently from others and handle different types of cases. For example, for some projects on our FY 2002 list, the judicial councils of the various circuits have determined that a senior judge[2] will need exclusive use of a courtroom for longer than ten years. Such special requirements result in minor increases in square footage and minimal costs in the long term. The judiciary plans to use these courthouses for decades into the future; shortsightedly making them smaller than needed will only necessitate the judiciary returning to Congress to request additions to relatively new courthouses at greater expense to taxpayers. We hope you will provide funding for the projects based on the requirements submitted by the courts. Details of these changes will be provided to Subcommittee staff.

The Project Backlog

Ten years ago, the judiciary, Congress, and the GSA embarked on a construction program to replace court facilities. Some existing courthouses are at full capacity with no room for expansion. Most are aged and obsolete, cannot provide adequate security, and cannot accommodate emerging technology. Due to a lack of funding, the program is now seriously behind schedule. In fiscal years 1998 through 2000, the previous Administration did not include any funding for courthouses in its budget request. In FY 2001, the Administration included funding in its budget for only 7 of the 21 courthouses approved by the Judicial Conference. Congress has appropriated funds for courthouse construction only twice in the last four years. This has created the backlog.

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[2]Senior judges are those judges who are eligible to retire but who continue to try cases.

Delayed funding of courthouse projects can result in significant cost increases. Although GSA has estimated that construction costs were increasing an average of 3-4 percent for each year of delay, there have been some situations where escalation factors have been significantly higher. As a result, had the 20 projects the judiciary supports in FY 2002 been built when they were originally scheduled, the projected costs would have been approximately $50 million lower than they are today due to inflation.

Need For New Courthouses

In spite of these delays, the workload of the federal courts continues to increase, necessitating additional judges and court staff. In the last ten years, criminal cases have increased 32 percent, civil cases have increased 20 percent, and bankruptcy filings have increased 68 percent. Congress provided nine new federal district judgeships in FY 2000 and ten more in FY 2001. The Judicial Conference of the United States is currently requesting that 54 more Article III judgeships be created. Furthermore, about 127,000 persons are under the supervision of the judiciary's probation and pretrial services officers. These officers need space to conduct drug testing and to hold meetings with those under supervision.

Many of the courthouses in use today are more than 50 years old and do not meet the needs of a modern-day justice system. A major problem is security for the jurors, witnesses, court employees, judges and the public. Oftentimes, the courthouses lack separate routes of circulation so that prisoners are transported through the same areas and elevators as judges, jurors and members of the public. Some courthouses do not have holding cells adjacent to courtrooms or sally ports for bringing prisoners into the courthouses in a secure manner. The courthouses frequently have operational problems such as inadequate heating and ventilation

systems and electrical systems that are incompatible with modern technology requirements. For example, in some older courthouses, the infrastructure will not allow the wiring necessary for courtroom technologies such as video evidence presentation systems, videoconferencing systems, and electronic methods of taking the record, which will streamline trials and improve the quality of justice.

A courthouse project is not proposed for consideration unless the district's long-range facility plan indicates that there is no more room for judges in the existing facility. Usually this determination is made after all executive branch agencies and court-related units (probation, pretrial services, and the bankruptcy court) have been moved from the existing building. Therefore, the projects on the judiciary's Five-Year Plan are urgently needed when they are placed on the plan and delays only exacerbate operational problems. We have provided Subcommittee staff with a fact sheet on each courthouse project that describes the current housing situation and the need for a project at that location.

The judiciary's problems are particularly acute along the southwest border, where drug and immigration enforcement efforts have caused the workload to more than double and where proximity to the Mexican border magnifies security risks. Three of the 20 courthouse projects requested for FY 2002 are located along the southwest border. We have provided copies of a video on the southwest border court problems to Committee staff. I urge you to take the time to view it in the near future.

Cost Containment

The federal judiciary, working with GSA, has taken many steps to economize and ensure better management of the courthouse construction program without sacrificing functionality.

The courthouse construction process has become increasingly rigorous, disciplined and structured over the past several years as a result of these actions.

On the recommendation of the National Academy of Public Administration, the judiciary began its long-range facilities planning process in 1988. The objective of the planning process is to determine the ability of existing facilities to meet the judiciary's projected future space needs. The planning process was designed to provide the judiciary with a systematic, apolitical method of identifying and defining the need for new courthouse projects. In January 2001, the General Accounting Office issued a very positive report to Congress about the judiciary's long-range planning process. In May 2000, the consulting firm of Ernst & Young, which was retained by the judiciary to study the courthouse program, found that the facilities planning process has been effective. The judiciary received GSA's Annual Achievement Award for Real Property Innovation for the long range planning process in 1998.

In 1993, GSA instituted a benchmarking process to evaluate the cost of proposed new construction projects and to help identify potential savings. Baseline benchmarks were established for federal courthouses based on industry data. The benchmarks are then adjusted for project specific conditions such as costs for seismic construction and geographic location. For example, a benchmark would suggest a range of acceptable costs for a courthouse project in Washington, DC from $145 to $170 per square foot in 1993 dollars. The benchmarks have been adjusted over time to incorporate security construction criteria adopted by GSA subsequent to the bombing of the Murrah Federal Building in Oklahoma City and to accommodate technological advancements. GSA uses benchmarks to compare costs of Federal construction with private sector buildings and to compare courthouse projects nationwide. Construction cost

estimates are now based on the benchmarks.

In 1996, at the urging of Congress, the judiciary began prioritizing courthouse construction projects against defined criteria. The judiciary uses a scoring system to develop an annual, prioritized Five-Year Courthouse Project Plan. Congress uses the scoring system and the Five-Year Plan to allocate resources for courthouse construction, funding permitting. Ernst & Young found that the scoring process was logical and appropriately focused on facilitating judicial functions. The scoring criteria take into account security problems; building conditions; the number of judges affected by a lack of space; and the length of time the facility has not been able to accommodate additional judges.

Courthouse construction conforms to the *U.S. Courts Design Guide*, which identifies the functional requirements for courthouses. The 1997 edition incorporates new criteria in response to economic constraints. In 1997, a cost estimating consultant determined that these changes would result in an average of five percent savings in the cost of projects. These changes include: prohibiting the use of exotic hardwoods; encouraging GSA's private sector design architects to develop a selection of finishes that responds to construction cost limitations, optimizes long-term value, and satisfies functional requirements; defining in greater detail the amount of circulation areas needed in order to limit this space; prohibiting architects or court staff from adding spaces not contemplated in design; and encouraging shared use of space common to all court offices, such as conference and training rooms.

Summary

The judiciary is truly grateful for the resources provided for the courthouse construction program so far. However, recent delays in courthouse funding have created a backlog of

facilities that need replacement. The judiciary has outgrown these facilities and they suffer from serious security and infrastructure problems. Improvements made to the planning process and design standards over the years help to ensure that the courthouse program meets the judiciary's workload needs in an economical and functional manner. Therefore, the judiciary asks that you provide appropriations, in accordance with the judiciary's stated needs, for the courthouse projects on the attached list.

Thank you for the opportunity to submit a statement to the Subcommittee. I would be pleased to answer any questions you might have as you consider the judiciary's facilities requirements.

*****

Judicial Branch Courthouse Construction Program for FY 2002
(Dollars in Millions)

Project (In Priority Order Approved by Judicial Conference)	Project Phase For Funding	Amount Recommended by the Judiciary in FY 2002	Amount Requested in President's Budget
(From Previous Plans)			
Brooklyn, NY	Design & Construct	$29.361	$3.361
Washington, DC	Construction	6.595	6.595
Buffalo, NY	Site & Design	0.716	0.716
Springfield, MA	Design & Construct	6.473	6.473
Miami, FL	Construction	15.000	0
(On FY 2002 Plan)			
1. Fresno, CA	Construction	$121.225	$121.225
2. Erie, PA	Construction	30.739	30.739
3. Eugene, OR	Additional Site & Design	4.470	4.470
4. El Paso, TX	Site & Design	11.193	11.193
5. Mobile, AL	Site & Design	11.290	11.290
6. Norfolk, VA	Site & Design	11.609	11.609
7. Las Cruces, NM	Design	4.110	4.110
8. Salt Lake City, UT	Construction	*	0
9. Little Rock, AR	Additional Site & Design	5.022	5.022
10. Rockford, IL	Site & Design	4.933	0
11. Cedar Rapids, IA	Site & Design	15.100	0
12. Nashville, TN	Site & Design	14.300	0
13. Savannah, GA	Construction	46.500	0
14. Fort Pierce, FL	Site & Design	4.314	0
15. Jackson, MS	Site & Design	13.231	0
16. Austin, TX	Site & Design	12.923	0
17. San Diego, CA	Design	14.337	0
18. Cape Girardeau, MO	Construction	36.900	0
19. Orlando, FL	Construction	*	0
20. San Jose, CA	Site & Design	19.441	0

* GSA indicates these projects may not be ready.

Statement of
The Honorable Raymond J. Dearie, District Judge, Eastern District of New York
on the Brooklyn, New York Courthouse Project
before the
Subcommittee on Treasury, Postal Service and General Government
House Committee on Appropriations
May 10, 2001

Mr. Chairman and Members of the Subcommittee:

On behalf of the court in the Eastern District of New York, I appreciate the opportunity to submit a statement regarding the Brooklyn, New York courthouse project that is pending before your Subcommittee. When the existing building was constructed more than 40 years ago, the planners underestimated the anticipated growth of the court and built a facility far too small for the judiciary's needs. Judges in the Brooklyn Division have extremely heavy and complex caseloads, well above the national average for district judges. Three new judgeships are currently authorized by the Judicial Conference for the Eastern District – at least two of those judgeships will be assigned to the Brooklyn court. Moreover, senior judges continue to carry full caseloads to ensure the court is able to fulfill its responsibilities.

The lack of foresight with the original building led to the need for this latest new courthouse project. This project has involved demolition of a large part of the former federal building/courthouse and the construction of a new courthouse annex on that site to house all of the district court, followed by renovation of the remaining portion of the building to provide space for future growth. It has taken nearly 20 years to get this new courthouse annex planned, designed and under construction. The construction funding for this project was appropriated in FY 1997. Unfortunately, it is now clear that the new courthouse annex as currently planned will also be too small and will not be able to house all the judges when it opens.

The current shortfall in space results from the fact that during two separate procurement actions on the part of the General Services Administration for the courthouse, the construction bids received by GSA were above the funding level authorized and appropriated by Congress. GSA chose to redesign the project, modifying some features of the building and dramatically reducing the scope of the project by first, entirely eliminating four floors from the building and second, only shelling out an additional four floors. This last action means that four floors (9-12) in the new building, which were originally planned as space for eight courtrooms and eight chambers, will be left as shelled space and unavailable for court use.

GSA bases the size of a courthouse on a 10-year projection of space needs. Projecting out 10 years to 2012, the judiciary will need to have 34 courtrooms in Brooklyn. However, only 26 courtrooms (16 in the new annex and 10 in the old courthouse) will be available in 2012 if GSA does not build out the eight courtrooms and eight chambers planned for the four empty floors in the new annex. Moreover, if the eight courtrooms and eight chambers are built, not only will the total project meet the needs of the judiciary for approximately ten years, but there will already be enough judges to fill the new annex upon its completion in 2003.

As mentioned earlier, the second portion of this courthouse project involves the renovation of the existing courthouse. GSA has requested $3.791 million in this year's budget to design that renovation. The original plan was for all the judges to move to the new annex upon completion and leave the existing courthouse empty during the time of its renovation. When the renovation is completed, the additional space in that building will be needed for judges currently working and others added to the court by that time.

Unfortunately, with the eight courtrooms and chambers cut from the annex, GSA is now proposing to undertake the renovation with the judges still occupying the existing building. It is clearly unworkable to occupy the courthouse during the extensive renovation that is planned. The noise and activity will make it impossible to hold court and the removal of asbestos and PCBs required in the renovation will expose the public and everyone in the court to hazardous materials. Lastly, there will not be a sufficient number of courtrooms and chambers available for the 28 to 30 judges who will need accommodation during the renovation.

Certainly, the build-out of the eight courtrooms and chambers now would be the most efficient and the most economic way to accommodate space needs of the Brooklyn court. GSA's experience in Brooklyn has made it clear that costs are rapidly rising in the local construction market. The current estimate of $26 million to complete these courtrooms and chambers now as part of the on-going construction project will be significantly increased if GSA waits to do it later as a separate project. Providing these rooms in the new annex will also permit the judges to occupy the annex during renovation of the existing building, thus saving substantial time and costs for the renovation project, as GSA has recognized.

It is also important to note that the space shortages I have described are all predicated upon the GSA completing the new annex and starting renovation of the old courthouse on the dates currently projected by GSA. Unfortunately, this project has a history of not meeting target completion dates. For example, when the construction contract for the new annex was finally awarded in October 1999, the completion was planned for May 2002. I have been informed that the completion date has slipped to January 2003. Any further delays in the project will

exacerbate the crowding that will take place as new judges are scheduled to replace senior judges steadily through the next decade.

The judiciary has been more than patient as this project has evolved. We have been working under very difficult circumstances, managing an ever-increasing caseload in extremely overcrowded and dangerous conditions. Brooklyn is the only place in the country where the Judicial Conference of the United States has declared a judicial space emergency. The means of ending the inconvenience to the public and litigants and to permit the efficient operation of the court is within our grasp. The logical solution is to proceed now with building out the eight courtrooms and chambers which were planned for floors 9-12 of the new annex and which are critically needed.

I strongly urge the Subcommittee to act at this time to appropriate funding in FY 2002 for the $26 million which GSA has indicated would be needed to complete construction of all eight courtrooms and eight chambers this year.

On behalf of the court, I appreciate your interest and will be happy to answer any questions about the serious housing situation in Brooklyn that the Subcommittee might have.

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QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FEDERAL BUILDINGS FUND

Question. The President's budget appendix provides data concerning rental income across three fiscal years: that actual amount received for the year just ending, the estimate to be received for the current year, and a projection of the amount to be received for the budget year.

Provide a table showing for fiscal years 1996, 1997, 1998, 1999, and 2000 the rental income actually received that fiscal year, the rental income for that fiscal year estimated during the current fiscal year (as shown in the President's budget appendix for the budget year), and the rental income for that fiscal year projected for the budget year (as shown in the President's budget appendix for the budget year).

Answer. Below is a table showing for fiscal years 1996, 1997, 1998, 1999, and 2000 the rental income:

FEDERAL BUILDINGS FUND RENTAL INCOME
(Excludes Outleasing and Miscellaneous Income)
($ in millions)

Fiscal Year Revenue	1996	1997	1998	1999	2000
Budget Year of Submission					
1996	$ 5,193				
1997	$ 5,022	$ 5,214			
1998	$ 4,695	$ 4,827	$ 4,957		
1999		$ 4,804	$ 4,846	$ 5,242	
2000			$ 4,872	$ 5,397	$ 5,571
2001				$ 5,369	$ 5,551
2002					$ 5,618
Change between Original Estimate* and Actual	-10%	-8%	-2%	2%	1%
Change between Revised Estimate and Actual	-7%	0%	1%	-1%	1%

Example: In the BY 1996 submission, the 1996 fiscal year revenue was estimated to be $5,193.
In the BY 1997 submission, the 1996 estimate was revised to $5,022. In the BY 1998 submissic the 1996 actual fiscal year revenue was recorded as $4,695.

* Since the Original Estimate in the President's Budget does not include indefinite authority and
The Actual as reported in the President's Budget does include indefinite authority, the Original Estimate is adjusted in this worksheet to include indefinite authority in order to accurately Compare the two numbers.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. What conclusions, if any can be drawn from these data regarding the accuracy of GSA projections and estimates of its rental income?

Answer. GSA's revenue projections have improved dramatically. New procedures and controls have been used to prepare the 1998 and subsequent budget submissions. Since this time, actual revenue has been within 2% of the estimates used in the budget.

Question. On page FBF-9 of your FY 2002 budget justification, you indicate that the space assigned to three major federal groups (U.S. Courts, Department of Defense, and Department of the Interior) as well as the net space assigned to other federal agencies for FY 2002 is projected to decline from that amount of space which has been assigned to them for FY 2001.

Are the space needs of these groups declining in total, or are these agencies making more use of non-GSA space? What, if any, conclusions should be drawn from these data regarding the declining need of federal agencies for GSA managed (owned and leased) space?

Answer. Because the changes are so modest, we believe it would be inappropriate to conclude either that these agencies are no longer growing and in fact are now contracting or that they are taking their space business elsewhere. The total inventory of GSA assigned space increased by approximately two percent from FY 2001 to the FY 2002 request and by approximately four percent over the two-year period from FY 2000 to the FY 2002 request. The U.S. Courts, Department of Defense, Department of the Interior, and other agencies had a combined decrease in assigned space of less than one percent from FY 2001 to the FY 2002 request. And in the specific case of the Department of the Interior, while assigned space decreased by roughly 1.5 percent from FY 2001 to the FY 2002 request, this followed an increase in assigned space of almost 12 percent from FY 2000 to FY 2001. Thus, the assigned space for the Department of the Interior had an overall increase of roughly 10 percent from FY 2000 through the FY 2002 request.

Viewed from the multi-year perspective, the data demonstrate that GSA assigned space for federal agencies is generally increasing, and occasional single-year decreases are negligible.

Question. In response to questions for the record last year, GSA stated that its lease customers (federal agencies that rent space from the private sector through GSA) have indicated that the 8 percent GSA lease fee is fair and reasonable.

Briefly describe the basis for this statement. How many customers (total and as a percentage) have indicated that it is fair and reasonable? How did these

customers make this indication evident to GSA? Is this statement backed up by statistical evidence?

Answer. GSA has not conducted a statistical study or survey of the agencies regarding the 8 percent fee. However, before the fee was established as policy, GSA presented the concept and purpose of the fee to the majority of agencies served by GSA. Presentations were made to the Federal Administrative Managers Association (FAMA), which includes headquarters representatives of GSA's major Executive Branch customer agencies. The FAMA members expressed support for a flat fee. GSA recommended and OMB approved the flat fee to be set at 8%. GSA also met with members of the Small Agency Council, which represents smaller federal agencies, and with the Administrative Office of the U.S. Courts to gain acceptance for the 8 percent fee.

Question. Data provided in responses to questions for the record last year and in your FY 2002 budget justification indicate that GSA vacancy rates (for both owned and leased space) have significantly declined over the past several years.

To what factors do you attribute this decline in vacancy rates?

Answer. The decline in vacancy rates is attributable both to GSA's aggressive efforts to lower vacancies within its own portfolio of properties, both owned and leased, as well as to the general tightening of vacancy rates in commercial real estate markets throughout the country. Vacancy rates are volatile and reflect supply and demand forces, which in turn are comprised of many factors. In many markets, because rents are relatively high, new product is now being added at a pace which is significantly ahead of net absorption rates; this augers for an increase in vacancy rates over the next two to three years. However, GSA will continue to strive to manage space assignments so as to minimize vacancy rates within its inventory.

Question. In response to questions for the record last year, GSA stated that the vacancy rate for its leased inventory historically runs at about 4 percent. This historical rate is used by GSA to justify half of the 8 percent GSA lease fee. Data provided last year in response to questions for the record and on page FBF-9 of your FY 2002 budget justification suggest that the recent vacancy rate for GSA leased space has been less than 3 percent.

Should the GSA lease fee be reduced by 1 percent to reflect the more recent vacancy rate? If not, why not?

Answer. The 8 percent fee was set to recover the full cost of the services GSA provides as well as to cover the risks which GSA bears in leased space. One of the principal risks, but not the only risk, is vacancy. In setting the fee at 8 percent, we looked not at the vacancy rate at any one point in time, but the rate of vacancy in leased space over the long term. GSA's experience has been that,

over the long term, vacancy rates in leased space average approximately four percent.

Moreover, if GSA were to adjust the fee downward during times in which the vacancy rate drops, then it would also be fair to raise the fee when vacancy rates rise. A significant part of GSA's rationale in moving to the flat, fixed 8 percent fee was to provide stability and predictability in agency budget preparation. Such adjustments in the fee would introduce unwelcome volatility into client agency budgeting, and would doubtless cause recurring confusion and misunderstandings.

Below Market Space

Question. Describe all of the cases in which GSA currently provides space (either owned or leased) at below market costs. For each leased space that is occupied at below market costs, provide the dollar amount that the Federal Buildings Fund is subsidizing the rental. What is the total amount that the fund is subsidizing space (distinguish between owned and leased space)?

Answer. There are two broad categories of space assignments in which GSA receives "below market" rents. The first category consists of assignments in owned space for the three trust fund agencies: Social Security Administration, Health Care Financing Administration and the Railroad Retirement Board. The agencies for these space assignments pay operating costs and a depreciation charge in lieu of the commercial rental rate established by appraisal.

There are 455 space assignments in this category. Summary information is illustrated in the Table 1 below.

Table 1: Trust Fund Agency Rent and Discount for FY 2000

Agency	Appraised Rent	Billed Amount	Net Loss to GSA	Number of Assignments
SSA	466,914,068	418,453,049	48,461,019	406
HCFA	31,099,045	24,680,659	6,418,386	13
RRB	6,209,940	2,609,990	3,599,950	36
Total	504,223,053	445,743,698	58,479,355	455

The second category of "below market" rent cases consists of five assignments for which GSA has waived rent in accordance with 40USC 490(j) wherein either the Administrator of the General Services Administration or the Commissioner of the Public Buildings Service determined that the collection of rent was impractical or infeasible. These cases are enumerated below in table 2.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Table 2. Rent Exemptions

Address	Square Feet	Annual Rent of Space	Tenant
1800 G ST NW Washington, DC	106,978	$3,468,227	Presidential transition team
Total Leased	**106,978**	**$3,468,227**	
1 Bowling Green, NY	131,207	$4,020,187	Smithsonian Museum
271 Cadman Plaza, NY	60,000	$1,670,400	Post Office Agreement
5TH and F Streets Washington, DC	74,018	$1,301,274	Smithsonian
1300 PA Avenue Washington, DC	104,101	$5,449,687	Woodrow Wilson Center
Total Owned	**369,326**	**$12,441,548**	
Grand Total	**476,304**	**$15,909,775**	

Question. Briefly describe the status of efforts by GSA to work with the Social Security Administration, the Railroad Retirement Board, and the Health Care Financing Administration to develop a mutually agreeable process for charging rent. Page FBF-4 of your budget justification indicates that payments from these three agencies are projected to decline between FY 2000 and FY 2001; briefly explain this decline.

Answer. These three agencies occupy both leased and government-owned space and have Trust Fund accounts as sources of funding. GSA has been working with these agencies regarding payment of their full rent. At the beginning of this fiscal year, the PBS Commissioner wrote to all three agencies to ask them to name individuals to negotiate with GSA toward achieving full rent paying status. Two of the agencies have identified contacts and we have begun discussions, but no agreements have yet been reached. GSA intends to continue the effort to bring these agencies into conformity with our statutory obligation to collect full commercial equivalent rent.

Page FBF-4 of the Federal Buildings Fund (FBF) budget justification reflects a reduction from $44.6 million to $36.6 million in the revenue source titled "SSA/CDC/HCFA" payments. The Trust fund agencies, as part of the definition of paying "actual cost", are responsible for their pro-rata share of the retirement of installment acquisition debt (principal and interest) when they occupy space in a building financed by this method. The final payments of principal and interest, for debt entered into in the 1970's for several buildings occupied in whole (or

part) by these agencies, were made in FY 2000. Thus, the Trust Fund agency pro-rata share of installment acquisition debt decreases markedly between FY 2000 and FY 2001.

Terminal Island

Question. Briefly describe the status of the Terminal Island facility and plans regarding the future use or disposition of this site.

Answer. The lease to relocate the Customs Port Operation was awarded on April 30, 2001. Customs personnel will be moving out of the facility sometime this summer. The Customs Laboratory will be the sole remaining tenancy of the Terminal Island facility, occupying approximately 12 percent of the 204,000 rentable square foot building. In anticipation of a high future vacancy rate in the building, a retention/disposal study was completed in February of 2000. The study recommended that GSA attract another federal tenant to back-fill any space vacated by Customs. Because of the property's location in a remote, heavy industrial area, to date GSA has been unable to secure a backfill tenant. GSA is currently considering disposal of the facility with covenants to protect the tenancy of the Customs Laboratory.

Construction and Acquisition

Question. Provide a table showing, for each construction project requiring a prospectus and included in your FY02 request, the total amount previously appropriated (if any), the total amount currently authorized (if any) the total amount of the current request (include funds provided by advance appropriations), and whether additional authorization is required. Has GSA requested additional authorization for those projects for which additional authorization is required?

Answer. See following table.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY 2002 NEW CONSTRUCTION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
Mobile, AL - US CT		7/26/00	7,537,000	7/26/00	7,782,000	11,290,000	3,753,000	Yes
Little Rock, AR - US CT	FY 1999 - 3,436,000	7/23/98	3,436,000	7/23/98	3,436,000			
		7/26/00	1,820,000	7/26/00	1,820,000	5,022,000	3,022,000	Yes
Fresno, CA - US CT	FY 1997 - 6,595,000	7/23/97	5,775,000	12/12/95	9,595,000			
		7/26/00	112,557,000	7/26/00	111,737,000	121,225,000	N/A	No
Washington, DC – Southeast Federal Ctr.	FY 1997 - 20,000,000					5,000,000	N/A	No
	FY 1999 - 10,000,000							
Washington, DC - E. Barrett Prettyman Courthouse Annex	FY 1997 - 5,703,000	7/23/97	5,703,000	12/19/95	5,703,000			
	FY 2002 – 109,500,000	7/26/00	109,498,000	7/26/00	109,498,000	116,095,000	N/A	No
Miami, FL – US Courthouse	FY 1996 – 24,990,000	9/27/96	25,984,000	7/24/96	25,984,000			
	FY 2002 – 121,900,000	Pending		7/26/00	121,946,000	121,900,000	Yes, House	No
Jackman, ME - US Border Station		6/21/00	619,000	7/26/00	619,000	868,000	249,000	Yes

White Oak, MD – FDA	FY 1992 – 200,000,000	FDA consolidation was authorized in statute.				9,060,000		
Prince George's and Montgomery Counties Consolidation	FY 1994 – 73,921,000							
	FY 1994 – Reprogramming +6,000,000							
	FY 1995 – 45,000,000							
	FY 1995 – Rescission 228,000,000; Reprogramming -$5,000,000							
	FY 1996 - 55,000,000							
	FY 2000 - 35,000,000							
	FY 2001 - 92,179,000							

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY 2002 NEW CONSTRUCTION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
Suitland, MD – National Oceanographic & Atmospheric Administration	FY 2001 - $15,000,000 to Department of Commerce	6/21/00	3,128,000	7/26/00	51,737,000	34,083,000	48,609,000	Yes, House
Suitland, MD - Bureau of the Census	FY 2001 - 5,200,000 (R&A)	6/21/00	5,200,000	6/28/00	5,200,000	2,813,000	8,013,000	Yes, N.C.
Springfield, MA - US CT	FY 1999 - 5,563,000	10/1/98	5,563,000	9/1/98	5,563,000	6,473,000	47,873,000	Yes
	FY 2002 – 41,400,000							
Detroit, MI – Ambassador Bridge, BS						9,470,000	9,470,000	Yes
Raymond, MT – Border Station		6/21/00	577,000	7/26/00	577,000	693,000	116,000	Yes
Las Cruces, NM – US Courthouse		7/26/00	3,040,000	7/26/00	3,040,000	4,110,000	1,070,000	Yes
Brooklyn, NY - US CT	FY 1992 - 10,000,000	Project Fully Authorized				3,361,000	N/A	No
	FY 1993 - 15,000,000							
	FY 1994 - 29,400,000							
	FY 1997 - 169,000,000							
	FY 1997 - 8,300,000							
	FY 1997 – Escalation 18,179,000							
	FY 1999 - 152,626,000							
	FY 1999 – Escalation 15,200,000							
Buffalo, NY - US CT	FY 2002 – 3,600,000	7/26/00	3,599,000	7/26/00	3,599,000	716,000	716,000	Yes
New York, NY - US Mission	FY 1999 - 3,163,000	7/23/98	3,163,000	5/11/99	3,389,000			
		5/27/99	4,300,000	9/29/99	4,300,000			
		6/21/00	54,004,000	7/26/00	54,004,000	4,617,000	N/A	No

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY 2002 NEW CONSTRUCTION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
Eugene/Springfield, OR -US CT	FY 1999 - 7,190,000	10/9/98	7,190,000	9/23/98	7,190,000	4,470,000	4,470,000	Yes
Erie PA - Federal Complex	FY 1997 - 3,300,000	5/26/94	3,012,000	5/17/94	3,012,000			
		7/26/00	29,969,000	7/26/00	29,969,000	30,739,000	N/A	No
Del Rio, TX - US Border Station		6/21/00	1,832,000	7/26/00	1,832,000	1,889,000	N/A	No
Eagle Pass, TX - US Border Station		6/21/00	2,212,000	7/26/00	2,212,000	2,256,000	N/A	No
El Paso, TX - US CT		7/26/00	8,473,000	7/26/00	8,473,000	11,193,000	2,720,000	Yes
FT Hancock, TX - US Border Station	FY 2000 - 277,000	6/21/00	2,140,000	7/26/00	2,140,000	2,183,000	N/A	No
Houston, TX - FBI Field Office		6/21/00	6,145,000	7/26/00	6,145,000	6,268,000	N/A	No
Norfolk, VA - US CT Annex		7/26/00	10,593,000	7/26/00	10,593,000	11,609,000	1,016,000	Yes

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. What criteria do you use in reviewing, assessing, and setting priorities for construction and acquisition? Are the same criteria applied in a standard way by the regions? If not, explain the differences. What mechanism do you use to evaluate these criteria on a periodic basis to ensure their validity?

Answer. The construction and acquisition of facilities program addresses the needs of GSA's tenant agencies, reflecting their planning processes and mission requirements. Both the judiciary and the Federal Inspection Agencies employ multi-year planning to develop new facility requirements that support their programs. Consequently, GSA's annual budget request includes courthouses and border stations that reflect the priorities of these tenant agencies, consistent with estimates of the funds available to meet these needs.

GSA also seeks funding for construction projects for other executive branch agencies. These projects are developed by GSA's regional offices and are considered for inclusion in GSA's budget request on a case-by-case basis. Proposed projects are evaluated with regard to the availability and adaptability of existing Government-owned space to meet agency requirements or the feasibility and cost-effectiveness of leasing space comparable space from the private sector.

All proposed projects are reviewed to ensure that project scopes are well defined in relation to tenant space needs and project costs are well controlled with reference to GSA benchmarks or industry standards. Together with our regional offices, we regularly reexamine our criteria and methodology to ensure alignment with our portfolio management strategies.

Question. What methodology do you use in reviewing, assessing, and setting priorities for construction and acquisition? Do the regions use the same basic methodology? If not, explain the differences. What mechanism do you use to evaluate these criteria on a periodic basis to ensure their validity?

Answer. The underlying methodology used to develop the construction and acquisition of facilities program focuses on the cost effective delivery of Government-owned space to meet the space needs of GSA's tenant agencies defined in terms of their own mission-related requirements. GSA attempts, subject to the availability of funds, to adhere to the multi-year planning priorities of tenant agencies with extensive, geographically dispersed program requirements. GSA's regional offices develop project proposals consistent with these priorities and national criteria intended to ensure that project scopes are well defined in relation to tenant space needs and that project costs are well controlled with reference to GSA benchmarks or industry standards. All construction and acquisition proposals are subjected to 30-year, present value cost analysis to validate their cost-effectiveness in relation to leasing comparable space.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

GSA issues the Capital and Investment Leasing Call to our regions as part of each budget preparation cycle. We annually review our portfolio objectives to ensure that our financial goals are met. Together with our regional offices, we regularly reexamine our criteria and methodology to ensure alignment with our portfolio management strategies.

Question. For fiscal year 2001 GSA requested and received $3 million for non-prospectus construction. For fiscal year 2002 GSA is requesting $5.9 million for non-prospectus construction – an almost 100 percent increase or doubling of the funds. Briefly describe how these funds are used and justify this increase.

Answer. GSA's FY 2002 request for the non-prospectus construction is modest in comparison to the last five years' funding levels of the program. Please refer to the chart below.

Funding Year	Non-Prospectus Construction Appropriation
FY 2001	$ 3,000,000
FY 2000	$ 8,000,000
FY 1999	$10,000,000
FY 1998	$ 0
FY 1997	$10,000,000
FY 1996	$12,685,000

GSA's request of $5.9 million is an attempt to begin to obtain again normal funding levels for the program. GSA uses these funds to accommodate the specialized needs of our clients. Over the past several years, these funds were used to erect special purpose facilities such as border stations, childcare centers, telecommuting centers, and security structures. This program allows GSA to meet our client needs with flexibility.

Question. Briefly describe the status of the FDA consolidation project in Maryland. Briefly describe the status of the lawsuit filed in February 2001 against GSA concerning this project. What impact, if any, does the lawsuit have on this project?

Answer. A facility for FDA's Center for Veterinary Medicine in Laurel, MD, is completed and already occupied. GSA is currently constructing two consolidated campuses for the remaining FDA labs and office space in Maryland. One campus of less than half a million square feet is in College Park, next to the College Park Metro Station and one half mile from the University of Maryland campus. It is 84 percent complete, on time, and will be ready for occupancy in January 2002.

The other campus is about to begin construction at the former White Oak Navy base in Montgomery County. A contract to commence Phase I construction

should be issued mid-summer 2001, with occupancy of the first phase to begin in 2002. Completion of the entire 2.3 million square feet of space at White Oak should occur in 2008.

These two campuses will consolidate FDA employees currently housed in 40 Government-owned and leased buildings at 18 locations throughout Montgomery and Prince George's Counties. As far back as 1991, a report on these facilities concluded that many were "...abysmal, overcrowded, poorly maintained, hazardous, and inefficient." In addition, their dispersed locations create inefficient working conditions.

For a description of the lawsuit filed against these projects and its possible impact on the development of new FDA campuses in Maryland, please see the following "Status of the Lawsuit."

Status of the Lawsuit

Sierra Club et al. v. General Services Administration et al.
Civil Action No. 01-403(TFH)
Filed in U.S. District Court for the District of Columbia

The Sierra Club, the Forest Conservation Council, and a Food and Drug Administration (FDA) employee filed a lawsuit on February 23, 2001, against General Services Administration (GSA) and FDA. The lawsuit covers four FDA projects: White Oak, Beltsville (complete in 1996), College Park, and a proposed lease action for a laboratory associated with the Center for Food Safety and Nutrition at College Park. Plaintiffs request injunctive relief barring GSA from taking any further action (planning, development, construction or execution of contracts) to occupy the White Oak facility and/or the College Park leased space, or taking any further steps to relocate FDA employees into or out of facilities in the Washington metro area. The Government filed its answer on April 24, 2001.

Plaintiffs primarily allege in their complaint that GSA's actions with respect to these four projects violate the National Environmental Policy Act, Executive Order 12072, the Public Buildings Act, and various appropriations Acts. The overall theme to the complaint is that the government's actions are promoting suburban sprawl to the detriment of Washington, DC.

GSA is confident that all of the government's actions regarding the consolidations are fully compliant with all laws, regulations, and executive orders.

NEPA. Plaintiffs' primary allegations are with respect to White Oak, although they allege that GSA is required to prepare a "programmatic EIS" to review the environmental impacts of all four projects in one document.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

The White Oak EIS was published in final in 1997, and the Record of Decision was published in June 1997. Plaintiffs allege two general deficiencies in the EIS:

1. It does not evaluate all reasonably foreseeable impacts on the quality of the human environment (traffic congestion, sprawl, impact on Washington, DC, lengthened employee and resident commutes, non-availability of mass transit)

2. It fails to evaluate and compare a reasonable range of alternatives (failure to consider Southeast Federal Center, St. Elizabeth's Hospital, central business area, Metro sites)

Environmental Assessments were published for College Park and Beltsville (Mod II) in 1996. Plaintiffs allege that GSA did not adequately evaluate alternatives to, and the environmental impacts of, those decisions.

Executive Order 12072. Plaintiffs allege that GSA did not give first consideration to locations in Washington and/or Washington's central business area and/or other cities in the Washington area. Further, they allege that GSA did not conduct the necessary consultation with local officials under the Executive Order (and the Public Buildings Cooperative Use Act). They also assert that GSA has not accomplished required coordination with the NCPC and Maryland planning agencies including, but not limited to, justifications for zoning changes and inconsistencies with policies set forth in the Comprehensive Plan.

Appropriations Acts, Public Buildings Act. Plaintiffs allege that GSA did not obtain a prospectus for White Oak and College Park, and therefore is violating the Public Buildings Act and the various Appropriations Acts by spending funds without an approved prospectus.

Impact of the Lawsuit. Plaintiffs have not filed a motion for a preliminary injunction or for a temporary restraining order. Work on all projects continues and is not affected by the lawsuit.

Question. For FY 2001, GSA requested $16 million to repay the judgment fund for claims arising from the settlement of claims made by 2 contractors. For FY 2002, GSA is requesting $84 million to repay the judgment fund for the settlement of claims made by 11 contractors. Does this increase indicate a significant rise in claims made by contractors engaged in GSA construction projects? If so, to what factors do you attribute this significant increase?

Answer. The increase for Judgment Fund repayments from our fiscal year 2001 to our fiscal year 2002 budget does not represent a significant rise in the number of claims made by contractors. The increase is needed for reimbursement for claims paid by the Judgment Fund for fiscal years 1997 to 2000. The budget for fiscal years 2001 and 2002 represented the need to reimburse Treasury for these

several years of repayments to the Judgment Fund; however, this item was not funded in fiscal year 2001.

Question. Briefly describe the "space-type" benchmarking methodology being used by GSA and the factors that led GSA to adopt this benchmarking methodology. Contrast the utility of this methodology with other methodologies; is this methodology widely accepted?

Answer. In 1993, as GSA was undertaking the largest courthouse construction program in 50 years, the agency instituted a benchmarking process to evaluate more effectively the cost of proposed new construction projects and to help identify potential savings. Using private sector cost data for commercial buildings, unit cost benchmarks are developed for each of GSA's proposed new courthouse projects. The benchmark process accounts for specific characteristics of individual buildings including building height, geographic location, seismic design costs, and the amount of indoor parking to be constructed. Because construction costs change from year to year, benchmarks are linked to the projected time of construction, and are adjusted if a project is delayed or deferred.

Another methodology would be the development of individual estimates for each project, without reference to estimates for other projects. GSA's benchmarks provide a median level of courthouse features and finishes based on knowledge of past projects. Alternatively, estimates on individual projects may be higher due to a lack of historical knowledge of similar projects and a desire to ensure that all the provisions of the Design Guide were included in projects.

In GSA's ongoing efforts to improve the management of the courthouse construction program, the benchmarking process has been refined to distinguish between the significantly different costs of office space and more expensive courtroom and other special purpose space. Under the former benchmarking methodology, two projects of identical size, but with varying ratios of office and special purpose space, would have the same benchmark.

GSA's revised process allows the calculation of benchmarks to reflect the significantly differing mixes of space found in courthouses (courtrooms, chambers, U.S. Marshals Service detention cells, office, inside parking). Some courthouses may have more office type space (such as Beckley, WV, which is over 50 percent office space) than others containing more high-cost types of space (such as Little Rock, AR which is almost 100 percent courtrooms and chambers). Using this refined benchmarking methodology, a courthouse with a higher percentage of more costly space will have a higher benchmark than the same size courthouse with less costly space.

Question. Briefly describe the general process that is used on GSA construction projects to ensure that any "special needs" of a benefiting agency (those that are

above and beyond the standard needs) are not charged to the Federal Buildings Fund. How does GSA establish the monetary allowance that it accords agencies to help fund the "fit-out" or "build-out" costs? Provide examples of these monetary allowances.

Answer. GSA adopted the private sector practice of establishing a tenant monetary allowance to fund the tenant improvements that meet an agency's specific requirements. With the adoption of a monetary allowance concept, GSA sets a threshold for the maximum amount of costs that can be funded with the allowance. Tenants generally pay for tenant allowance improvements in the rent and pay for tenant improvement costs that are above the threshold allowance as a lump sum reimbursable expense.

There are three methods to establish an agency's tenant improvement allowance in any particular transaction: 1) assign the client a general allowance plus a customization allowance based upon that agency's past mix of space uses; 2) assign an allowance based upon a specific space program of requirements (POR), and 3) assign an allowance based upon benchmarked costs for like-projects (e.g., courthouses). Common to all three approaches is the concept that GSA is required to fund only that which is necessary to deliver basic functionality for the intended space use. All costs in excess of the allowance are the funding responsibility of the customer agency.

Courthouse Construction

Question. GSA's budget request to OMB for FY 2001, the funding level recommended by the AOC, and a resolution by the Committee on Transportation and Infrastructure dated July 26, 2000, estimated that the courthouse annex project in Washington, DC, would require an additional appropriation of $109.5 million for completion. Sufficient funds were included as an advance appropriation in FY 2001 for FY 2002 to provide $109.5 million for this project. GSA's budget justification for FY 2002 includes a request for $6.595 million above the $109.5 million that was identified in FY 2001 and provided for through an advanced appropriation.

Briefly describe the process and factors that have led to this price escalation.

Answer. The proposed increased cost for the Washington, DC, Courthouse Annex reflects 3 percent escalation resulting from the one year delay in receiving authorization necessary to award a construction contract. A small additional contingency cost was also included due to the very active construction market and the difficulty GSA is now experiencing in awarding construction contracts of this size.

Question. GSA's budget request to OMB for FY 2001, the funding level recommended by the AOC, and a resolution by the Committee on Transportation

and Infrastructure dated July 26, 2000, estimated that the courthouse project in for Buffalo, NY, would require an appropriation of $3.6 million for site and design. Sufficient funds were included as an advance appropriation in FY 2001 for FY 2002 to provide $3.6 million for this project. GSA's budget justification for FY 2002 includes a request for $0.716 million above the $3.6 million that was identified in FY 2001 and provided for through an advanced appropriation.

Briefly describe the process and factors that have led to this price escalation. Inasmuch as this additional amount is greater than 10 percent of the amount authorized, is GSA seeking an amendment to the House authorizing resolution? If so, what is the status of that effort?

Answer. The additional funding is necessary due to increased construction costs, sustainable design requirements, inclusion of prisoner security and telecommunications systems previously funded by the U.S. Marshals Service, design of courtroom mock-ups, increased inspection of contractors' work for compliance with construction documents, and increased costs associated with peer reviews. GSA and the U.S. Marshals Service have agreed that in FY 2002 and the future, GSA will include the cost for prisoner security and telecommunications service, previously funded by the U.S. Marshals Service, in GSA cost estimates. GSA has requested an amendment to the authorizing resolution to cover the additional funds.

Question. Briefly describe the status of the Orlando, Florida, courthouse construction project and the efforts to resolve the concerns of the courts regarding its design.

Answer. In March 2001, GSA, along with representatives from the Judiciary, met with Congressmen Young and Istook to discuss this project. The present design meets or exceeds all of the court's requirements for safety and acoustics while also meeting established requirements for energy efficiency. However, during that meeting it became apparent that the court's needs had changed since the design began with regard to the number and shape of the courtrooms. While the court has yet to confirm the number of each courtroom type (district, magistrate, or bankruptcy) and the shape desired for these courtrooms, GSA has asked the design team to proceed with developing a revised plan for the building. This revised plan will be based on the court's (recently revised) projected number of courtrooms and limited information GSA has received from the courts concerning the shape of each courtroom type. These revisions will not include dramatic changes to the building's exterior response to its urban environment.

Question. Briefly describe the status of the Columbia, South Carolina, courthouse construction project.

Answer. Construction is proceeding and is 20 percent completed. Construction completion is expected in the 1st quarter of fiscal year 2003.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

On May 16, 2001, the House Committee on Transportation and Infrastructure authorized the expenditure of an additional $8.3 million to construct a wing with an additional courtroom on the back of the courthouse. Authorization to reprogram the funds to the Columbia project was approved by the House Appropriations Committee on May 22, 2001.

Question. Briefly describe the status of the London, Kentucky, courthouse construction project.

Answer. The construction contract for the project was awarded on June 15, 2000, and construction is approximately 25 percent completed. Completion of the construction is projected for the late spring 2002.

Question. Briefly describe the status of the Hammond, Indiana, courthouse construction project. When will it be occupied? Document the delays and added costs related to the selection of limestone and wood finishes.

Answer. The Hammond courthouse project has incurred significant delays due to the dwindling size of the workforce on the project. GSA met with the contractor on May 24, 2001, and was assured that the project will be completed by September 8, 2001, with the exception of the millwork in one courtroom – that work will be completed sometime in the Winter. Move in should begin a month or two after the September 8 completion date.

Although the wood paneling for one courtroom has been unsatisfactory, new paneling has been located and will be installed at no additional cost to the government. The affected judge will use another courtroom until the replacement paneling is satisfactorily installed. This will not delay occupancy of the courthouse.

By the same token, GSA does not expect any delay or additional cost due to the courthouse's limestone. It is anticipated that the natural drying process of the stone will result in more uniform colors. After the drying is completed, if any stone is considered to be too dark, a surface treatment will be used to address the situation.

Question. Briefly describe the status of the Miami, Florida, courthouse construction project, including the status of its authorization. How many courtrooms have been authorized for this project?

Answer. In the 106th Congress, the Senate authorized the Miami project with a level of funding appropriate for construction of 16 courtrooms in 2001. The House proposed a level of funding appropriate for construction of 12 courtrooms in the Miami courthouse in compliance with the U.S. Courts Design Guide, with no departures from the Design Guide's provisions. Most of the projects approved by Congress for the fiscal year 2001 courthouse construction program did not

depart from the Design Guide's provisions. A letter from the Florida congressional delegation requested that the House authorize the full 16-courtroom courthouse. Authorization is still pending.

The court for the Southern District of Florida is currently evaluating its housing options for Miami to determine the total number of courtrooms required there. GSA did not request additional funds for the Miami courthouse project in 2002 because we determined that a 12-courtroom courthouse could be built within the $121,900,000 in the advance appropriation for fiscal year 2002. If the number of courtrooms increases beyond 12, additional funding will be required to offset the inflation escalation and additional contingency requirements in Miami.

Question. Briefly describe the status of the Cape Girardeau, Missouri, courthouse construction project, including the status of its authorization. How many courtrooms have been authorized? How many should be authorized?

Answer. The Cape Girardeau US Courthouse project has received site and design authorization and funding. The level approved is appropriate to design a courthouse with 3 courtrooms. The provisions of the US Courts Design Guide, with no departures, would provide one courtroom in Cape Girardeau. Construction of the project has not been authorized or funded.

Question. Briefly describe the status of the Los Angeles, California, courthouse construction project.

Answer. GSA is working with the State of California for conveyance of the 107 S. Broadway site. The State is in the process of excessing the property, and tenant relocations are expected to be completed by December 2001. The site transfer will occur shortly thereafter.

The Architect-Engineering firm of Perkins and Will was selected on April 4, 2001, using the design competition process. The design award is scheduled for August 2001. Jacobs/Chanen joint venture was selected for construction manager services and award of the contract is planned for June 2001.

The request for construction funding is anticipated for fiscal year 2003. The design-build construction contract award is anticipated for March 2003.

Question. Briefly describe the Hanscombe/Ellerbee Becket report that GSA anticipates receiving this Spring which will provide a reality check of the "space-type" benchmark methodology for courthouse construction. How is the study being conducted? What kinds of conclusions are expected to result from this study? How does GSA plan to use the results from the study?

Answer. The "space-type" benchmarking methodology addresses the differing mixes of space found in courthouses (courtrooms, chambers, U.S. Marshals

Service detention cells, office, inside parking). Some courthouses may have more office-type space than others containing more high-cost types of space, such as courtrooms and chambers. Using this refined benchmarking methodology, a courthouse with a higher percentage of more costly space will have a higher benchmark than the same size courthouse with less costly space.

GSA has contracted with Smith Group/Hanscomb for analysis of four courthouse projects for which the designs have been completed. The contractor is verifying the construction costs for the five space types in the projects, and identifying the breakout between the construction costs for the core and shell elements and for the tenant improvement elements of the various space types.

GSA anticipates that the study will be completed in the summer of 2001 for use in developing the fiscal year 2003 new courthouse construction program. Conclusions cannot be drawn from the study until such time as the study results are available for analysis.

Question. Has this "space-type" method been applied to State courthouses? Do you have meaningful comparisons of Federal versus State courthouse construction costs? How can Congress be sure that the Federal government is not spending more than it has to in building Federal courthouses?

Answer. GSA is not aware of any state that uses the same methodology. A Federal vs. State courthouse cost comparison was made in the mid 1990's, adjusting the estimated cost for state courthouse construction to figures appropriate for the specialized requirements for Federal courthouse construction. GSA has not revised this comparison since that time. GSA makes every effort to ensure that Federal courthouses being constructed today adhere strictly to the provisions of the U.S. Courts Design Guide as far as the number of courtrooms to be provided and the features provided in the space.

Question. As part of this study, GSA asked Hanscombe/Ellerbee Becket to breakout "shell" costs and "build-out" costs. Define what constitutes "shell" costs, "build-out" costs, and "standard" costs for courthouse construction. Who makes the decision as to what features are "standard" and which are not for federal courthouses? For courthouse construction, who pays for the "build-out" costs in courthouse construction? Is this payment policy regarding "build-out" costs different for courthouse construction than any other GSA construction? If so, why?

Answer. The building shell includes components such as the base structure and building enclosure components (exterior walls, windows, roofing, etc.), building electrical and mechanical systems (central fire alarm, chiller plant, cooling towers), common areas such as lobbies, stairwells, garage and service areas, and common restrooms. In tenant areas, it also includes the concrete floor slab, spackled and prime painted gypsum wall board, a fully installed 2 x 2 suspended

acoustical ceiling, central heating, ventilation, and air conditioning systems, and other features.

Typical tenant improvements include carpeting or other floor covering, raised access flooring, partitioning and wall finishes, millwork, window treatments, tenant signage, and private bathrooms.

Standard features for courthouse construction are defined in the U.S. Courts Design Guide and in GSA's Facilities Standards for the Public Buildings Service. GSA pays for general and customization elements within the core and shell allowance and tenant improvement allowance. Any additional build-out is funded by the tenant. This does not differ from GSA's policy for non-court tenants.

Question. Briefly describe the origin and evolution of the U.S. Courts Design Guide. Has GSA agreed to use the standards within the design guide when budgeting and designing courthouse projects? If so, what was the process by which this agreement was reached and when was it reached? In reviewing the design guide, did GSA offer any significant comments or recommendations concerning the guide that were not accepted by the Administrative Office of the Courts? If so, what were they?

Answer. As early as 1958, design guidelines for federal courthouses were issued by GSA. In 1979, in consultation with the Administrative Office of the U.S. Courts (AOC), GSA published a revised U.S. Courts Design Guide incorporating guidance that had been informally issued in 1971. In 1984, the AOC reprinted the 1979 Design Guide with additional guidance regarding building finishes. In 1989, following informal meetings between staff members of GSA and the AOC, it was determined that the Judicial Conference of the U.S. would issue the next revision of the Design Guide (with the AOC acting on the Judicial Conference's behalf). Subsequent versions of the U.S. Courts Design Guide (1991, 1993, 1994, and 1997) have been issued by the Judicial Conference of the United States.

It has been GSA's long-standing practice to refer to the judiciary's design guidelines when providing courthouse space, just as GSA does for other federal agencies with established space and design standards. There is no specific document that formalizes this practice.

GSA and the AOC have had a long-standing working relationship and have frequently consulted about the judiciary's design standards over the years. When the AOC was considering revisions to the 1994 version of the U.S. Courts Design Guide, GSA was asked to provide comments and suggested changes to the document. GSA provided a number of comments to the AOC, most of which were accepted. The suggested changes that were not incorporated into the 1997 revision dealt with relatively minor issues such as the provision of shelving in

libraries and judicial chambers, sound attenuation insulation, and smoke removal systems for courtrooms.

Question. Are you satisfied that the current design guide for courthouses contains the right standards, the right set of features, for Federal courthouses? Do other federal customers produce design guides that GSA follows, or is the courts' design guide unique in this respect? What has been your experience using the design guide?

Answer. Yes, GSA is satisfied with the current U.S. Courts Design Guide. The U.S. Marshals Service has design standards for its space (Requirements and Specifications for Special Purpose and Support Space Manual) and the U.S. Attorney has a space allocation standard.

GSA believes that the U.S. Courts Design Guide provides appropriate space and features for the judiciary's use and has relied on the Guide in developing its capital program for fiscal year 2002.

Question. Provide a table showing the number of square feet, the number of courtrooms, the base building cost (core and shell), tenant improvement allowance, and total building cost for each of the last 10 courthouse construction projects to be completed or that are sufficiently far enough along that their costs are firm.

Answer. Following is a table showing the total gross square footage (including inside parking) for ten recently completed or almost completed courthouses, and their total obligated building costs (through the end of April 2001). Final building costs are not yet available for the projects, since there are outstanding payments that must be made. Additionally, GSA is aware that there will be contractor claims on some of the projects.

These projects were begun before GSA's instituted the new rent pricing policy (breaking out core and shell and tenant improvement costs), so there are no figures available for these costs.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

City, State	Gross Sq. Ft. Including Inside Parking	Total Number of Courtrooms	Cumulative Building Cost Obligations *
Central Islip, NY	821,855	23	$212,662,653
Beckley, WV	175,000	2	$ 26,972,992
Covington, KY	126,155	5	$ 18,957,061
Tallahassee, FL	152,423	4	$ 23,067,764
St. Louis, MO	1,037,632	25	$210,496,455
Omaha, NE	350,113	9	$ 54,221,498
Corpus Christi, TX	172,352	5	$ 25,615,702
Tucson, AZ	450,595	14	$ 70,386,240
Phoenix, AZ	577,844	18	$ 94,043,798
Las Vegas, NV	460,437	10	$ 93,388,023

* Direct costs only as of April 30, 2001

Repairs and Alterations

Question. How good are your federal building inventory data on specific building repair needs? When will your multi-year plan that identifies and prioritizes the most critically needed repairs be complete?

Answer. We are confident that current inventory data used to develop the FY 2002 request represents bona fide building repair needs. We are in the process of developing inventory reinvestment needs data for the entire inventory through building condition assessment. We will complete development of a macro view of the reinvestment needs of the inventory at the beginning of FY 2002, which will be reviewed and used in conjunction with the portfolio strategy for allocating resources.

Question. Do the 24 large (prospectus-level) repair projects in your request represent the most pressing repair needs? How much did you request from OMB for federal building repairs? Why did OMB drop 6 repair projects from your budget request?

Answer. The 24 construction phase repairs and alterations projects requested in the President's FY 2002 Budget represent our most pressing repair needs. GSA believes that the allocation of the Fund's resources provides for a balanced capital investment program that addresses our most pressing needs given the funding available. The question asks about GSA's budget request to OMB and about OMB's response to the GSA budget request. The advice and counsel leading up to the recommendations, which form the basis of the President's Budget, is part of the internal deliberative process. Similar to the pre-mark up activities of any Congressional committee, the initial views and positions within the Executive Branch vary widely relative to the final outcome in the President's Budget. In order to assure the President the full benefit of advice from the

agencies and departments, the Administration treats these working papers as pre-decisional, deliberative documents.

Question. In 1999, you reported that your backlog for repair projects was about $4 billion. What is it now? Has recent funding kept up with the building repair needs or are we falling farther behind? What is the annual rate that new repair projects are identified in the inventory?

Answer. The repairs and alterations workload inventory was approximately $4.5 billion as of May 2, 2001. Funding has not kept up with building repair needs over the years, allowing the needs requirements to increase. The net change in annual growth in the inventory of outstanding repair projects (new needs identified minus projects performed in the current year) is approximately $250 million.

More than 43 percent of our building inventory is over the age of 50 years; over 51 percent are between the ages of 21 and 50 years. We have an estimated 160 buildings that would justify a capital reinvestment over the next five years. The longer the reinvestment is delayed, the higher the ultimate cost and the higher the risk that lifesafety and productivity issues will drive tenants out.

Question. Are sufficient revenues entering the Federal Buildings Fund to cover the costs of repairing our building assets? Have you calculated an optimum spending level for taking care of the current backlog and, once that has been accomplished, for sustaining our federal building assets?

Answer. By charging commercial equivalent RENT, the Federal Buildings Fund (FBF) can generate sufficient funds to cover the current annual costs of repairing and modernizing our building assets. This is true, only if, significant FBF resources are not devoted to other capital requirements such as courthouses and other new buildings. Since the General Accounting Office (GAO) conducted their review and estimated the backlog of repairs and alterations to be approximately $4 billion, GSA has begun an assessment of the needs of all its federally owned buildings. This effort will be completed later this calendar year and will include a plan to address the backlog of repairs and alterations.

Question. Provide a table showing, for each repairs and alteration project requiring a prospectus and included in your request, the total amount previously appropriated (if any), the total amount currently authorized (if any), the total amount of the current request, and whether additional authorization is required. Has GSA requested additional authorization for those projects for which additional authorization is required?

Answer. See following table.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY 2002 REPAIR AND ALTERATION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
HVAC Various Buildings						6,650,000	6,650,000	Yes
PCB Transformers-Various Buildings						15,588,000	15,588,000	Yes
R&A Design Program						33,657,000	33,657,000	Yes
Laguna Niguel, CA – Chet Holifield FB						11,711,000	11,711,000	Yes
San Diego, CA – Edward J. Schwartz Federal Bldg CT	FY 1995 - 1,141,000	5/17/94	1,141,000	5/26/94	1,141,000	13,070,000	13,070,000	Yes
Lakewood, CO – Denver Federal Center	FY 2000 – Reprogramming 676,000	5/27/99	676,000	9/29/99	676,000	8,484,000	8,484,000	Yes
Washington, DC - IRS Main Building	FY 1999 - 3,098,000	6/25/98	3,098,000	9/23/98	3,098,000			
	FY 2001 - 31,780,000	6/21/00	52,171,000	6/28/00	52,171,000	20,391,000	N/A	No
Washington, DC – Main Interior	FY 1994 - 5,764,000	5/13/93	5,764,000	1/27/94	5,764,000			
	FY 2000 - 29,214,000	11/16/95	120,635,000	6/26/97	120,635,000	22,739,000	N/A	No
Washington, DC – Main Justice Building	FY 1993 - 6,918,000	6/10/92	6,918,000	10/30/92	6,918,000			
	FY 1997 - 50,000,000	8/1/96	140,428,000	7/24/96	139,428,000	45,974,000	N/A	No
	FY 2000 - 47,226,000							
Washington, DC - 320 First St.						8,260,000	8,260,000	Yes

FY 2002 REPAIR AND ALTERATION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
Jacksonville, FL – Charles E. Bennett FB	FY 2000 - 1,930,000	5/27/99	1,930,000	9/29/99	1,930,000	23,552,000	23,552,000	Yes
Tallahassee, FL – US CT	FY 2001 – 518,000	6/21/00	518,000	6/28/00	518,000	4,894,000	4,894,000	Yes
Chicago, IL - 536 S. Clark Federal Bldg	FY 2001 - 1,372,000	5/21/99	1,372,000	9/29/99	1,372,000	60,073,000	60,073,000	Yes
Chicago, IL - Harold Washington Social Security	FY 1996 - 1,351,000	11/16/95	1,351,000	3/28/96	1,351,000	13,692,000	13,692,000	Yes
Chicago, IL - John C. Kluczynski FB	FY 1994 - 3,265,000*	5/13/93	3,265,000	1/27/94	3,265,000	12,725,000	12,725,000	Yes
	*$572,000 of this amount was used to design the elevator upgrades as one component of a scope of work funded through a series of projects.							
Des Moines, IA - 210 Walnut Street FB	FY 2000 - Reprogramming 988,000	5/27/99	988,000	9/29/99	988,000	11,992,000	11,992,000	Yes
St. Louis, MO – Federal Center	FY 2001 - 1,208,000	6/21/00	1,208,000	6/28/00	1,208,000	20,212,000	20,212,000	Yes
Newark, NJ - Peter W. Rodino FB						5,295,000	5,295,000	Yes
Las Vegas, NV - 300 Las Vegas Blvd S	FY 2000 - 1,365,000	5/27/99	1,365,000	9/29/99	1,365,000	26,978,000	26,978,000	Yes
Cleveland, OH – Anthony J. Celebreeze	FY 2001 - 1,464,000	6/21/00	1,464,000	6/28/00	1,464,000	22,986,000	22,986,000	Yes
Cleveland, OH – Howard M. Metzenbaum	FY 2001 - 1,545,000	6/21/00	1,545,000	6/28/00	1,545,000	27,856,000	27,856,000	Yes
Muskogee, OK – Federal Bldg	FY 2001 - 823,000	6/21/00	823,000	6/28/00	823,000	8,214,000	8,214,000	Yes

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY 2002 REPAIR AND ALTERATION PROJECTS

Project	Prior Appropriation	Prior House Authorization		Prior Senate Authorization		Current Budget Request	Additional Authorization or Authorization Required	Additional Authorization Requested
Portland, OR – Pioneer CT	FY 1995 - 543,000	5/17/94	603,000	5/26/94	603,000	16,629,000	16,629,000	Yes
Providence, RI - US Federal Building -CT						5,039,000	5,039,000	Yes
Milwaukee, WI – Federal Bldg - CT	FY 2001 - 774,000	6/21/00	774,000	6/28/00	774,000	10,015,000	10,015,000	Yes

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. What criteria do you use in reviewing, assessing, and setting priorities for repairs and alteration projects? Are the same criteria applied in a standard way by the regions? If not, explain the differences. What mechanism do you use to evaluate these criteria on a periodic basis to ensure their validity?

Answer. We evaluate and rank our proposals based on the following criteria: 1) economic justification, 2) project timing and execution, 3) physical urgency, 4) client agency needs, and 5) historical significance. Economic justification keeps an eye on both the project's financial impact on the Federal Buildings Fund and the overall cost to the U.S. taxpayer. Project timing and execution examines our ability to deliver the project in the respective year in which we are requesting funding as well as the timing of those projects that could possibly affect the execution of our proposal. Evaluating physical urgency examines the infrastructure needs of our assets. This includes but not limited to Americans with Disabilities Act (ADA) accessibility requirements, seismic, asbestos abatement, HVAC, fire-life heath safety, security, roof repairs, and elevators. Client agency need looks at positioning our assets/buildings to best support the mission and goals of our agency clients in a cost efficient manner. Historical significance puts a special emphasis on maintaining our national treasures that are often long lasting symbols of our Federal Government.

GSA issues the Capital Investment and Leasing Call to our regions. This Call outlines our portfolio objectives in a given fiscal year and provides guidance as to how our repairs and alterations will be ranked and evaluated. We annually review our portfolio objectives to ensure that our financial goals are met, our customers' real estate requirements are satisfied and our portfolio is physically functional and maintained.

Question. What methodology do you use in reviewing, assessing, and setting priorities for repairs and alterations projects? Do the regions use the same basic methodology? If not, explain the differences. What mechanism do you use to evaluate this methodology on a periodic basis to ensure its validity?

Answer. We use a project evaluation model that allows decision-makers to apply weights to the criteria described in the answer to Question 38 and to rank the project proposals according to how well they accomplish the goals of the criteria. Our regional offices use these same criteria in developing their repair and alteration request submissions to the National Office to be prioritized as a nationwide submission for OMB and Congress. Together with our regional offices, we regularly reexamine our criteria and methodology to ensure alignment with our portfolio management strategies.

300 North Los Angeles Street

Question. The federal building located at 300 N. Los Angeles Street in Los Angeles, California, is the main INS service center for Southern California. It also houses the Internal Revenue Service, the U. S. Attorneys, and the U.S. Bankruptcy Courts. The building was completed in the mid-1960's. According to building records, somewhere between 5,000 and 8,000 people visit this building on a daily basis, the majority of whom are waiting for service from the INS. The Committee understands that there is

not a large enough waiting room for the considerable number of people waiting for service by INS, and that the basement of the building is now used for this purpose.

Briefly describe the current condition of the building.

Answer. Currently the building has problems with fire/life safety, seismic, and accessibility. The structural system requires repair to existing column splices at every other floor, and the floor diaphragm on the first floor requires substantial strengthening to meet revisions to the seismic code for earthquake zone 4. The existing spline ceilings and lights, which were installed in 1964, are failing and have fallen on tenants in several areas of the building. The fire alarm does not meet current code requirements, lacks a public address system, does not reach all areas of the building, and is not expandable. The building lacks stair pressurization in all eight stairwells, as required by code, to permit safe exiting. Elevators have not been renovated since the original 1964 installation. There have been several fires at the elevator equipment requiring emergency repair. The public restrooms have never been renovated and do not conform to Americans with Disabilities Act (ADA) standards.

Question. Was the basement level of the building originally designed as an assembly area?

Answer. The basement was not designed as an assembly area, and adequate exiting does not exist for large numbers of people. Half of the basement was originally a parking lot; consequently, the ventilation is not adequate. Public areas need to be moved to the upper floors.

Question. What if any safety features were included in that original design and construction -- for instance: public address system, fire alarms, sprinklers, or seismic retrofitting? Have any of these safety and structural features been added since the building was completed?

Answer. The building was constructed to meet the codes of 35 years ago. Since its completion, building codes have changed. The building needs substantial work to meet today's life safety, seismic and Americans with Disabilities Act (ADA) requirements. None of these features have been added since the building's construction.

Question. What would happen to the building and those inside if a large earthquake took place during daily business? Specifically, what would happen to those individuals assembled in the basement area waiting to visit the INS service center?

Answer. Depending upon the severity of the seismic event, the unstable ceiling system would collapse blocking doors and corridors and preventing access to exits. There would be potential serious injury or life loss to the building occupants.

Question. About $6 million in design funding was provided in fiscal year 1994 for repair of the facility. Briefly discuss the status of the design effort. Has the planned renovation been designed? Is the design complete? Has the design been approved by GSA?

Answer. The design is 80 percent complete as changes in the original scope caused completion delays. Design completion would involve work to finish the revamped scope of work and to update the design to meet current agency and code requirements. GSA has approved the design.

Question. Is it unusual for the time period between the design funding and the repairs and alteration funding to extend as long as it has for this project? What major factors have contributed to this time extension?

Answer. No, this length is not usual. Normally, we plan for construction to start within design completion provided the design is not delayed by scope changes, design funding shortages, or unforeseen problems during construction procurement such as bids over budget or bid protests. Proposed solutions for client agency requirements and physical needs of this building have been dynamic. Because of its size and location, the 300 N. Los Angeles Street Federal Building plays a pivotal role in the downtown Federal complex. Uncertainty regarding its post-renovation tenant assignments has produced corresponding uncertainty regarding the appropriate project scope and cost. Consequently, the priority of this project has been lower than other projects where requirements, scope and cost have a firmer basis.

Question. Was this project included in the region's request for repairs and alterations for fiscal year 2002? If so, what funding was requested and what ranking did it receive from the region? Was this project included in GSA's request to OMB for repairs and alterations? If so, what funding was requested and what ranking did it receive from GSA? If the project was included in GSA's FY 2002 budget request to OMB at a fairly high ranking, why did OMB not approve the funding of this project?

Answer. GSA believes that the allocation of the Fund's resources provides for a balanced capital investment program that addresses our most pressing needs given the funding available. The question asks about GSA's budget request to OMB and about OMB's response to the GSA budget request. The advice and counsel leading up to the recommendations, which form the basis of the President's Budget, is part of the internal deliberative process. Similar to the pre-mark up activities of any Congressional committee, the initial views and positions within the Executive Branch vary widely relative to the final outcome in the President's Budget. In order to assure the President the full benefit of advice from the agencies and departments, the Administration treats these working papers as pre-decisional, deliberative documents.

Question. How much would it cost to conduct only the seismic retrofitting and replacement/improvements to the ceiling tiles in that building?

Answer. Approximately $78 million, including the repair of all ceiling systems, which we recommend to avoid duplicative ceiling replacement in the event repairs of the ceiling-concealed systems follow shortly after ceiling replacement.

Question. If the project receives no funding, what is the possibility that the contractor and/or architects on the project will quit? What will the resubmission process to hire a

new firm cost the taxpayers? At what point will the original design for this project no longer be viable? What will be the additional cost to the taxpayers to redesign this project?

Answer. There is a probability that the designer and/or construction manager will quit if the project is not funded. We cannot quantify this probability because current market conditions always affect contractor actions. The cost to procure a new contract would amount to a few thousand dollars, with most being GSA in-house costs. The design will no longer be viable when it becomes technologically, functionally, and esthetically obsolete to the degree that it would take a major design effort to update and/or will no longer accommodate the function it was designed for. We estimate the cost to redesign the project at approximately $4 million.

Old Post Office

Question. GSA recently completed a comprehensive plan for the Old Post Office building in Washington, DC. What is the status of the plan? Did GSA consider in creating the plan the option of disposing of this asset as a potential recommendation if the best use of the facility was deemed "non-federal"?

Answer. GSA submitted the plan to the Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works, on December 28, 2000, as required by PL105-277. The plan recommended that "GSA will buyout the current retail leasehold interest and outlease the OPO to be used as a hotel under the National Preservation Act, Section 111."

In evaluating alternatives for the Old Post Office, GSA considered "non-federal" uses, such as a hotel. However, disposal of the property under the Federal Property Act of 1949 could not guarantee that such a "non-federal" use would occur. The 1949 Act requires that the property be made available to other federal agencies and for certain purposes deemed to have priority over sale through competitive bidding, such as housing the homeless.

GSA believes the optimum approach for making the property available for non-federal use is through Section 111 of the National Historic Preservation Act. This allows GSA to retain ownership, thereby assuring an adequate level of maintenance and a quality renovation of the building, while at the same time providing the private sector with the opportunity to lease the building for a long enough period of time to ensure that private sector financing is feasible. It also ensures that whatever desirable non-federal use is identified will, indeed, occur, since the property would be leased exclusively to achieve that purpose. GSA is taking the same approach with regard to the Tariff Building.

GSA is certain that the Section 111 process is appropriate for the Old Post Office because of its historic character. It is over 100 years old, is an integral part of the Federal Triangle, and occupies a prominent location on one of our nation's most recognizable streets.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Main Interior Building

Question. Your budget request for FY 2002 includes about $23 million for repairs and alterations of the main Department of the Interior building in Washington, DC. Briefly describe the status of the total project. When will the project be completed?

Answer. GSA is renovating the Department of the Interior headquarters building in six phases, involving one sixth of the building for each phase. Work to be performed on this 1.2 million gross square foot building includes upgrading and improving the building infrastructure, including HVAC, plumbing, wiring and fire protection. Lead paint and asbestos will be abated where disturbed. Historic spaces and features will be preserved and restored.

Award of the construction contract for Phase 1 is expected to occur at the end of June 2001. Swing space to relocate employees in that portion of the building has been procured, and they are expected to move into it in October. Construction will commence immediately thereafter. The entire renovation is projected for completion by early 2010.

Funding for Phase 1 construction of $29,214,000 was appropriated in FY 2000. For FY 2002, $22,739,000 is being requested for construction of Phase 2, which is scheduled to begin in June 2002.

Canton, Ohio

Question. Briefly describe the Frank T. Bow Federal Building in Canton, Ohio. Describe recent changes in tenancy, the parking situation, the status of the study underway to determine the feasibility of constructing an elevator, the general building condition, and exterior repair requirements.

Answer. The Frank T. Bow Federal Building, constructed in 1933, was originally built as a post office and was converted into a federal office building. This building has the potential for listing on the historic register. The Federal Building is laid out in two stories and a basement. The second floor is much smaller than the first floor with only 6,367 usable square feet (usf). The second floor is divided into two separate non-contiguous areas: one along the west wall (2,122 usf) and one along the east wall (4,245 usf) of the building. Neither area is served by an elevator. Access to each of these second floor areas is via the staircases located in the four corners of the building. The building has 44,545 usf of which a total of 24,000 usf are vacant and, of this total, 11,000 usf are undesirable basement space.

The main building tenants are the IRS, occupying 6,732 usf, and Bankruptcy Courts, occupying 10,224 usf. In 1993 FBI went to leased space due to the lack of handicap accessibility, and availability of contiguous space. Secret Service consolidated their operations and made an administrative decision to move to Akron. DOD recruiting functions closed their office in the Federal Building and under their own leasing authority relocated to a more populous area, the Belden Village Mall west of North Canton, to improve access to their client base. There are no prospective tenants. All federal

tenants in leased space are currently too large for the building, and lack of adequate accessible parking and contiguous space prevents SSA from relocating to the federal building. VA, also housed in leased space in downtown Canton, would be unable to move to the Federal Building. The requirements for VA include clinics and handicap accessibility, both of which the Federal Building would not be able to meet. All GSA outleasing efforts have failed.

The boilers were repaired in 1993 and the main roof is in good condition. An elevator study has been completed to bring elevator service to the second floor, but since this is a historic building the feasibility of such an undertaking must be viewed in light of maintaining the historic integrity of the building. The estimated construction cost is approximately $500,000. The exterior stone façade is light brown sandstone. The facade is dirty and is severely spalling. Mortar joints are badly deteriorated in many places. The design to address the exterior deterioration should be complete by August 2001. The preliminary cost estimate for this project is approximately half a million dollars. The loading dock roof is also in need of repair and is being assessed as part of the exterior repair project. The building condition study is underway. We should receive a preliminary report on May 18, 2001, and the final report by the beginning of June 2001.

Question. Are funds included in your FY 2002 request within the basic repairs and alterations program to complete repairs to the exterior of the building?

Answer. Depending on funding level in the basic repairs and alterations program and other repair and alteration priorities, GSA will fund the exterior repairs for the aforementioned project.

Budget Categories

Question. For FY 2002, GSA has included a category of repairs and alterations projects, called the "Limited Scope" program, which is different from the presentation made in its FY 2001 budget justification. Is this a new category for GSA repairs and alterations projects? How were these "limited scope" projects handled in previous years? For what reasons has GSA decided to use the "limited scope" category for FY 2002?

Answer. The "limited scope" program identifies and accords the highest priority to relatively small projects intended to upgrade or replace single building systems that are essential to the functionality and continued occupancy of the building. These projects typically involve such work as roof replacement, HVAC and related system upgrades, elevator upgrades and replacements, removal of hazardous materials, repair of deteriorated exterior walls, etc.

GSA previously used the "limited scope" alteration category in the FY 1997 budget request and the "life safety projects" category in the FY 1999 budget request. In those years, as well as in FY 2002, GSA has identified work essential to the safety and/or basic comfort of building occupants. GSA has used such terminology, as appropriate, to better define the nature and represent the importance of such projects.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. For FY 2002, GSA is requesting a basic repairs and alterations program of $370 million – an increase of $80 million above that requested and provided for FY 2001 for its basic repairs and alterations program. Describe what specific differences exist, if any, in the basic program as proposed for FY 2001 and the basic program as proposed for FY 2002.

Answer. We are requesting a larger basic (non-prospectus) repairs and alterations program to maintain the functionality of our assets. More than 43 percent of our inventory is over the age of 50 years; over 51 percent are between the ages of 21 and 50 years. We have an estimated 160 buildings that would justify a capital reinvestment over the next five years. The longer the reinvestment is delayed, the higher the ultimate cost and the higher the risk that lifesafety and productivity issues will drive out tenants.

A recent General Accounting Office report stated that our infrastructure reinvestment need is approximately $4.5 billion. Although we are still in the process of evaluating our reinvestment requirements, we are certain they will be substantial. Our increased funding request in FY 2002 will minimally sustain the requirements of an aging inventory.

In addition, we hope to accomplish a modest number of energy retrofit projects with this program. We are currently reviewing and prioritizing our proposals to best conserve energy resources and provide the most cost- effective savings to the taxpayer.

Further, we hope to continue our Glass Fragment Retention program. We will continue to retrofit our windows in our prospectus level program. GSA will have approximately 60 blast assessments completed by end of FY 2001. These assessments include retrofit options to reduce hazards as well as preliminary cost estimates. GSA will use these studies to plan for design and construction projects and to establish and adjust current budgets in planning for the assessment and upgrades of the remaining facilities. Funding from this program will allow us the flexibility to perform the retrofit as we perform other work in our assets as well as respond to the implications of analyses.

Energy

Question. For FY 2001, Congress provided $5 million for the energy program. Briefly describe the status of this program?

Answer. GSA's Energy Center utilized the $5 million provided by Congress to complete a variety of projects, including complete and partial building retrofits and a multitude of energy and water conservation projects. Please see the attached spreadsheet (ENERGY-1), for a detailed summary of completed programs.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FY2001 Allowance Processing Request
Energy Program

ATTACHMENT - ENERGY 1

Reg	Bldg Name (Project Name)	Project Type	Amount
1	JFK FB	Comprehensive Energy Project	$262,950
1	EPA Lab	EPA Light Shelves	$160,000
			$422,950
2	Plattsburgh FB	Windows&Heating Sys Controls Upgrade	$11,000
2	A. Pirnie FB	Insulation, Lighting Ret, EE Motors	$45,000
2	Dulski FB	EMS Enhancements	$34,000
2	Keating FB	AC-8 & AC-9 System Improv	$9,342
			$99,342
4	Tampa CH	Total Building Energy Project	$189,795
4	US Bankruptcy Court	Energy Conservation Measures	$18,320
			$208,115
5	Levin US Courthouse	Whole Building Retrofit	$372,072
5	Federal Ctr	Whole Building Retrofit	$134,732
			$506,804
6	SSA	Energy Conservation Project	$19,324
6	SSA	Geothermal Heat Pump	$100,000
6	National Persl Rcds Ctr	Water Conservation Project	$8,504
			$127,828
7	Santa Fe CH	Energy Conservation Project	$36,200
7	USBS BR of the Amers	Energy Conservation Project	$82,700
7	Galveston PO and CH	Energy Conservation Project	$84,700
7	US Custom House	Energy Conservation Project	$208,100
			$411,700
8	DFC Land	Pony Boiler	$112,425
9	Tuscon FB	Lighting Controls & VFD	$62,994
9	SSA Western Program Center	Cost Effective ECMs	$791,086
9	San Jose CH & FB	VFD For Cooling Tower and AHU	$38,500
			$892,580
10	Warehouse 5	Whole Bldg Retrofit	$134,000
10	FB and USPO	Solar PV System	$95,000
			$229,000
11	GSA ROB	Total Building Retrofit	$1,810,767
		Grand Total:	**$4,821,511**

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Is the program complete? If not, what remains to be done?

Answer. The current database of projects that we do not anticipate accomplishing with funds available through FY 2001 is $31,265,166. Please see the attached spreadsheet (Energy-2) for detail of projects. This list only includes projects currently identified. Additional projects will be identified in FY 2002.

Reg	Bldg Name	City	Project Name	Amount
1	AA Ribicoff FB & CH	Hartford	Comprehensive Energy	$381,681
1	St. Albans USPO	St. Albans	ESPC with Bldg. Integrated PV roof	$350,000
1	T.P.O'Neill FB	Boston	Occupancy Sensor Installation	$8,299
				$739,980
2	US Custom House	New York-Manhattan	Lighting Retrofit	$1,600,000
2	Hamilton Custom House	New York-Manhattan	Lighting Retrofit	$289,105
2	FOB Varick	New York-Manhattan	Lighting Retrofit	$285,000
2	FOB Varick	New York-Manhattan	EMS Upgrade	$917,700
2	FOB Varick	New York-Manhattan	Equipment Upgrade	$1,377,476
2	Javits FB	New York-Manhattan	Lighting Upgrade & Solar Film Installation	$440,571
2	10 Metro Tech	New York- Kings	Lighting Retrofit	$335,380
2	USPO & CH	Albany	Lighting Retrofit	$58,500
2	USPO & CH	Albany	Replace Steam Traps	$41,000
2	Border Station	Rouses Point	Attic Insulation	$12,500
2	Addabbo FB	New York	Energy Audit & Chiller Plant Improvement	$4,851,922
2	99 10th Ave.	New York- Manhattan	Ltg Retrofit	$617,481
				$10,826,635
3	GH Fallon FB	Baltimore	Bldg Energy Retrofit	$973,310
				$973,310
4	Snyder USCT	Louisville	Building Control System	$241,460
4	Scarlett FB	Brunswick	Building Automation System	$56,665
				$298,125
5	IRS Computing Center	Detroit	IRS Whole Building Retrofit	$1,530,796
5	Mcnamara FB	Detroit	Whole Building Retrofit	$4,985,464
5	Minton-Capehart FB	Indianapolis	VFD Replacements	$181,786
				$6,698,046
6	FB	Des Moines	Energy Conservation Project	$475,199
6	Richard Bolling FB	Kansas City	Energy Conservation Project	$994,182
6	SSA	Kansas City	Energy Conservation Project	$40,187
6	Carlson FB & CT	Topeka	Energy Conservation Project	$300,971
6	Denney FB & CT	Lincoln	Ltg Ret/Misc. Energy	$21,400
				$1,831,939
7	FB	Dallas	Energy Conservation Project	$202,300
7	USCH	Austin	Energy Conservation Project	$34,400
7	OC Fisher FB & CH	San Angelo	Misc. Energy Project	$22,000

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Reg	Bldg Name	City	Project Name	Amount
7	FB & CH	Tyler	Misc. Energy Project	$96,000
				$354,700
8	DFC Land	Denver	Lighting Controls	$179,700
8	DFC Land	Denver	Boiler Staging	$230,000
8	DFC Land	Denver	VFD Chilled Water	$192,000
8	DFC Land	Denver	Lighting Retrofit	$189,937
8	Byron Rogers FB & CH	Denver	Thermal Ice Storage	$320,530
				$1,112,167
9	FB & CH	Phoenix	Central Lighting Controls	$241,488
9	11000 Wilshire	Los Angeles	Water Conservation	$220,000
9	Hawthorne FB	Hawthorne	Lighting Controls	$300,000
9	Prince Kuhio FB	Honolulu	Solar Hot Water Heating	$175,000
9	Prince Kuhio FB	Honolulu	Connect Fan Coil Units to EMCS	$208,396
9	Prince Kuhio FB	Honolulu	VAV System Conversion	$586,675
9	Prince Kuhio FB	Honolulu	Hallway Occupancy Sensors	$16,000
9	FB & CH	Las Vegas	FEMP SAVEEnergy Conserv. Measures	$266,345
9	Bible Bldg	Las Vegas	FEMP SAVEEnergy Conserv. Measures	$162,972
9	Roybal	Los Angeles	Install Chillers, CHW Loop, Kitchen Equip	$3,598,600
9	Roybal	Los Angeles	Central Plant Retrofit	$791,086
9			Lighting Retrofit	$40,000
				$6,606,562
10	FB USDJ INS	Seattle	Water Conservation	$190,000
10	FB USPO	Richland	Solar Thermal H2O System	$75,000
10	Jackson FB	Seattle	Energy Retrofit	$95,000
				$360,000
11	GSA	Washington D.C.	Energy Efficient Lighting for Central Office	$334,930
11	Cohen FB	Washington D.C.	Install VFDs on Air Handlers	$284,132
11	Stafford Place	Arlington	Total Building Retrofit	$844,640
				$1,463,702
			GRAND TOTAL:	**$31,265,166**

Question. What funds, if any, have been requested for this program as part of your FY 2002 budget request? Where are these funds located within your budget request?

Answer. Although not separately identified in our FY 2002 budget request, some energy projects are included as part of our capital program. There are energy conservation elements in the non-prospectus repairs and alteration request and where appropriate, in the prospectus level projects. In addition, PBS plans to use the financing options available for Energy Retrofit projects. Competing priorities for limited Federal Buildings Fund resources do not permit us to fund this program at the level we consider desirable for FY 2002.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Compare and contrast the energy program with the "PCB Transformers" limited scope project requested for FY 2002.

Answer. There are no similarities between the energy program and the one-time request being made for funding the replacement of PCB transformers in two Federal Buildings.

GSA's FY 2002 budget request did not include funding its energy retrofit and conservation program in Government-owned and leased buildings during FY 2002. Funding for the energy program in previous years allowed GSA to meet energy reduction program goals through a combination of operational improvements, conservation measures, and retrofit projects. Various Public Laws and Executive Orders mandated these reduction goals.

GSA's request for funding PCB transformers involves the replacement of nine transformers at the New Executive Office Building, Washington, DC and 22 transformers at the J. W. Powell Building in Reston, Virginia. The manufacture and use of PCBs were banned in 1976 by the Toxic Control Substance Act because of scientifically demonstrated health hazards.

Question. What annual funds are contained in the maintenance part of your building operations activity for replacing and upgrading energy systems? What efforts are being made to ensure that energy systems replaced on a routine basis through the maintenance program meet the higher efficiency and environmental standards that have been established?

Answer. The maintenance program in the Building Operations activity does not specifically identify funding for each type of general, daily maintenance performed in our buildings. Each year damaged or obsolete energy saving devices in our buildings are replaced as part of our cyclic building maintenance. This budget activity has a threshold of $10,000 for the level of spending on any one project. Any repair projects greater than $10,000 must be funded from our Basic Repairs and Alterations program. Consequently, the maintenance program in the Building Operations activity does not have a significant impact on replacement of energy systems.

Question. Why is this program considered a "repairs and alterations" program rather than a "maintenance" program?

Answer. GSA programs are categorized according to the nature of work and dollar threshold involved. Repairs and alterations refer to the involvement, upgrade, or repair of a building and for its mechanical systems. The maintenance program refers to the day to day funds required to run the equipment and the facility to ensure both new and old are maintained in proper operating condition.

Glass Fragment Retention

Question. For FY 2001, Congress provided $5 million for the glass fragment retention program. Briefly describe the status of this program.

Answer. GSA has invested in the development of criteria, standards and building security technologies to provide for the safety and security of the occupants in government controlled space.

One hundred and fifteen (115) Child Care Centers have been examined. Twenty-four (24) centers did not require window upgrades. Sixty-three (63) have been upgraded. Eight (8) had existing security window protection that will need to be replaced in future years. The remaining Child Care Centers are in different stages of design/construction.

Seventy-eight (78) facilities of the 523 Security Level IV facilities have been examined under the program. Forty (40) additional facilities will be examined this year. All of the buildings examined to date require some mitigation. Two (2) buildings are complete. The cost for the completed projects is $675,594.

Due to the limited design and construction funds ($32 million), 14 buildings will be in different stages of design and construction by August 2001. The cost for these 14 facilities is $31,270,000

Question. Is the program complete? If not, what remains to be done?

Answer. The total program is approximately five (5) percent complete. Four hundred and five (405) facilities will need to be examined or assessed to determine if retrofit or mitigation efforts are necessary. Each assessment will provide recommendations and cost estimates for planning purposes.

Sixty-four (64) currently examined facilities require mitigation. The estimated cost for the mitigation is $67,916,000.

The GSA estimated the cost to provide mitigation for all 523 Government-Owned Security Level IV facilities is $838,405,000.

Question. What funds, if any, have been requested for this program as part of your FY 2002 budget request? Where are these funds located within your budget request?

Answer. Operational funding for this program is within the Building Operations budget activity. Although GSA has not requested separately identified funds for design and construction of energy projects, there are some energy conservation elements in the non-prospectus repairs and alterations request and where appropriate, in the prospectus level projects. While remaining a very high priority - design and construction funding will be incorporated in future year individual Repairs and Alterations line item project requests or funded through the GSA's basic repairs and alterations program.

Question. What annual funds are contained in the maintenance part of your building operations activity for replacement of windows? What efforts are being made to ensure that windows replaced on a routine basis through the maintenance program meet the higher-level security needs that have been recognized in the aftermath of the Oklahoma City bombing?

Answer. GSA does not have annual funds contained in the maintenance part of the Building Operations activity specifically for replacement windows. Each window replacement project is addressed as a specific project. To ensure replacement windows meet the higher security level standard, GSA has assigned a program manager from each region to review existing and future projects to ensure that Glass Fragment Retention is considered in the design and construction effort.

Question. Why is this program considered a "repairs and alterations" program rather than a "maintenance" program?

Answer. GSA considers the program repairs and alterations since funding and effort associated with the upgrade to a higher security level requires alterations to the existing system that may include window replacement, glass replacement, film application, blast curtain installation or any other acceptable mitigation effort. The Building Operations maintenance program is limited to minor repair projects of $10,000 or less. Projects larger than $10,000 must be funded from the Repairs and Alterations activity.

Chlorofluorocarbons

Question. For FY 2001, GSA requested funding for its chlorofluorocarbons program. Briefly describe the status of this program.

Answer. GSA submitted prospectuses as part of its 1995, 1996, and 1997 Capital Improvement Programs for a multi-year program to replace or retrofit chillers which use chlorofluorocarbon (CFC) refrigerants in Federal buildings. Prospectuses totaling $321,750,000 were authorized by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works.

To date, approximately $192,000,000 of CFC work has been accomplished.

Question. Is the program complete? If not, what remains to be done?

Answer. The program is not complete. There remains approximately $130,000,000 of needed work authorized but not funded from CFC prospectuses for FY 1995, 1996, and 1997. The projects remaining to be accomplished are throughout the United States.

Question. What funds, if any, have been requested for this program as part of your FY 2002 budget request? Where are these funds located within your budget request?

Answer. GSA is not requesting any funding for this program in FY 2002.

Question. Compare and contrast the chlorofluorocarbons program with the "HVAC" limited scope project requested for FY 2002.

Answer. The Chlorofluorocarbons Replacement Program targets work specifically to chillers while the "HVAC" limited scope project covers the building system. These are two independent activities.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

The Chlorofluorocarbons Replacement Program is a multi-year program to replace or retrofit existing air-conditioning equipment which use chlorofluorocarbons refrigerants in Federal buildings throughout the nation.

The "HVAC" limited scope project for FY 2002 allows for major HVAC system upgrades in the James T. Foley Courthouse in Albany, NY and the Burlington Post Office and Federal Building in Burlington, VT. Each building's HVAC system's components are either noticeably worn or inoperable, causing poor air distribution and filtration. As a result, the buildings do not meet minimum ventilation code requirements.

Under the chlorofluorocarbons program, GSA recently replaced two chillers in the Burlington Post Office and Federal Building. And subsequent to this program, in 1992 two chillers containing chlorofluorocarbons were replaced in the James T. Foley Courthouse. The "HVAC" limited scope project for FY 2002 will provide a major systems upgrade to both buildings' HVAC equipment needed to improve circulation and air quality in these buildings.

Question. What annual funds are contained in the maintenance part of your building operations activity for replacing HVAC units? What efforts are being made to ensure that HVAC units replaced on a routine basis through the maintenance program meet the higher environmental standards that have been established?

Answer. GSA does not replace HVAC equipment on a routine basis; HVAC units are replaced only on an as-needed basis. For FY 2002, GSA requested $75 million for HVAC units as a part of new construction and improvement projects. The prospectus threshold level for FY 2002 is $2,130,000. Routine maintenance of the HVAC systems is part of the overall Operations and Maintenance and is not tracked separately. For new construction and HVAC improvements, we follow the P-100, Facilities Standards for PBS, which outline our technical and environmental requirements. New chiller equipment is CFC-free.

Question. Why is this program considered a "repairs and alterations" program rather than a "maintenance" program?

Answer. Threshold levels dictate which program provides the funds. The threshold level is broken down as follows:

- $10,000 or less is funded from Operations & Maintenance; and
- Greater than $10,000 is funded from Repairs & Alterations.

Rental of Space

Question. Briefly describe the financial management results, customer relation's impacts, and leasing activity changes attributable to the indefinite authority (with the expansion of its operational definition) provided to GSA for accepting and using rental payments for lease expansion space.

Answer. The purpose of expanding the operational definition of indefinite authority for leased expansion space was twofold:

1. Realize the full purpose of this Congressionally authorized indefinite authority by removing the uncertainty associated with predicting client agency future needs from the budget preparation process;

2. Avoid, or significantly reduce, the level of Congressionally approved reprogramming required for the Rental of Space program.

The expanded operational definition has been in place for two fiscal years (2000 and 2001). Prior to the expanded definition, we were required to estimate the full year cost of expansion space to be acquired in the current year (budget year – 1) and include as part of our budget year New Obligational Authority (NOA) request. The expanded operational definition of indefinite authority has eliminated the need for this inherently uncertain estimation process. We have not required any reprogramming associated with expansion space in either FY 2000 or FY 2001. Therefore from a financial management standpoint, we consider the expanded definition to have been a success thus far. In FY 2000, we acquired 5,952,000 square feet of leased space with a full-year cost of $123,170,000 through the indefinite authority provision.

Indefinite authority for expansion space as a practical matter is "transparent" to our customer agencies, other than they are aware that we can accept rent payment for expansion space without the worry of limits on New Obligational Authority (NOA). To that extent customer agencies are appreciative of the fact that GSA is easier to work with in acquiring leased expansion space. The use of indefinite authority to acquire leased expansion space does require "sharpened" financial management skills on the part of GSA lease contract specialists. It takes a degree of knowledge and experience to determine whether a specific lease action (or part thereof) is indefinite authority expansion; or, instead, a lease action that must be funded from Rental of Space line item NOA provided in annual appropriations acts.

Question. Currently, the Office of Management and Budget scores long-term leases as capital investments. As a result, the full amount of the long-term lease must be budgeted for in the first year of the lease (the full obligation must be booked up front as if the lease was a construction project). This factor has made long-term leases more expensive from a budget perspective than short-term leases (even though the annual payment required by a long-term lease tends to be less than the annual payment required by a short-term lease). What real savings could be achieved in rental costs if long-term leases were not scored as capital investments?

Answer. Long-term leases are scored as capital investments only if the lessor's net operating income over the term of the lease exceeds 90 percent of the fair market value of the leased asset at the beginning of occupancy. Under current market conditions, lease scoring rules have the potential to affect the maximum rental rate and/or the maximum term of any lease GSA executes on behalf of a tenant agency. However, other considerations often shape GSA's decisions regarding these two lease parameters. Major real estate markets around the county have been characterized by

low vacancy rates and escalating rents. GSA should not commit to costly long-term agreements in such markets, especially in the light of uncertain tenant agency requirements. In such markets, a 20-year commitment might prove to be more costly than a shorter-term commitment with subsequent renewals taking advantage of changing market conditions. The application of sound real estate judgment under these circumstances may produce acquisition decisions equivalent to those produced by the constraints of scoring.

Lease scoring rules have a more demonstrable effect on GSA's ability to execute leases that will result in "lease construction". When the existing market lacks suitable space (quantity, type, or location) to meet specific tenant agency requirements, lease construction proposals, due to the financing needs of lessor/developers, may trigger scoring obstacles. For long term requirements, direct Federal construction is often the most cost-effective means to deliver some of these requirements, but funds are not available to address all known requirements.

Question. In responses to questions for the record last year, GSA described two different types of lease delegations: (1) Delegation of Administrative Contracting Officer Authority, and (2) Delegation of Contracting Officer Representative. Provide a table showing changes in number of these delegations (and the amount of space involved) for each of the past 5 years (including projections for FY 2001 and FY 2002). In the case of space involved in a lease delegation, what GSA lease management fee is charged?

Delegations of Administrative Contracting Officer (ACO) Authority and Delegations of Contracting Officer's Representative (COR)

FISCAL YEAR	ACO	COR
1998	45 leases 7.8 M Rentable Square Feet	731 leases 16.3 M Rentable Square Feet
1999	54 leases 8.2 M Rentable Square Feet	560 leases 11.8 M Rentable Square Feet
2000	68 leases 9.8 M Rentable Square Feet	Major system change; COR delegations not tracked
2001	64 leases (est.) 9.4 M Rentable Square Feet	Major system change; COR delegations not tracked
2002	64 leases 9.4 M Rentable Square Feet (est.)	National COR Delegation Program replaced by designation of COR by lease Contracting Officer

The GSA lease management fee of 8% is charged for all delegated leases.

Building Operations

Question. Provide a table showing the number of federally supported FTE and the dollar costs of PBS cleaning services, both total cost and cost per square foot of

occupied space, for fiscal years 1998 (actual FTE, actual and budgeted cost), 1999 (actual FTE, actual and budgeted cost), 2000 (actual FTE, actual and budgeted cost), 2001 (FTE and $ estimates), and 2002 (FTE and $ estimates).

Answer. Below is a table showing the number of federally supported FTE and the dollar costs of PBS cleaning services:

CLEANING
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	ACTUAL COST PER SQUARE FOOT	ACTUAL FTE
1998	$186,410	$216,839	1.43	412
1999	$185,013	$230,458	1.37	392
2000	$197,133	$231,774	1.44	360
2001*	N/A	$220,468	1.55	456
2002*	N/A	$223,587	1.56	456

* estimated

Question. Provide a table showing the PBS costs of utilities and fuel, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual and budgeted cost), 1999 (actual and budgeted cost), 2000 (actual and budgeted cost), 2001 (estimate), and 2002 (estimate). If FTE costs are associated with this activity, supply the FTE numbers as shown in the table above and explain why no pay increases are indicated for this activity in the table on page FBF-81.

Answer. Below is a table showing the PBS costs of utilities:

UTILITIES
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	ACTUAL COST PER SQUARE FOOT	ACTUAL FTE
1998	$219,983	$227,318	1.65	0
1999	$223,111	$258,639	1.61	0
2000	$225,665	$257,108	1.61	0
2001*	N/A	$273,518	1.88	0
2002*	N/A	$304,145	2.06	0

* estimated

Question. Page FBF 77 of your FY02 budget justification indicates that for FY 2001 an unobligated balance of $16.2 million is available from prior year unobligated balances. Will that amount, along with the FY 2001 budgeted amount, be sufficient to cover your FY 2001 utility and fuel costs?

Answer. At the present time we think the Building Operations activity has sufficient funds to cover the utility cost increases being experience this fiscal year. However, there is no way of predicting with a high degree of certainty if there will be an abnormally hot summer across the nation or if the California utility crisis will change directions before the end of the fiscal year. These uncertainties could change our end of year projections and change our requirements for additional funding.

Question. Estimate the cost avoidance in utilities and fuels that has been generated annually as a result of the energy program of the Repairs and Alterations account?

Answer. In FY 1985, GSA spent $262 million on utilities. The FY 2001 utility bill is expected to be $274 million. In adjusted dollars, the FY 2001 utility bill will be about 32% less than the FY 1985 bill. GSA has invested approximately $331 million in targeted energy retrofits since 1990. While the funding levels have fluctuated dramatically over 10 years, the average rate of return is 20%.

Question. Describe the resources ($ and FTE), capabilities and functions of the Energy Center of Expertise of the Public Buildings Service.

Answer. In FY 2002 the total budget request for the GSA Energy Center of Expertise is for 19 FTE and $3.2 million.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

The ultimate goal of the energy program is to provide expert management of GSA's utility budget, which is the single largest expenditure (estimated to be $274 million and $304 million in fiscal years 2001 and 2002, respectively) for PBS building operations account, excluding personnel costs. We have been very successful at achieving this goal. In fact, the utility budget for PBS in FY 2001 is calculated to be approximately $129 million less in real dollars than GSA's utility budget in 1985. This achievement is even more impressive in light of an increase in office space of approximately 30 million gross square feet during that time period. This result reflects GSA's ongoing commitment to meet energy performance requirements set forth in Public Law.

The first priority of GSA's Energy Center of Expertise was to develop a national strategy to meet federal mandates while positioning the agency for competition in an era of electric utility deregulation. The Energy Center manages the utility budget through two major program efforts. First, we make capital investments that reduce the amount of energy a building consumes in the course of daily operations. Secondly, we procure utility services required for facility operations at the lowest price possible. These two energy program areas are generally described as demand side and supply side management and are coordinated by the Kansas City headquarters staff of the Energy Center.

Concerning the demand of side management actions, the office of the GSA's Energy Center in Kansas City requests and justifies annual Repairs and Alterations energy and water project line item appropriation requests to Central Office. Upon notification that the requested amount is successfully programmed, the Energy Center formally issues an energy and water project submission letter to GSA's 11 regions. After reviewing and selecting regional projects, GSA's Energy Center coordinates the preparation and transmission of funding to regions. The project review and selection process is performed with close attention to life cycle cost accounting as well as the impact of each individual project on GSA's ability to achieve its nationwide energy reduction goals. This review process is significant as individual regional performance alone does not guarantee GSA will meet its agency-wide goals as all regions vary in terms of inventory, consumption levels, and potential for reduction. Individual regional energy performance tends to reflect the quality of regional performance in terms of the accuracy of estimated project savings, quality of project management, and efficiency of building operations. Once the funding is in the regions, the GSA Energy Center oversees project execution by evaluating project savings performance through our energy and water-tracking center (National Energy and Water Management Center (NEWMC)). In FY 2001, the Repairs and Alterations Line-Item Energy appropriation administered by the GSA Energy Center totaled $5 million. Since 1990, the GSA energy program has administered $331 million in Repairs and Alterations Basic and Line-Item funds. The results of the program are impressive:

- Energy consumption has been reduced by 18.1%, as of March 2001 from a 1985 baseline.
- GSA's cost of utilities per rentable square foot on average is 53 cents lower than private industry (LMI data from 2nd qtr FY 2001 GPR).
- The FY 2001 estimated obligations for utilities are $274 million. This is $129 million less, in real dollars, than the $262 million GSA spent on utilities in 1985.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

The Kansas City staff works closely with regional energy coordinators nationwide to ensure effective transfer of technology, and methods through visits, workshops, personal services support and the use of nationwide consultant contracts.

Concerning Supply Side Management, the Energy Center impacts GSA's bottom line by taking actions effecting the price we pay for utilities. This is accomplished through the combined efforts of several program elements within the GSA Energy Center, including the NEWMC, Public Utilities Office, Kansas City Headquarters and the Gas Transportation group.

The Public Utilities Office has legislative authority to award public utility contracts for all Federal agencies. This authority resulted in the development of the GSA Public Utility Areawide contract which is the main contract vehicle by which GSA, as well as most of the Federal Government, receives public utility service. In addition, the Public Utilities Office is responsible for representing the Federal Government in tariff rate setting and intervention. This action determines what rate or price many Federal facilities pay for utilities. Finally, this office awards competitive electric power contracts in states which have deregulated this industry. This service is performed with the assistance of several consultant contracts that were awarded in Kansas City or in Washington DC.
The Gas Transportation group is responsible for awarding contracts that bypass the local gas distributing company and receive cheaper gas prices from wellhead production facilities. This organization operates on a reimbursable basis via administrative fees included in the contract through which Federal customer agencies acquire gas. This program was recently transferred from the Veterans Administration under a Memorandum of Understanding (MOU). The consultant contract awarded in Kansas City will be used to assist this program expand into new areas of potential utility costs savings.

In addition to its primary function of tracking and verifying utility bills, the NEWMC administers a contract that recoups money from Public Utilities that inappropriately charged GSA taxes and other fees.

In conclusion, the future direction of the Energy Program will be to integrate the above actions to position GSA for full nationwide deregulation of electricity. The Energy Center wants to give GSA the ability to operate its buildings in a manner that attracts the best competitive price in a deregulated utility market. The technologies we invest in today must allow GSA building managers to react to utility market trends in a rapidly approaching real time environment. In reaction to the many new challenges presented by the national energy marketplace, the Energy Center of Expertise has shifted its investment strategy away from technologies that simply reduce energy consumption and towards technologies that improve a building's load profile while still reducing energy consumption or utilizing renewable energy.

Question. Provide a table showing the number of federally supported FTE and the PBS dollar costs of maintenance services, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual FTE, actual and budgeted cost), 1999 (actual FTE, actual and budgeted cost), 2000 (actual FTE, actual and budgeted cost), 2001 (FTE and $ estimates), and 2002 (FTE and $ estimates).

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer. Below is a table showing the number of federally supported FTE and the PBS dollar costs of maintenance services:

MAINTENANCE
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	ACTUAL COST PER SQUARE FOOT	ACTUAL FTE
1998	$195,091	$197,206	1.55	1,222
1999	$202,545	$230,300	1.57	948
2000	$200,546	$231,590	1.53	925
2001*	N/A	$240,605	1.77	1,267
2002*	N/A	$245,655	1.79	1,267

* estimated

Question. Provide a table showing the number of federally supported FTE and the PBS dollar costs of other building services, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual FTE, actual and budgeted cost), 1999 (actual FTE, actual and budgeted cost), 2000 (actual FTE, actual and budgeted cost), 2001 (FTE and $ estimates), and 2002 (FTE and $ estimates).

Answer. Below is a table showing the number of federally supported FTE and the PBS dollar costs of other building services:

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

OTHER BUILDING SERVICES
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	ACTUAL COST PER SQUARE FOOT	ACTUAL FTE
1998	$226,747	$193,649	0.94	2,429
1999	$270,751	$228,702	1.11	2,824
2000	$273,802	$247,264	1.13	2,914
2001*	N/A	$255,385	1.05	2,369
2002*	N/A	$265,050	1.09	2,369

* estimated

Question. Provide a table showing the number of federally supported FTE and the PBS dollar costs of protection services, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual FTE, actual and budgeted cost), 1999 (actual FTE, actual and budgeted cost), 2000 (actual FTE, actual and budgeted cost), 2001 (FTE and $ estimates), and 2002 (FTE and $ estimates).

Answer. Below is a table showing the number of federally supported FTE and the PBS dollar costs of protection services:

PROTECTION
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	ACTUAL COST PER SQUARE FOOT	ACTUAL FTE
1998	$225,190	$222,884	0.90	1,257
1999	$242,669	$241,114	0.97	1,245
2000	$255,332	$247,031	1.01	1,203
2001*	N/A	$258,226	1.02	1,408
2002*	N/A	$278,334	1.09	1,408

*estimated

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Does this activity represent the entire budget and the only budget of the Federal Protective Service? Describe what, if any, differences exist between the two (reimbursable program funding or other sources of funding, inclusion of items within this activity that are not part of the service, etc.).

Answer. This activity funds the Federal Protective Service that provides a standard level of security service recommended by the Building Security Committees. These services are provided to agencies in return for rent. These include guard service, security monitors and scanners, and Law Enforcement Security Officers. When requested by a tenant, we also provide protection services exceeding standard levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants. Reimbursable services might include requests for addition guards, overtime guard service, and upgraded security systems.

Question. Provide a table showing the number of federally supported FTE and the PBS dollar costs of staff support, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual FTE, actual and budgeted cost), 1999 (actual FTE, actual and budgeted cost), 2000 (actual FTE, actual and budgeted cost), 2001 (FTE and $ estimates), and 2002 (FTE and $ estimates).

Answer. Below is a table showing the number of federally supported FTE and the PBS dollar costs of staff support:

STAFF SUPPORT
(In Thousands)

FISCAL YEAR	ACTUAL OBLIGATIONS	BUDGETED REQUEST	COST PER SQUARE FOOT	ACTUAL FTE
1998	$324,587	$303,111	N/A	1,738
1999	$358,357	$319,354	N/A	1,647
2000	$369,687	$328,241	N/A	1,624
2001*	N/A	$353,897	N/A	1,655
2002*	N/A	$365,851	N/A	1,655

* estimated

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Why are environmental compliance actions considered a staff support function (rather than, say, other building services)? Are the environmental audits that would be supported by the increase of existing buildings and sites already in your federal inventory? How many audits would be supported by this increase? What level of resources is contained in the base to conduct environmental audits? Who would perform these environmental audits? What purposes are served by these environmental audits?

Answer. The environmental compliance actions that we requested funds for in FY 2002 are in addition to the routine environmental activities conducted by each of our regional offices. The GSA Office of Business Performance, the Environmental Business Strategies Division reviewed the regional FY 2002 budget submissions and found that they do not reflect the assessment of the financial liability due to environmental contamination in the total GSA inventory of approximately 8,300 sites.

For FY 2000, GSA estimated our financial environmental liability to be over $168 million in the GSA Annual Report to OMB, which includes a financial statement. The Annual Report is a requirement of the Chief Financial Officers Act of 1990 (Public Law 101-576). This amount reflects GSA's environmental liability as defined in the Statement of Federal Financial Accounting Standard (SFFAS) by the accounting standards SFFAS #5 and #6. It should be noted that the PBS FY 2000 estimate is unrealistically conservative; the Accounting standards allow Federal agencies to include the estimate to study the property versus the actual liability from environmental contamination. Applying the environmental regulations and environmental definitions to these same sites in our inventory would significantly raise the dollar amount of the PBS environmental liability (i.e.; contamination of a community water source and/or adjacent properties).

Complying with CERCLA (Comprehensive Environmental Response, Compensation and Liability Act 1980, amended 1988) is a normal part of doing business in the commercial real estate market. CERCLA addresses the cleanup of inactive hazardous waste site and applicable liability for this cleanup. Since the Federal Government is self-insured, the importance and costs associated with noncompliance are overlooked.

The GSA/PBS Environmental Program was reviewed by the Inspector General (IG) on May 8, 2000. The IG's report made the following recommendations regarding environmental auditing of the GSA inventory; "Expand the focus of PBS environmental programs to include property contamination, compliance with Federal and state environmental regulations, and liability for tenant activities. Implement environmental auditing on a risk-based approach." GSA/PBS is currently developing and implementing an Environmental Management System (EMS) in response to the IG's findings. The EMS focuses on environmental compliance.

Funding of the requested environmental audits target GSA's existing inventory of approximately 8,300 sites (both government-owned and leased space). Environmental Impact Studies (EIS) and necessary site remediation costs are covered in GSA/PBS's Capital Planning process and are part of specific new construction costs. The GSA inventory of government-owned buildings (1,700) was reviewed and prioritized by

environmental risk. Funding will provide the resources to conduct 238 audits at 223 GSA-owned sites (of greatest environmental risk) and to start environmental remediation work at 18 GSA sites. The amount requested does not reflect environmental remediation that is in process at the Denver Federal Center because it is under a state court order and funded separately.

The level of resources contained in the GSA/PBS budget base to conduct these environmental audits varies from region to region. Each region receives its funding allocation to maintain and operate the GSA inventory, and manages its own pool of funding. The regional budget plans and history of expenditures do not demonstrate that GSA/PBS will meet the intent of the IG recommendations to improve our environmental compliance activities unless we provide additional staff support.

We foresee that all of these environmental audits would be conducted by private firms that possess this specialized expertise.

Question. Page FBF-77 of your budget justification states that the change in fiscal year 2001 includes $9.478 million from prior year unobligated balances to support the operations and maintenance of PEGASYS, GSA's financial accounting system. Provide a table showing the level of PBS support of PEGASYS for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate).

Answer. Below is a table showing the level of PBS support of PEGASYS:

PEGASYS
(In Millions)

FISCAL YEAR	ACTUAL OBLIGATIONS
1998	N/A
1999	$3.1
2000	$5.2
2001*	$10.3
2002*	$10.6

* estimated (includes operation and maintenance)

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. For Fiscal Year 2001, PBS obligations are about 37 percent of the total GSA obligations ($6.518 billion of $17.497 billion). Is the level of support shown in the table above for PEGASYS equal to about 37 percent of total PEGASYS funding for fiscal year 2001? If not, explain the difference.

Answer. In fiscal year 2001, the level of support for Pegasys by PBS is approximately 43% of the total. The Pegasys support payment is not based on obligations but rather a combination of items. A portion is based on the percentage of PBS revenue to GSA's total revenue and a piece of the payment is based on PBS usage.

Question. Page FBF-77 of your budget justification also states that included in staff support is $112.481 million for centralized services and GSA administrative support. Upon what basis or methodology was this estimate derived? How fair a share does this represent for PBS? To what extent, if any, has the general movement of the IT Fund and General Supply Fund into being sources of choice (and trimming overhead accordingly) created higher charges for PBS?

Answer. The methodology for GSA administrative support estimates is based partially on staffing levels and workload requirements in areas where they can be uniquely identified. The PBS share of costs is reasonable. The Centralized Services estimate is based on actual customer billings where Service usage is identifiable. Changes to the IT Fund and General Supply Fund in recent years have not created noticeably higher charges for PBS.

Question. Provide a table showing the PBS costs of its CIO/IT activity, both total cost and cost per square foot of occupied space, for fiscal years 1998 (actual and budgeted cost), 1999 (actual and budgeted cost), 2000 (actual and budgeted cost), 2001 (estimate), and 2002 (estimate). If FTE costs are associated with this activity, supply the FTE numbers as shown in the other tables and explain why no pay increases are indicated for this activity in the table on page FBF-81.

Answer. Below is a table showing the PBS costs of its CIO/IT activity:

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

CIO/IT
(In Thousands)

FISCAL YEAR	BUDGETED REQUEST	ACTUAL OBLIGATIONS	ACTUAL FTE
1998	$47,465	$63,116	N/A
1999	$46,205	$60,463	N/A
2000	$47,175	$76,875	N/A
2001*	$66,327		
2002*	$66,327		

*estimated
FTE associated with IT is included under "other building support"

FTE associated with administering the IT program is included in the "staff support" total.

PBS does not associate any particular square footage with IT system obligations. Square footage data associated with our Building Operations activity has no meaningful relationship to our IT program.

Question. The unobligated balance carryover of $17.9 million into FY 2001 seems quite high relative to the budgeted FY 2001 level ($43.4 million). Explain this apparent anomaly.

Answer. We are increasingly dependent on Internet and IT applications for conducting our business. These systems provide meaningful data to our staff that use it to make business decisions about our assets. These resources will be applied to national infrastructure upgrades, network communications and nationwide license agreements for software.

Question. On page FBF-77 of the budget justification, you state that GSA has set aside $25 million for allocation based on achievement of performance goals. Describe where these funds are located in your budget. Describe how this $25 million is to be used. Describe the process by which decisions regarding the use of these funds are made.

Answer. A portion ($25 million) of the Building Operations funding allocated to us is held back and distributed based on performance. Our regions generally invest this money in efforts that will foster improved performance in the future. About half of the money is invested in such things as training and new equipment that will make our employees more efficient and effective. The remainder is distributed as cash incentives for employees to help foster continued improvements in performance. This money is distributed to our regions based on their performance on a series of key performance

measures. These measures are weighted based on their importance in helping PBS achieve its business strategies. Regional performance targets are developed for each measure. Regions can receive a portion of the money allocated to each measure based on their ability to meet their performance targets, thereby improving our overall performance.

Question. Explain the extent to which, if any, this represents a step towards performance-based budgeting. If a certain activity within Building Operations is not meeting its performance goal, does that argue the need for additional resources for improvements or does that result in no additional resources to help it meet its goal?

Answer. It does represent a significant step toward performance-based budgeting. If one of our regions does not meet its performance goal for operating costs, we do not provide additional resources. Regional managers have been successful in staying within the funds we have allocated. If a region needs to improve its performance in one or more facets of Building Operations, we have an extensive knowledge management system within PBS that includes the sharing of good practices among regions and networks of subject-matter experts. These support systems allow those whose performance needs improvement to employ the techniques that have proven to be successful with others.

CHILD CARE CENTERS

Question. Provide a table similar to the one provided last year showing, for each of the past 5 years (including projections for FY 2001 and FY 2002), the number of child-care centers in GSA facilities, the percentage of these centers that are accredited, the number of children in these centers, the value of the furnishings-equipment-space supplied by GSA in support of these centers, and the average annual cost per child paid by the child's family.

Answer.

Year	Number of Centers	Number of Children	GSA Supplied Furnishings & Equipment	Average Annual Cost per Family	Number of Centers Accredited
FY 1996	105	7,117	$1.5 million	$6,156	54
FY 1997	109	7,114	$2.0 million	$6,479	60
FY 1998	112	7,646	$1.8 million	$6,711	60
FY 1999	112	7,865	$1.9 million	$7,026	73
FY 2000	113	8,006	$2.08 million	$7,373	79
FY 2001	113	8,100	*$2.8 million	*$7,742	*86
FY 2002	114	*8,150	*$2.7 million	*$8,129	*93

Newly opened centers or centers under new management are not eligible for accreditation.
Two centers closed in FY 01 and two new centers will open in FY 01.
Enrollment numbers fluctuate daily. We do expect modest growth.

*Projected.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Federal Protective Service

Question. Briefly describe the background that led up to the development and implementation of the Countermeasures program. Include definitions of what constitutes a Level 4 facility, a Level 3 facility, a Level 2 facility and Level 1 facility, as well as the total number of each level that are in GSA's inventory.

Answer. The FPS countermeasures program initially began with implementation of the minimum security standards established in the June 28, 1995, Department of Justice (DOJ) "Vulnerability Assessment of Federal Facilities report." The DOJ report identified five security levels for Federal buildings. Below are their definitions and the number of buildings in that security level. The current number of buildings under GSA-control is 8,658.

Level 1: is a building that has 10 or fewer federal employees, is 2,500 or less square feet of office space and has a low volume of public contact or contact with on a small segment of the population. The current number of Level 1 buildings is 2,117.

Level 2: is a building that has between 11 and 150 federal employees, is from 2,500 to 80,000 square feet, has a moderate volume of public contact, and with activities that are routine in nature, similar to commercial activities. The current number of Level 2 buildings is 4,905.

Level 3: is a building that has between 151 and 450 federal employees, is from 80,000 to 150,000 square feet, has a moderate/high volume of public contact, and building tenant agencies may include law enforcement agencies, court/related agencies and functions, and government records and archives. The current number of Level 3 buildings is 767.

Level 4: is a building with over 450 federal employees, is more than 150,000 square feet, has high volume of public contact, and its tenant agencies may include high-risk law enforcement and intelligence agencies, courts, judicial offices, and highly sensitive government records. The current number of Level 4 buildings is 840.

Level 5: is a building such as the Pentagon or CIA Headquarters that contains mission functions critical to national security and are required to secure their sites according to their own requirements. The degree to which these requirements dictate security features in excess of those for a Level 4 facility are set by the individual agency. It is similar to a Level 4 building in terms of number of employees and square footage. The current number of Level 5 buildings is 29.

Upon publication of the DOJ Report and approval from the President, GSA, FPS, received appropriated money to finance the implementation of security measures - "countermeasures" - to ensure all GSA controlled facilities met the minimum standards prescribed in the DOJ report. FPS developed an automated program that was designed to identify all countermeasures assigned to a building and to track these countermeasures, including associated costs, through completion. FPS has continued with this effort since 1995.

At the same time, FPS developed a Building Security Assessment Program to assist FPS in converting from strict adherence to the minimum security standards outlined in the DOJ Report to reliance on a consistent and uniform building security assessment. Since 1997 this program has evolved into its current format that includes an automated risk assessment program called Federal Security Risk Manager (FSRM). The FSRM is the principal tool for conducting building security assessments and is applied on a building by building basis. Through the application of the FSRM, specific building security measures are identified as a means to eliminate or reduce threats directly associated with the building. This, in turn, greatly enhances the overall security and safety of federal employees, visitors, and other workers in GSA buildings.

To date, 8,165 countermeasures have been approved for GSA-controlled facilities. This number includes 4,150 countermeasures at Level 4 buildings and 4,015 countermeasures for Level 1-3 buildings. Completed countermeasures for all levels of buildings equate to 7,853 (3,931 for Level 4 and 3,922 for Levels 1-3).

Question. Briefly describe the current status of the countermeasure program. What action(s) has GSA taken since 1995 to strengthen and enhance security in federal buildings?

Answer. Since 1995, GSA, through its FPS, has spent over $1.2 billion on security and made 7,853 specific improvements, including installation of thousands of additional security cameras, x-ray machines, metal detectors and other devices.
GSA has also doubled its uniformed security force and contract guards for a combined total of nearly 7,000 security-related personnel. Additional accomplishments:

- Established direct-line authority for FPS organizations to improve consistency and effectiveness;
- Implemented initiatives to decrease threats through a Regional Threat Assessment Program and Federal Risk Management Survey methodology;
- Increased the emphasis on the Threat Identification Program, including participation in the FBI's Joint Terrorism Task Forces;
- Worked with other federal agencies to design a security strategy based on the 1995 DOJ Report;
- Increased training and upgraded standards and qualifications for federal officers;
- Enhanced the contract guard program by developing a new contract guard information manual and a new contract for guard services that strengthens pre-employment standards, testing and training, and quality control;
- Incorporated security enhancements in design and construction phases of all new projects; and
- Consolidating communication control centers into 4 state-of-the-art MegaCenters.

Concerning the current status of the program, the countermeasure program is a dynamic program due to the ever-changing requirements of Federal facilities for security protection. As countermeasures are implemented, there are others being recommended. New countermeasures are recommended as facilities' requirements change. Changes in countermeasures are due to tenant changes, agency changes (mission), local crime statistics changes, and other variable factors. Achievement of a

completion rate of one hundred percent will never be realized due to the constant changing conditions in and around the facilities, as well as new facilities coming on line.

The present status reflects that 8,165 countermeasures have been recommended and approved for implementation within Federal facilities under the control of GSA's Public Buildings Service. Of those approved, 7,853 have been implemented, leaving 312 countermeasures that are pending implementation. As a reminder, new countermeasures are being recommended as other countermeasures are completed.

It should be noted that there are countermeasures outside of these 8,165 countermeasures that we cannot address but which we are working to accomplish. For example, in lieu of restricted parking around a facility, GSA may implement increased CCTV surveillance or the placement of physical barriers. In these instances it is important to remember the DOJ Report statement that "**where feasible**, each federal facility should be brought up to the minimum security standards proposed for its security level."

The data below depicts the numbers of approved countermeasures, implemented countermeasures (completed) and pending countermeasures. Also included is a breakout of data for Level 4 facilities, as well as Level 1 through 3 facilities.

Building Security Level	Approved CMs	Completed CMs	Pending CMs
Level 4	4,150	3,931	219
Level 3	1,005	978	27
Level 2	2,221	2,186	35
Level 1	789	758	31
All Levels	8,165	7,853	312
Levels 1 through 3	4,015	3,922	93

Question. Briefly describe what countermeasures remain to be implemented, their costs, and when these countermeasures will be implemented.

Answer. The following countermeasures are pending implementation. These are listed by category. This reflects countermeasures that are pending in Level 4 facilities, and countermeasures that are pending in Level 1 through 3 facilities.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Level 4 facilities:	Countermeasure	Number to be implemented
	Security guards	7
	Security Systems	**42**
	X-ray Machines	25
	Magnetometers	17
	Security Lighting	11
	Barriers – Physical and Vehicle	37
	Closed Circuit TV	47
	Locks	4
	Other	29

Level 1-3 facilities:	Countermeasure	Number to be implemented
	Security guards	3
	Security Systems	17
	X-ray Machines	10
	Magnetometers	6
	Security Lighting	6
	Barriers – Physical and Vehicle	16
	Closed Circuit TV	14
	Uninterruptible Power Supply	2
	Other	16

These countermeasures are pending due to various reasons, such as contracts have yet to be awarded, property owners of leased facilities have not approved installation of equipment, or funding not available. Completion of these countermeasures is dependent upon each individual circumstance.

Based upon the dynamics of the program, there will always be a percentage of countermeasures that are pending. As countermeasures are completed, additional countermeasures are being recommended due to the changing threat, needs of tenants, and facilities. When threats are identified to a particular facility, necessary countermeasures are recommended, prioritized and instituted based on applicable funding levels and ability to reduce the threat.

In support of this effort, for FY2002, FPS has allocated over $158 M towards the implementation of the above countermeasures. Countermeasure implementation will be prioritized on the threat as identified through the Regional Threat Assessment that relies heavily upon the results of the Federal Security Risk Management surveys conducted for individual facilities.

Question. Provide a table showing by region the status of the countermeasure program, including the number of Level 4 facilities that have been completed, the percent of Level 4 facilities that have been completed, the number of Levels 1-3 facilities that have been completed, and the percent of Levels 1-3 facilities that have been completed.

Answer. We do not track the countermeasures program by facilities that are completed, but by countermeasures that are completed. Determining whether all

countermeasures approved for a particular facility (and to include each and every facility) would be an enormous task for which we are not currently staffed. Below is a chart that reflects the number of completed countermeasures in each Region by facility security level.

Status of Countermeasure Program by Region and Level			
REGION	Level 4 Completed	Levels 1, 2, and 3 Completed	
1	105	346	
2	275	288	
3	282	296	
4	697	654	
5	280	132	
6	299	234	
7	613	556	
8	300	650	
9	364	379	
10	130	100	
11	586	287	

Question. In its Semiannual Report to Congress for April 1, 2000 - September 30, 2000, the GSA IG reports on a major issue with respect to the contract security guard program. Comment on the validity of the concerns contained in the report (including tolerance of non-performance, payment of services not provided and inadequate contract monitoring) and on the steps being taken to address these concerns.

Answer. The subject GSA IG report focused on the following issues regarding contract security guards: ensuring accurate background suitability status; establishing centralized controls; ensuring all guards properly trained and supervised; witnessing of firearms qualification sessions and track qualification status of contract guards; encouraging guard inspections and enforcing contract requirements; and ensuring post orders accurately reflect the position duties.

In response to the report recommendations, GSA has accomplished and initiated the following actions:

- Issued revised boilerplate for guard services to all of the GSA regions in December 2000. This living document will be updated at appropriate times throughout the course of any year. Regions have started implementing the new boilerplate that will be phased in over a three (3) year period.

- Improved contract guard test and testing procedures have been instituted. The passing rates have continued to improve among the regions. GSA has contracted with a professional examination service to review the test and make recommendations on possible enhancements to the test.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

- An updated Contract Guard Information Manual was issued in April 2001. This is a web-based manual that all contractors will have access to via the Internet and are to give to their employees for training purposes. As with the boilerplate for guard services, the manual can be readily updated more efficiently.
  Based on this updated manual, new test questions are to be developed.

- FPS sponsors semi-annual nationwide guard program conferences in the Spring and in the Fall to improve the contract guard program on both a national and regional level. Program personnel share good practices, network and discuss program issues.

- Additional personnel, including Program Managers, Contract Specialists, and Security Assistants, have been hired for regional contract guard programs.

- Several regions have created or convened work groups and task forces to address improvements to their contract guard programs. These groups are addressing the findings of the OIG audit in relation to their regions and have taken steps to correct the identified deficiencies.

- A database module, the Contract Guard Employee Requirement Tracking System (CERTS), is under development and scheduled to be completed and installed nationwide in late 2001. This database will enable FPS to instantly track the status of each contract guard certification.

- FPS regions have either completed or are in the process of updating their magnetometer/x-ray training programs to ensure all contract guards working on posts are competent and knowledgeable on the operation of the devices. Most regions have purchased automated training equipment to be used in the training process.

- FPS has partnered with GSA's Federal Supply Service to promote the use of Guard Service Schedule Contracts.

Question. In its Semiannual Report to Congress for April 1, 2000 - September 30, 2000, the GSA IG Reports on a major issue with respect to building access controls at a regional office complex. Comment on the validity of the concerns contained in the report (including inadequate building controls that have led to unauthorized access) and on the steps being taken to address these concerns.

Answer. The subject review by the GSA IG determined that " as currently used, card keys and security badges are not effective building access controls in that they do not provide reasonable assurance that personnel and assets are adequately safeguarded. Further, controls over the card key and security badge issuance, use and retirement processes, are not adequate to ensure that only authorized personnel have and use card keys and security badges."

The GSA Federal Protective Service (FPS) conducted a Federal Security Risk Management (FSRM) assessment of the subject complex on September 10, 2000.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Through this assessment, it was determined that the impact of loss to the facility was moderate to low and vulnerability was moderate to low. Resulting countermeasure recommendations for this facility include guard training, additional Closed Circuit TVs, awareness training, key control and an employee ID system.

GSA FPS has reviewed the audit report and assumes all concerns stemming from the audit are valid. The following actions have been taken to improve access control at the complex:

- Reviewed the access control system at the complex, determined it to be inadequate, and scheduled installation of a new system by July 31, 2001.

- Conducted a review of card access approval procedures, issuance and retrieval of access cards. New procedures have been established to improve each of these areas beginning with the issuance of the card keys for the new access control system.

- Obtained approval of the Building Security Committee and developed a strategy for customer acceptance. "Brown bag" meetings with tenants are scheduled during June and July to ensure user awareness and acceptance.

- The IG noted concerns regarding individuals using a card key to enter the complex and allowing multiple and potentially unauthorized entry of other persons into the facility, as well as the number of unlimited access card keys issued.
  In response, guard posts are being reassigned to place a guard post at the entrance with the multiple entry concern and a new card key system is being installed for the complex. Only GSA senior management officials and security personnel will be issued unlimited access card keys.

- The IG noted a concern that the variety of badges used by GSA and other tenant agencies impacted the ability of the security personnel to discern the validity of badges worn by people entering the building. GSA has established a single badge to be worn by employees of all agencies at the complex which will be issued with the initiation of the new card key system by July 31, 2001.

- The IG noted concerns about card keys being issued in blocks, more than one card key being issued to an individual, the number of officials authorized to approve card key requests, and inadequate information being obtained for card key issuance. These are valid concerns. Card keys for the new system will not be issued in blocks and no one will be issued more than one card key. The request form for card keys has been revised to include all required data and the level of the supervisor approving card key requests has been raised.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

- The IG noted concerns about the maintenance and accuracy of the card key system data base, the ability of the system to detect inaccurate data, and inappropriate card key usage on a timely basis. This is a valid concern.
  The key card system activity report will be reviewed periodically to detect card keys not being used for potential removal from the system and inappropriate card key usage.

- The IG noted concerns about controls over security badge issuance, use, and retirement. There is no standardized policy for issuance of badges and no procedure is in place to ensure that badges are returned when employees leave the employing agency. These are valid concerns. Badges for employees of all agencies will be issued only with approval of authorized management officials. In addition, procedures for ensuring badges and card keys are returned by employees leaving the employ of agencies are being re-instituted and contractors badges will include an expiration date.

Telecommuting Work Centers

Question. In response to questions for the record last year, GSA stated that it expected to award a contract for the telecommuting work center utilization evaluation in the third quarter of fiscal year 2000 and that GSA expected to have a completed evaluation within 120 days of the award Telecommuting Work Centers. Briefly describe the status of this effort and its findings (if available).

Answer. The evaluation was submitted in February 2001 and concluded that all but one of the 16 telecommuting centers were underutilized. The centers' utilization rates ranged from 25.6 percent to 100 percent and averaged 53 percent. The study recommended that the telecenter program be phased out, except for the fully utilized center which should continue to receive GSA's financial support.

GSA has deferred action on telecenters pending the outcome of a recent legislative initiative to foster greater telecommuting.

Question. Provide a table showing the number of telecommuting work centers and the total level of support provided by GSA for the telecommuting work centers for each of the past 5 fiscal years (including projections for fiscal year 2001 and for fiscal year 2002).

Answer.

Telecommuting Work Center Funding Costs

# Centers	Fiscal Year	Costs (millions)
13	1998	$ 2.27
15	1999	$ 2.44
15	2000	$ 2.46
15	2001	$ 2.53
15	2002	$ 2.73

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. House Report 106-756 encouraged GSA to consider using, if warranted, a portion of the funds available for supporting telecommuting work centers or other funds to identify and develop a plan to resolve technology barrier issues that impede the creation of home workstations for federal employees. Briefly describe what actions, if any, GSA is taking in response to this language.

Answer. GSA is responding to the Congressional request to develop a plan to resolve technology barrier issues that impede the creation of home workstations for federal employees. PBS provided the funds as suggested by Congress, and the Office of Governmentwide Policy is managing the supporting study that will identify the major barriers. The initial request for proposals yielded one bid which was not acceptable. We have revised and clarified the scope of work for the study and expect to issue the new request for proposals by late May 2001. We anticipate that the final study and recommendations will be available in January 2002, with a draft version possible by late fall 2001.

Recycling

Question. Last year in response to questions for the record, GSA stated that 68.5 percent of the locations in its inventory that met the criteria established by the Code of Federal Regulations for implementing a recycling program actually have a recycling program. How has this percentage changed over the past year, if at all?

Answer. Current regional data, submitted for the FY 2000 Resource Conservation and Recovery Act (RCRA) annual report, show that 90.7 percent of GSA's inventory that meet this criteria have a recycling program in place.

Question. What major factors attribute to the less-than-100-percent participation rate by Federal agencies that meet these criteria? What actions are being taken or contemplated for encouraging or requiring all of the agencies that meet these criteria establish a recycling program?

Answer. Factors impacting a location's participation in the Federal Recycling Program include lack of local markets for recovered materials and increased costs caused by operation of a recycling program in a given location. GSA's policy is to recycle where there are 100 or more employees, where markets exist, where there is no additional cost from the operation of a recycling program, or where it is required by local regulations.

To expand participation, GSA has aggressively marketed this program, through a network of Regional Recycling Coordinators, to the Federal community and also adopted a policy of returning income realized from the sale of recovered materials to each executive agency for their use. Through GSA's efforts and initiatives, markets have expanded or been created, to include remote locations where new vendors have bid on GSA contracts.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

POLICY AND OPERATIONS

Question. Provide a table similar to the one supplied last year that shows a breakdown (in dollars and FTE) of the annual appropriations for Policy and Operations between the Policy activity and the Operations activity and a further breakdown within those activities for fiscal year 1998 through fiscal year 2002.

Answer.

Policy & Operations
$(000)

	ACTUALS						PLANNED			
Programs	**1998**		**1999**		**2000**		**2001**		**2002**	
Operations	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
Federal Supply Service	10,003	123	10,143	116	10,142	110	10,722	110	11,097	110
Federal Technology Service	3,494	1	3,722	1	3,694	2	7,982	19	14,482	27
Property Disposal	12,678	96	19,588	89	23,567	94	27,290	94	27,772	94
Management & Administration	27,662	152	23,956	153	23,964	140	25,078	142	25,746	142
Chief Information Officer	2,572	0								
Congressional Initiatives	0	0	0	0	0	0	8,731	0	0	0
Operations Total	**56,409**	**372**	**57,409**	**359**	**61,367**	**346**	**79,803**	**365**	**79,097**	**373**
Policy										
Office of Governmentwide Policy	46,788	282	47,706	299	49,753	257	55,108	264	59,402	280
Congressional Initiatives	3,000	0	3,000	0	2,275	0	2,495	0	0	0
Policy Total	**49,788**	**282**	**50,706**	**299**	**52,028**	**257**	**57,603**	**264**	**59,402**	**280**
Unobligated Balance	1,290	0	1,156	0	6,128	0	0	0	0	0
Appropriation	**107,487**	**654**	**109,271**	**658**	**119,523**	**603**	**137,406**	**629**	**138,499**	**653**

*NOTES:
1. In FY 1999, CIO program was transferred to the Working Capital Fund.

2. The unobligated balance for FY 2000 includes $4,806 thousand in no year funds.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Provide a similar table showing the amounts of dollars received for (and FTE attributed to) reimbursable efforts associated with the components of the Policy and Operations activities for fiscal year 1998 through fiscal year 2002.

Answer.

Policy & Operations
$(000)

	ACTUALS						PLANNED			
Programs	**1998**		**1999**		**2000**		**2001**		**2002**	
Operations	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
Federal Supply Service	1,149	4	1,307	3	1,704	4	2,100	4	2,200	4
Federal Technology Service	93	0	274	0	278	0	0	0	0	0
Property Disposal	3,812	12	5,630	13	3,659	13	11,767	13	12,000	13
Management & Administration	0	0	0	0	0	0	0	0	0	0
Chief Information Officer	0	0								
Congressional Initiatives	0	0	0	0	0	0	0	0	0	0
Operations Total	**5,054**	**16**	**7,211**	**16**	**5,641**	**17**	**13,867**	**17**	**14,200**	**17**
Policy										
Office of Governmentwide Policy	1,368	0	3,387	0	4,123	0	6,533	0	6,800	0
Congressional Initiatives	0	0	0	0	0	0	0	0	0	0
Policy Total	**1,368**	**0**	**3,387**	**0**	**4,123**	**0**	**6,533**	**0**	**6,800**	**0**
Grand Total	**6,422**	**16**	**10,598**	**16**	**9,764**	**17**	**20,400**	**17**	**21,000**	**17**

1. In FY 1999, CIO program was transferred to the Working Capital Fund.

Real Property Disposal

Question. Provide a table similar to the tables provided last year showing, for the real property disposal (direct) program for each of the past five years (including projections for fiscal year 2001 and fiscal year 2002), the total number of properties that were disposed, the total appraised value of disposed properties, the total dollars realized from property sales, the total amount of proceeds from the sales that was deposited in the GSA receipt account for each of the past five years, and the cumulative end-of-year balance of the receiptaccount.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer.

	Federal Transfers		Discount Conveyances	
Fiscal Year	Number of Properties	Estimated Value	Number of Properties	Estimated Value
1996	14	18.9m	23	79.2m
1997	24	8.3m	24	18.3m
1998	17	2.5m	39	60.9m
1999	15	40.3m	77	57.3m
2000	10	21.7m	49	114.6m
*2001	19	72.8m	52	37.9m
*2002	11	81.4m	56	58.2m

* Projections

Fiscal Year	SALES Number of Properties	Estimated Value	Sales	Receipts	Receipts Account Balance
1996	62	5.7m	6.7m	17.2m	25.3m
1997	84	18.0m	15.1m	14.0m	37.9m
1998	40	43.0m	75.9m	47.5m	80.8m
1999	85	121.2m	138.1m	16.5m	85.0m
2000	141	118.5m	120.5m	8.2m	85.4m
*2001	197	210.4m	210.4m	58.0m	135.4m
*2002	245	331.2m	191.6m	19.0m	143.0m

* Projections

Question. Provide a table showing, for the real property disposal (direct) program for each of the past five years (including projects for fiscal year 2001 and fiscal year 2002), the total number of properties conveyed at less than fair market value to State and local governments and eligible non-profits, the total appraised value of these properties, the total value of the receipts (if any) received from these transfers, the difference between the total appraised value and the total receipts, and the total GSA costs associated with these transfers.

Answer.

Fiscal Year	Number of Properties	Estimated Value	Receipts	Difference between Estimated Value and Receipts	Cost Associated with these Transfers
1996	23	79.2m	0	79.2m	1.68m
1997	24	18.3m	0	18.3m	1.32m
1998	39	60.9m	0	60.9m	2.95m
1999	77	57.3m	0	57.3m	3.28m
2000	49	114.6m	0	114.6m	2.84m
*2001	52	37.9m	0	37.9m	2.21m
*2002	56	58.2m	0	58.2m	2.22m

* Projections
Footnote: No receipts were generated from public benefit conveyances.

Question. Provide a table similar to the table provided last year showing, for the real property disposal (reimbursable) program for each of the past five years (including projections for fiscal year 2001 and fiscal year 2002), the total number of properties that were disposed, the total amount that GSA was reimbursed, the total reimbursable sales proceeds, and the total receipts transferred to landholding agencies.

Answer.

Fiscal Year	Number of Properties	Reimbursable Disposals	No Costs Transfers or Discount Conveyances	Total Receipts Transferred to Landholding Agencies	Total Amount GSA Reimbursed
1996	1052	204.9m	60.7m	144.2m	6.3m
1997	1609	356.6m	84.1m	272.5m	6.0m
1998	1491	202.7m	29.4m	173.3m	4.0m
1999	51	212.2m	38.3m	173.9m	5.8m
2000	60	215.9m	1.2m	214.7m	4.5m
*2001	55	164.5m	15.8m	148.7m	11.7m
*2002	49	177.8m	40.0m	137.8m	11.9m

* Projections

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Governor's Island

Question. Briefly describe the status of GSA protection and maintenance activities associated with Governors Island.

Answer. The US Coast Guard provides protection and maintenance of Governor's Island (G I) through funding appropriated to GSA. The Governor's Island workforce consists of approximately 50 Coast Guard government and contract employees. These individuals provide security, fire protection, ferry service as well as grounds and buildings maintenance. Specific projects currently underway include seawall grouting and repairs, roof repairs in the historic district, exterior painting and interior repairs of buildings located in the historic district. The most significant recent interior repair is the repair and replacement of heating systems to insure that the historic district buildings are heated during the winter. Buildings outside the historic area are not heated since the focus of the protection and maintenance is centered on the historic district. This approach maximizes the available resources to the area that they are most needed.

Question. Briefly describe the status of GSA disposal activities associated with Governors Island. When will the disposal of the island be complete?

Answer. Federal disposal is currently governed by the Balanced Budget Act of 1997 which prohibits disposal of Governor's Island before 2002 and stipulates that disposal must be by sale at fair market value, with the State and City of New York having right of first offer. Although New York City and New York State collectively announced a unified plan for the future of Governors Island, they are also seeking Federal assistance for the conveyance of the Island at little or no cost. Legislation for this purpose was proposed in the last Congress. However, there was no action on this proposal before the conclusion of the session. On January 20, 2001 President Clinton signed a proclamation establishing the Governor's Island National Monument. This designated Fort Jay and Castle Williams as National Monuments, together with 20 acres of surrounding land under the jurisdiction of the National Park Service. The State of New York has proposed new legislation which was introduced to Congress in early April and would transfer the balance of Governor's Island to a State/City corporation at no cost.

In a conference call with GSA on April 10 the State indicated that they would be submitting their plan of use for the Island to GSA shortly. This is in response to GSA's January 12th letter to the Governor of New York and Mayor of New York City that addressed their right of first offer for the property under the Balanced Budget Act.

GSA's disposal schedule provides for the receipt of a plan from the State and/or City by June of 2001. An appraisal would then be prepared and negotiations would begin. If negotiations prove successful then closing will be scheduled for January 2002. If we were not able to come to terms with the State and/or City the property would be offered for public sale with title passing on or about September 2002.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Provide a table showing the source of funds that GSA has used and is using to support its activities associated with Governor's Island for fiscal years 1998, 1999, 2000, 2001 (planned), and 2002 (planned). Does GSA anticipate any reduction in the level of resources needed at Governors Island for fiscal year 2002?

Answer.

1998	1999	2000	2001	2002
*$8,144,000	$7,000,000	$10,000,000	$8,582,078	$8,582,078

*Coast Guard Funding, GSA gained responsibility of Governor's Island in FY 1999 through 2002.

The Protection and Maintenance budget for Governor's Island has always had a base component, which is adjusted from year to year for inflation. The base includes salaries, security, fire protection, ferry service, general maintenance and utilities. To this base is added special projects such as sea wall repairs, exterior painting, major boat repairs, ferry slip repairs and major roof repairs. The estimated Protection and Maintenance cost is $8 million in FY 2002. The balance of the funding, $582,000, will, if necessary, be applied to any additional costs incurred by GSA to sell or transfer the property

Lorton Correctional Complex

Question.. Provide a table similar to the one provided to the Committee last year showing the Lorton Funding History (unobligated balance, DC Government transfer, Policy & Ops support, Total available, obligations, and End-of-year unobligated balance for fiscal years 1999, 2000, 2001 (planned), and 2002 (planned).

Answer.

Fiscal Year	Funds Appropriated	Obligated	Cumulative Unobligated
1999	7,000,000[1]	2,223,310	4,776,690
2000	6,674,540[2]	5,585,535	1,089,005
	2,758,000[3]	1,252,066	1,505,934
	4,776,690[1a]	1,566,591	3,210,099
2001	4,822,367[4]	4,822,367	0
	3,210,099[1b]	3,210,099	0
	1,505,934[3a]	1,505,934	0
	1,089,005[2a]	1,089,005	0
2002 (Planned)[5]	4,822,367	4,822,367	0

[1] D.C. Appropriation Fiscal Year 1999
[2] D.C. Appropriation Fiscal Year 2000
[3] Treasury-Postal Act Appropriation Fiscal Year 2000
[1a] Carryover from Fiscal Year 1999
[4] Treasury-Postal Act Appropriation Fiscal Year 2001
[1b] Carryover from Fiscal Year 1999/2000
[3a] Carryover from Fiscal Year 2000
[2a] Carryover from Fiscal Year 2000

Question.. Briefly describe the suite of activities for which GSA is responsible with regards to the Lorton Complex.

Answer. GSA is acting in the capacity as both the landholding and disposal agency for this 2,700-acres/300+ buildings multidimensional real estate project. GSA is maintaining 24-hour physical security of the entire Lorton Correctional Complex perimeter and all parcels released by DOC (approximately 2,500 acres). GSA is providing grounds and building maintenance for all released property.

GSA has $6.7 million to cleanup the non-permitted landfill areas and the three firing ranges. Remediation of the firing ranges was completed in September of 2000. One year of confirmatory groundwater sampling will be conducted. The remediation efforts on the non-permitted landfill should conclude by Fall 2001. One year of confirmatory groundwater sampling will follow the remediation.

GSA is proceeding concurrently with compliance responsibilities under National Environmental Policy Act (NEPA) and Section 106 of the Nation Historical Policy Act (NHPA). GSA intends to complete the Section 106 process with a MOA between GSA, the Virginia Department of Historic Resources, and other consulting parties. The concurrent NEPA/NHPA processes will conclude with a formal NEPA determination,

which are expected to be completed by Summer 2001. Other activities included a title search and land survey of the property's perimeter, appraisal work, and submitting an Offer to Purchase to Fairfax County.

Question. For fiscal year 2001, GSA requested an increase of $3.3 million (total funding of $6 million) for its efforts related to the Lorton Complex; Congress provided GSA an increase of about $2 million for this effort. Was GSA able to supplement its efforts at Lorton from other sources of funding? If so, describe these other sources. If not, what changes in GSA actions (such as level of security, reduced maintenance) were necessitated by the lower funding level?

Answer. GSA was able to fund the difference between the requested amount ($6 million) and the amount received ($4.9 million) from savings on activities funded in prior years.

GSA will continue with all activities originally planned for FY 2001 and will address additional remediation requirements which have arisen since approval of the FY 2001 budget.

Question. Provide a table similar to the one provided for the record last year showing a breakdown of Lorton Funding History by activity (protection and maintenance, environmental study, environmental remediation, titles-metes-bounds-appraisals, other, total) for fiscal years 1999, 2000, 2001 (planned), and 2002 (planned).

Answer.

Fiscal Years	Funds Appropriated	Protection & Maintenance Obligated	Environmental Study Oversight Obligated	Environmental Remediation Services	Title/Metes & Bounds/Appraisal Obligated	Other (Administrative Travel) Obligated
1999	7,000,000[1]	1,362,000	407,000		213,500	240,610
2000	6,674,540[2]		62,019	5,523,516		
	4,776,690[1a]	1,408,717			53,500	104,374
	2,758,000[3]		1,252,066			
2001	4,822,367[4]	2,043,118	332,280	2,267,779	74,825	104,365
	3,210,099[1b]			3,210,099		
	1,505,934[3a]			1,505,934		
	1,089,005[2a]			1,089,005		
2002 (Planned)	4,822,367	2,896,000		1,356,367	150,000	400,000

[1] D.C. Appropriation Fiscal Year 1999
[2] D.C. Appropriation Fiscal Year 2000
[1a] Carryover from Fiscal Year 1999

[3] Treasury-Postal Act Appropriation Fiscal Year 2000
[4] Treasury-Postal Act Appropriation Fiscal Year 2001
[1b] Carryover from Fiscal Year 1999
[3a] Carryover from Fiscal Year 2000
[2a] Carryover from Fiscal Year 2000

Question. Is GSA now in charge of the entire Lorton Complex? If not, what parts have yet to be transferred to GSA or have already been disposed of by GSA? For those pieces that have been disposed of, provide an accounting of the receipts and whether these funds represent fair market value.

Answer. GSA does not have custody and accountability of the entire Lorton Correctional Complex at this time. GSA has accepted protection and maintenance responsibilities for over 2,500 acres of the 2,700-acre complex. The Department of Corrections (DOC) still has control over two prison facilities: (1) Central Security, and (2) Maximum Security (closed January 31, 2001). The Central Security and Maximum Security are scheduled to officially close at the end of 2001. DOC also has control over the D.C. Firing Range, Training Academy, Vehicle Maintenance Garage, Facilities Management Area, Pumping Station and the Waste Treatment Station.

GSA has transferred, at fair market value ($180,000), the 5.6-acre parcel east of Shirley Highway on Interstate 95 to AMTRAK. GSA conveyed the Medium Security Facility (147 acres at no cost) to the Fairfax County Water Authority and assisted Department of the Interior in transferring 116 acres at no cost to the Fairfax County Park Authority. GSA has also received approximately $15,000 for easements and licenses granted on the Lorton property

Question. Briefly describe the status of GSA disposal activities.

Answer. GSA completed an appraisal of the Lorton Complex for disposal to Fairfax County. On April 18, 2001, we submitted an Offer to Purchase to Fairfax County covering the acquisition of the Lorton Complex (excluding the land exchange and the school sites). GSA will be ready to transfer (contingent upon the County accepting the Offer to Purchase) approximately 2,000+ acres by Fall 2001. Also, we are working with Fairfax County to finalize the land exchange and to transfer the school sites.

Question. Briefly describe the status of the Fairfax County reuse plan.

Answer. The Fairfax County Reuse Plan, adopted on July 26, 1999, maximizes the use of open space, protects ecologically sensitive areas, recognizes existing uses (e.g., landfill and energy resource recovery facility), while providing for passive parks, recreational, institutional, and limited residential uses.

Question. Briefly describe the status of related actions by the Department of the Interior.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer. The District of Columbia Appropriations Act, FY 2001 allows for a land exchange between Fairfax County and the Secretary of the Interior for property on Mason Neck in excess of 800 acres. The Department of the Interior (DOI) plans to use this land for recreation, environmental education, and animal wildlife such as the Wild Horse and Burro Educational and Environmental Center. DOI, Bureau of Land Management will be preparing a Planning Analysis/Environmental Assessment to assess management alternatives for the 800 acres of land on Mason Neck in Fairfax County, also known as Meadowood Farm. When Fairfax County transfers Meadowood Farm to DOI, GSA will simultaneously transfer the Laurel Hill residential land north of Silverbrook Road (approximately 283 acres) at Lorton to the County.

Question. When asked by the Committee last year in its questions for the record when GSA anticipated having disposed of the Lorton Complex, GSA responded "... as soon as possible." Realizing that many external factors may impede its progress, the Committee is still extremely interested in knowing "when GSA anticipates the Lorton Complex will be fully disposed?" and hopes that GSA will supply a more enlightening response.

Answer. GSA submitted an Offer to Purchase to Fairfax County on April 18, 2001, covering the acquisition of the Lorton Complex (excluding the land exchange and the school sites). GSA will be ready to transfer (contingent upon the County's acceptance) approximately 2,000+ acres by Fall 2001. The remaining 500+ acres, which include the Central/Maximum Facility should be conveyed no later than December 31, 2002. This disposal schedule could be affected if Fairfax County delays reaching an agreement with GSA or if DOC does not relinquish custody and control of the remaining property as anticipated.

FIRSTGOV

Question. GSA has estimated that the FirstGov website will cost about $6 million to operate for FY02, yet your budget request contains only $3.5 million for the effort. What will make up the difference?

Answer. The FY 2002 Budget includes $500,000 applied to FirstGov in FY 2001 plus an increase of $3,000 thousand for FY 2002. The difference in the actual appropriation amount and the total funding required for maintenance and enhancements are planned to be realized primarily through "passing the hat" to other federal agencies as was done for FY2001. If these funds are not collected, there will be no funding for web site operation, hosting and content maintenance. In addition we may face cancellation of security assessment and certification, and postponement of further web site development.

Question. How much of the $3.5 million requested in your budget for FY 2002 will be spent on GSA personnel and related costs rather than contract costs?

Answer. The appropriated funds of $3.5 million will only secure salary and benefits cost and some non-pay expenses (such as supplies, travel, rent, etc.).

Question. Do federal agencies pay for the privilege of being connected to FirstGov, or is this service provided free of charge to the federal agencies?

Answer. Federal agencies do not pay to be connected or to have access to FirstGov.gov or the FirstGov.gov's search engine.

Question. To what degree does GSA bring its capabilities to bear on the effort rather than just managing the contract for the website?

Answer. GSA's Government-wide policy role in electronic government enabled the development and implementation of FirstGov. Because of our information technology knowledge and acquisition expertise, we were able to use the tools provided by procurement reform, and very quickly conduct a major procurement for state of the art technology using the internet. Working collaboratively with interagency councils, Federal agencies and State governments, GSA continues to address the multitude of policy issues and outreach needed to establish a single portal for accessing Government information. In addition, GSA has provided the centralized financial mechanism to fund this effort by reimbursements from other participating agencies.

FedCIRC

Question. In your FY 2001 budget request, GSA proposed a $2 million supplemental FY 2000 appropriation and a $13.4 million regular FY 2001 appropriation for the Critical Infrastructure project. In information supplied to the Committee, GSA stated that the $2 million FY 2000 supplemental appropriation and $3.4 million of the FY 2001 requested funds were for FedCIRC (the Federal Computer Incident Response Capability) and $10 million of the FY 2001 requested funds were for FIDNet (Federal Intrusion Detection Network). Congress did not provide any FY 2000 supplemental funds for this effort; Congress did provide $8 million in FY 2001 for this effort.

Briefly describe how (and at what level of funding and using what source of funds) FedCIRC was supported during FY 1999 and FY 2000. What were the main features of FedCIRC for each of these years and how has its mission evolved? What statistics exist on incidents and federal agency contacts for FedCIRC?

Answer. FedCIRC's mission and operations have historically derived from OMB policy and are now reflected in the Government Information Security Reform Act of 2000. Under that law and policy, executive branch agencies must: 1) develop procedures for detecting, reporting, and responding to security incidents including notifying and consulting with FedCIRC; and 2) share information on common vulnerabilities through FedCIRC. The new Security Act and OMB policy then charge FedCIRC with the responsibility to assist agencies in fulfilling their incident handling and information sharing responsibilities.

Within that context in FY 1999 the funding level for FedCIRC was $2.4 million and it was provided from GSA's Information Technology (IT) Fund. In FY 2000 the funding level was again $2.4 million but $1.4 million was provided from the IT Fund and $1 million was provided by the CIO Council under the Innovation Fund. FedCIRC capabilities during FY1999 and FY 2000 were restricted to basic incident handling services and limited analysis. The lack of funding during FY 1999 and FY 2000 precluded any service enhancements. Although the FedCIRC mission, functions, and features have essentially remained unchanged from FY 1999 to FY 2000, our ability to fully carry out our mission has been enhanced by increases in funding. In FY 1999 and FY 2000 the FedCIRC continued to emphasize information sharing in its efforts to establish a virtual team of information systems security professionals. With funding provided in FY 2001 ($8 million), GSA began the implementation of a fully functional Computer Incident Response Center providing enhanced program initiatives such as distributing and installing critical software security patches, and establishing a secure collaboration network to improve information dissemination and reporting to Federal agencies.

FedCIRC draws statistical data from the incidents reported to it by Federal agencies. Statistics include, but may not necessarily be limited to:

- Number of incidents
- Categorization of incidents according to severity
- Method(s) of exploitation
- Number of *root compromises*
- Virus proliferation and severity
- Number of agencies reporting
- Reconnaissance activity targeting govt. networks
- Current trends
- Top exploits currently in use by perpetrators
- Geopolitical situations

	Total Incidents	Systems Affected
FY 1999	580	1,306,271
FY 2000	586	575,568

In FY 2000:

- 32 Agencies and Departments reported incidents
- 155 incidents resulted in "*root compromise*"
- 5 incidents resulted in a compromise of sensitive information

To effectively communicate critical security-relevant information to Federal agencies and departments, FedCIRC maintains a detailed contact roster. The roster contains executive level (e.g., CIOs or designated point of contact) contact information as well as contact information for the technical support personnel (e.g., network administrators and IT security staff). This information is updated daily and is provided to the respective agencies for validation of key personnel contact data on a quarterly basis. This

information is also used to facilitate the electronic dissemination of security alert and advisory information. Agency CIOs provide the key personnel contact information, but others in government wishing to receive FedCIRC alerts and advisories may subscribe through the FedCIRC registry link on the web site.

Question. Was the contract with Carnegie Mellon for running FedCIRC awarded competitively? If not, why not?

Answer. The Department of Energy's Computer Incident Advisory Capability (CIAC) and Carnegie Mellon's CERT were already in place as part of the FedCIRC pilot program as it was established under the National Institute of Standards and Technology (NIST). Both organizations are Federally Funded Research and Development Centers (FFRDC) focused on computer security incident handling and support. Upon transitioning the program to GSA, it was determined that the combined cost of CIAC and CERT were prohibitive. Each FFRDC submitted a proposal to assume the FedCIRC incident response task. The higher cost and limited technical focus of the CIAC proposal eliminated them from the competition and CERT was selected to fill the requirement.

Question. Briefly describe how the funding provided in FY 2001 for the Computer Infrastructure Protection effort is being used, including the degree to which any funding has been provided for FIDNet. If more than $3.4 million in FY 2001 funding was spent on FedCIRC, describe what specific actions were supported and whether Congress approved these actions through the reprogramming guidelines of the Committee. If the Committee did not approve these actions, explain how your expenditures above $3.4 million in FY 2001 for FedCIRC are not in violation of the Committee's reprogramming guidelines.

Answer. The initial CIP plan called for the establishment of a support infrastructure for intrusion detection, reporting and analysis. In GSA's FY 2001 Congressional Justification (for the Policy and Operations account) we requested a total of $15.4 million for Critical Infrastructure Protection (CIP) programs, which included FedCIRC and FIDNet. The budget justification did not identify specific amounts for FedCIRC and FIDNet as individual program line items or program activities. Congress approved $8 million in FY 2001 for "Critical Infrastructure Protection (CIP) initiatives" (as described in the Conference Report). There was no specific funding level established by the Committee for either FedCIRC or FIDNet. It is our understanding (based on the language in the Conference Report) that the $8 million is available to GSA for "CIP initiatives."

Accordingly, we did not feel it was necessary to request the Committee to approve a reprogramming of funds nor do we feel that we violated the Committee's reprogramming guidelines in this instance.

Question. Describe what factors and developments led GSA to abandon its support for FIDNet.

Answer. GSA never abandoned the FIDNet concept of intrusion detection, reporting and analysis. The concept simply evolved as technology and industry service offerings caught up.

The original FIDNet concept was a centrally funded and centrally controlled intrusion detection system. This concept has evolved due to advances in commercially available technology and services, agency concerns over the perceived lack of control of their systems, and a greater understanding of privacy concerns. Today, the widespread commercial availability of intrusion detection services permits agencies to select the products and capabilities suitable for their needs and if appropriate, interconnect these services with a centralized analysis capability. Industry now refers to this concept as "Managed Security Services" which is offered by a number of private sector vendors. These managed security services are now available to agencies through GSA contracts on a fee-reimbursable basis.

The data collected by the agencies through the use of managed security services may be transmitted to FedCIRC's new "Data Analysis Center." This process fulfills both the agencies' and FedCIRC's responsibilities found in statute and policy. Then, working with other analysis centers in and out of government, the FedCIRC Data Analysis Center quickly analyzes the information, assesses the threats, vulnerabilities and resulting risk, and communicates that information to all agencies, alerts law enforcement and national security authorities when applicable, and informs the public as appropriate. This information and subsequent analysis is used to assist in identifying future attack methodologies, develop tools to counter such methodologies, and assist agencies in improving the security of their systems.

The Managed Security Services and the FedCIRC Data Analysis Center form an important part of the detection and analysis component of an integrated government-wide security program.

Question. Justify the $3 million increase requested for FedCIRC for FY 2002. How will the funds be used? What activities will be supported by the increase? What will be the impact if the increase is not provided?

Answer. In FY 2002, the $3 million in additional funding will provide for the following enhanced program initatives:

- **FedCIRC Analysis Center ($2,000,000).** The Center (described above) quickly analyzes the information provided by the agencies, assesses the threats, vulnerabilities and resulting risks found in that information, and communicates preliminary findings to all agencies, law enforcement and national security authorities, and the public, as appropriate. The Center works with other analysis organizations in and out of government, on long-term analysis to help identify trends in evolving computer security threats, vulnerabilities and risks.

- **Common Vulnerabilities and Exposures (CVE) ($1,000,000).** The CVE is a dictionary that provides a common name for known computer software design flaws (vulnerabilities) and insecure computing practices (exposures). The CVE enables organizations like FedCIRC to understand data provided by other organizations because it has been translated into standardized security terminology. This significantly reduces the amount of time and resources necessary to find, for instance, whether a computer virus can be repelled by existing methods or whether new ones must be created.

Without additional funds, neither the Analysis Center nor the CVE efforts could proceed. Without a center to collect information from across government, the ability for FedCIRC and the agencies to fulfill their security responsibilities would be greatly diminished, if not lost altogether. Without the CVE effort, government agencies and industry would continue to suffer from a confusing language barrier. Both of these initiatives address areas necessary for agencies to fulfill their security responsibilities, while facilitating and safeguarding their business operations. If the funding increase is not granted, Federal civilian agencies will likely be more vulnerable to attacks on their information systems.

Question. In its Semiannual Report to the Congress for April 1, 2000 – September 30, 2000, the GSA IG reports on a major issue with respect to the critical infrastructure protection plan for GSA's information systems. Comment on the validity of the concerns contained in the report (including lack of identified milestones for incorporating protection into strategic plans, lack of requirements to ensure incorporation of security procedures into new designs, lack of a process for completing vulnerability assessments and risk mitigation plans) and on the steps being taken to address these concerns.

Answer. Many actions have taken place since the GSA Office of Inspector General's (OIG) audit findings outlined in their September 29, 2000, report entitled, "Review and Findings of GSA's Critical Infrastructure Protection Plan (CIPP)." GSA has transferred the Chief Infrastructure Assurance Officer duties from GSA's Office of Information Security to the GSA, Office of the Chief Information Officer (OCIO). The GSA CIO is currently in the process of reevaluating the agency's CIPP, in collaboration with the National Critical Infrastructure Assurance Office (CIAO) located at the Department of Commerce. The original GSA CIPP, first drafted in January 1999 and finalized in May 1999 after approval of the National CIAO, identified approximately 50 GSA assets as PDD 63 critical. However, the July 19, 2000 memorandum from Richard Clarke of the National CIAO, defined PDD 63 critical categories as assets, nodes and networks that if incapacitated or destroyed would jeopardize the nation's survival; have a serious, deleterious effect on the nation at large; adversely affect large portions of the American populace; and require near-term, if not immediate, remediation. Based on this memorandum, the GSA CIAO will reevaluate the GSA CIPP to determine if the approximately 50 assets identified appropriately qualify as PDD 63 assets.

The National CIAO has devised Project Matrix, a framework used to assist agencies in Critical Infrastructure (PDD 63) decision making. GSA has enlisted the support of the

National CIAO and entered into an agreement with the CIAO Project Matrix team to complete the preliminary review or "discovery" phase of GSA's operations. The National CIAO Project Matrix team will initiate this discovery phase in GSA in late June 2001 and report findings in late July 2001. We will use the results of this effort to ascertain if GSA's full participation in Project Matrix is warranted. This report will also allow GSA management to review the findings and determine future courses of action. The GSA CIPP will then be revised appropriately.

Question. Given this range of concerns regarding its own critical infrastructure protection plan, does GSA have the necessary experience and knowledge to adequately manage FedCIRC for the entire federal government?

Answer. With respect to GSA's CIP responsibility and the mission/function of the FedCIRC, the two activities are fundamentally different. Many of the issues raised in the IG's report are the same issues that other agencies are facing in implementing PDD63. GSA is now on track for meeting these initiatives. On the other hand, FedCIRC has consistently demonstrated its ability to accomplish its mission and function as chartered. GSA assumed responsibility for FedCIRC in FY 1999 . Since that time GSA has created a valuable program for providing security incident support services to Federal civilian agencies. This has been recognized by the CIO Council and OMB. Both organizations have endorsed the FedCIRC program and the improvements GSA is making in the program to provide a broader range of services.

Public Key Infrastructure

The GSA budget request for FY 2002 includes an increase of $3.5 million for public key infrastructure in support of electronic transactions. Most of the requested funding for the PKI effort (to promote authentication and to maintain data integrity and confidentiality) appears to be targeted for projects to be chosen by the PKI Steering Committee.

Question. Who is on the PKI Steering Committee?

Answer. The PKI Steering Committee is comprised of over 100 members representing almost every Federal agency. There are four working groups within the Steering Committee: the Business Working Group, the Technical Working Group, the Legal/Policy Working Group, and the Health Care Working Group.

Question. What role does GSA have in the PKI Steering Committee and the selection of projects?

Answer. GSA is the chair of the Steering Committee as well as being a Steering Committee member. Selection of projects is done by the Steering Committee members on a consensus basis. GSA's role in this selection process is no different than any other agency participating on the Steering Committee.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. How are choices made as to which PKI interoperability projects will be chosen?

Answer. The agencies present their pilot projects to the Committee which reviews the projects with emphasis on interoperability. Projects are chosen on the basis of those that have a higher degree of interoperability.

Question. Describe the degree to which this effort duplicates efforts underway in the private sector to develop the same capabilities.

Answer. The Federal PKI initiative is not developing PKI capabilities but rather deploying commercial PKI in a Federal environment. Hence, the Federal government's PKI initiatives are not duplicative of industry efforts but they are complementary. Both the Technical and Business Working Groups of the FPKI Steering Committee have industry/government participation where issues are addressed and information exchanged. The work being done is in collaboration with the private sector. The private sector is assisting the Steering Committee and Federal agencies in understanding PKI technology, and how, where and when to deploy this technology. The Federal Bridge Certification Authority, a centerpiece of the Federal effort, is a mechanism that enables interoperability among the disparate certificate authorities. The work being done at the Federal level is compatible with that work underway in the commercial sector. Our goal is a seamless interoperable capability that truly has no boundaries.

REGULATORY INFORMATION SERVICE CENTER

Question. For the current year (FY 2001) an increase of $2 million was provided to upgrade the consolidated information system of the regulatory information service center. Provide a status of this effort.

Answer. Work to date has been to assemble and train the project team, write the concept of operations document, and conduct stakeholder interviews.

We are currently analyzing the information from the stakeholder interviews and preparing the functional and technical requirements document. This document is due in mid -June 2001.

The next phase is the contract phase. The Request for Proposal (RFP) is due by the end of June. The contract is due to be awarded by the beginning of September.

Question. Is the effort complete? If not, when will the effort be complete? What will be the total cost of the upgrade effort and what are the annual operating and maintenance costs associated with the upgrade? What operational savings will be realized from the upgrade?

Answer. The completion of this effort will involve the project architecture design, software development, security analysis, testing, training, and documentation. It is

expected to take 15 months from time of contract award to completion, or December 2002 (FY 2003) based on a contract award in September 2001.

The estimated total cost for development is $3,992,000, consisting of $50,000 in FY 1999, the $1,996,000 increase funded in FY 2001 (reflects $2 million less the 0.22% rescission), plus $1,446,000 for FY 2002 and $500,000 for FY 2003.

The recurring annual operation and maintenance cost is estimated at $550,000, beginning in FY 2002 in FY 2002 dollars.

The benefits of the upgrade are mainly increased functionality, such as improved public access to information, improved management reporting, more timely and reliable data, and the linking of data among the databases. The operational savings have not been quantified, but will result from the greater efficiency in entering data, reviewing submissions, and maintaining the databases. This translates into shifting of agency, OIRA, and RISC resources from mechanical processing of information to analysis of information.

COMPUTERS FOR LEARNING

Question. Briefly describe background information and GSA's actions with regard to Federal Prison Industries (FPI), including the moratorium placed on the transfer of excess computers to FPI and the status of GSA investigation of FPI's handling of excess property.

Answer. Claims that the Federal Prison Industries (FPI) were improperly selling transferred personal property resulted in GSA instigating an IG audit and a moratorium on further transfers to FPI programs. Subsequently, GSA discovered that the improprieties were limited to the FPI plant in Elkton, OH. The IG audit is still open. However, GSA lifted the moratorium after FPI implemented suitable corrective actions.

Question. What is the threat or risk that is involved in the program with respect to the stealing of employee identifications? What actions does GSA take or recommend to ensure that all computers involved in the program have been properly "cleansed" of employee identifications?

Answer. The risk involved in the Computers for Learning program with respect to stealing employee identification is minimal. Before transferring computers to schools, GSA consistently advises agencies to (i) uninstall software to preclude violating licensing agreements, and (ii) erase all files on hard drives. Because of increased concern about stealing employee identifications, GSA will revisit our current guidance and strengthen it as needed.

Question. Provide statistics regarding the annual number of computers that have been donated to the program and the number of schools and nonprofit organizations that have benefited from the program to date.

Answer. Over 4,000 schools and nonprofit organizations are registered with the CFL program. The number of schools that actually received computers is not yet available but will be once an enhancement is completed to the CFL website. The number of computers transferred to schools is:

FY 2000: 105,000
FY 1999: 200,000
FY 1998: 145,000
FY 1997: 116,000

Last year's decline in the numbers of computers transferred could reflect that Federal agencies are moving toward leasing computers under SEAT management contracts. To increase the supply of computers available, GSA is aggressively marketing the CFL program to Federal agencies. We are also working to allow private companies to donate computers to schools under the CFL program.

FSS – CLOSING OF DISTRIBUTION FACILITIES

Question. Briefly describe the status of and impacts associated with the plans for closing 6 distribution facilities. Is this action complete? How many positions will be lost?

Answer. The Federal Service Impasses Panel issued its finding on February 20, 2001, supporting GSA's decision to consolidate its distribution network into an east coast/west coast configuration. Following the Impasses Panel decision, FSS created an implementation plan and arrived at a closure schedule that will get us through this transition as rapidly as is practical. The implementation of that decision is currently underway and will require several months of transition work.

The four smaller facilities (Auburn, WA; Franconia, VA; Chicago, IL; and Denver, CO) are scheduled to close October 5, 2001. The two larger facilities will follow on November 2 (Fort Worth, TX) and November 16 (Palmetto, GA). Remaining in operation will be our facilities located in Burlington, NJ and Stockton, CA.

- Staff impact:
    - At the closing sites, approximately 255 Government and 136 contract staff positions will be lost. FSS has announced that early-out and incentive buyouts will be available to staff. Nevertheless, a Reduction-In-Force will be needed at most sites, particularly at our two largest sites, Palmetto and Fort Worth.
    - Staff will increase at our gaining sites. Burlington will need approximately 82 additional Government employees and 163 additional contract staff. Stockton will require approximately 74 additional contract staff.

- Overall, FSS will operate with about 70 fewer staffed positions at the conclusion of the consolidation. Please be aware that the mix of Government and contract staff are estimates and that employee retirements in the months ahead could change these figures.

The major actions to support the consolidation of our distribution network are:

- Prepare gaining sites to receive the additional workload;
- Provide necessary employee assistance for those whose jobs are affected at our closing sites;
- Assure proper emptying and disposition of closing sites; and
- Contract and inventory management actions to transition the customer workload to the gaining facilities.

To expand upon the above:

- We have ceased replenishment for slower-moving parts of our inventory at Fort Worth and Palmetto. For faster moving items and for the smaller inventories at our smaller sites, we will continue to manage product inventory so that business transitions down at a logical rate commensurate with our scheduled fall closures.

- We have identified approximately 6,500 products that will be stocked in our two remaining facilities. We have begun to excess the products which will not be stocked or which are excess to our customer demand projections.

- GSA Human Resources (HR) is taking the many steps necessary in preparation for a July 2001 issuance of Reduction-in-Force letters to affected employees. Simultaneously, HR and the FSS site managers are working with a private firm, Resource Consultants, Inc. (RCI), to provide employee job placement coordination and assistance for each of our closing sites. RCI is presently consulting with each of our sites to determine the best mix of services for the individual closure situations, given the availability of existing assistance programs available from all sources.

- The preparation of our gaining sites and the disposition of our closing sites are "paired activities" to assure that "ramp down" and "ramp up" processes occur in logical sequence. We are presently screening our mobile material handling equipment and storage aides to identify which equipment will be transferred and which will be excessed at the closing sites. The same applies to our IT and administrative equipment.

- Our Burlington, New Jersey, site must be able to process 2/3 of the national workload; Stockton, 1/3.

    - We plan to move to a multi-shift operation – probably two full shifts – at Burlington to accomplish the workload. We will be adding a moderate

amount of bin storage area and some additional conveyors to increase our processing capacity at that site.

- We are close to a contract award with an engineering firm specializing in distribution logistics to provide further guidance on ways to maximize throughput and efficiency at our Burlington site.

- The impact of the increased workload will start over the summer, and we will be shortly increasing our contract staffing to accomplish the necessary training prior to the arrival of workload. We will be hiring some additional employees at both Burlington and Stockton, predominately as temporary appointments to handle this increased workload.

- Stockton, CA, presently operates in a multi-site complex.
  - Separate from the distribution consolidation initiative presently underway, we are in discussions with the Defense Logistics Agency (DLA) to take over certain buildings at their Sharp facility, located 7 miles from our present Stockton site. If agreement can be reached, moving to Sharp within about one year will reduce our rental rates by about 2/3, saving over $2 million annually. This will also increase our ability to work more closely with DLA to jointly service common customers.

  - In the meantime, we are in the process of securing two additional storage areas totaling about 240,000 square feet at Stockton to assure that we will have extra space available during the transition period.

  - Stockton will also be increasing its staffing to process the additional workload.

To summarize, we have set in motion numerous steps to accomplish a major restructuring of our distribution network in a realistic time frame. The efforts of hundreds of employees must be coordinated in the coming months to revise stock contracts, manage inventory, work with customers, provide the best assistance possible to our departing staff, and to do all of this in a planned manner to avoid disruption and make wise use of our resources.

Question. GSA proposes a modification in its general provisions that will extend the period for voluntary separation incentives by five months (from April 2002 to September 2002) in order to provide the necessary flexibility to carry out the closing of certain distribution facilities. Why is this additional flexibility needed?

Answer. This request is withdrawn. Given the current schedule for facility closures, GSA will not need this extension.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

FSS - LAW ENFORCEMENT EQUIPMENT FOR COUNTER DRUG ACTIVITIES

Question. Provide a table similar to the one provided last year that shows the State and the total amount of sales for FY 1999 and FY 2000 made under the "1122" drug interdiction program.

Answer. According to a recent GAO study, 18 states have made purchases from authorized GSA supply sources under this drug-interdiction program.** The FY 1999 sales are as follows:***

State	Dollars Spent
California	$2,856,342
Virginia	524,579
New Mexico	389,101
Illinois	286,741
New York	279,771
Texas	232,193
Colorado	**232,120**
Minnesota	193,385
Washington	**172,697**
Other States	170,870*
TOTAL	**$5,337,799**

* Purchases from Arizona, Delaware, Georgia, Idaho, Iowa, New Jersey, North Carolina, West Virginia, and Wyoming comprised the remaining $170,870.

** GAO Report entitled, "*Information on the Cooperative Purchasing Program Under Section 1122 of the 1994 National Defense Authorization Act,*" March 3, 2000, Report Number B-284797. The report was developed at the request of the Subcommittee on Readiness and Management Support, Committee on Armed Services, United States Senate.

*** FY 1999 Sales include all sales from the Department of Army, the Defense Logistics Agency and the General Services Administration. GAO Report B-284797.

In January 1999, GSA made the 1122 program non-mandatory and eliminated its role as the middleman for Federal Supply Schedule orders. Under this change, State Points of Contact (SPOCs) and authorized law enforcement agency (LEA) officials place orders directly with the Federal Supply Schedule contractors. Schedule orders are no longer placed through or tracked by GSA. Consequently, GSA is no longer able to capture Federal Supply Schedule sales information for the 1122 program.

Under GSA's Vehicle Program, State Points of Contact must still submit orders directly to GSA. Vehicle sales under the 1122 program are as follows:

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

STATE	FY 1999	FY 2000
Arizona	$ -	$ 19,979
California	1,884,104	881,467
Colorado	-	25,429
Hawaii	328,111	887,381
Washington	-	75,988
TOTAL	$2,212,215	$1,890,244

FSS – FLEET OPERATIONS

Question. Provide a table similar to the one provided last year showing – for each of the past five fiscal years – the number, average price, and total price of vehicles that were purchased, leased, and sold by GSA's Office of Vehicle Acquisition and Leasing Services.

Answer.

	Purchased [1]			Leased [2]			Sold [3]		
FY	Number	Average Price	Total Cost ($M)	Number	Average Annual Cost	Total Annual Cost ($M)	Number	Ave. Proceeds	Total Proceeds ($M)
1995	53,814	$16,925	$910.8	None	None	None	33,813	$4,098	$138.6
1996	50,161	$17,469	$876.3	None	None	None	30,040	$4,784	$143.7
1997	57,205	$18,980	$1,085.7	5,002	$2,832	$14.2	25,272	$6,784	$171.4
1998	58,583	$18,705	$1,095.8	8,745	$2,700	$23.6	36,309	$5,926	$215.2
1999	57,365	$19,235	$1,103.4	None	None	None	35,257	$5,904	$208.2
2000	54,966	$19,213	$1,056.4	6,545	$2,700	$17.6	35,084	$5,796	$203.3

[1] Purchase is for entire Federal fleet of non-tactical vehicles excluding United States Postal Service.
[2] Data applies to GSA Fleet only.
[3] Data applies to GSA Fleet only and includes leased vehicles sold.

Question. Provide a table similar to the one provided last year showing – at the closing of each of the past five fiscal years – the total number of vehicles in and value of the GSA fleet, the total number of non-tactical vehicles in Federal service, and (if readily available) the total number of non-tactical vehicles in the United States.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer.

FY	Value ($M) of GSA Fleet	Total No. GSA Fleet Vehicles [1]	Federally-owned Fleet Vehicles [2]	United States Vehicles (M) [3]
1995	$1,433.7	149,726	584,892	193.4
1996	$1,595.1	153,117	575,265	198.3
1997	$1,739.9	161,112	577,901	201.1
1998	$1,832.3	165,780	575,931	205.0
1999	$2,023.6	170,635	583,552	N/A
2000	$2,164.7	174,166	N/A	N/A

[1] Includes vehicles awaiting disposal.
[2] Source: Federal Motor Vehicle Fleet Report.
[3] Source: Automotive News Market Data Book.

FSS – FEDERAL PROCUREMENT

Question. Briefly describe the GSA Advantage! website. Is it fully operational? What type of growth have you seen with GSA Advantage!? What potential growth do you expect?

Answer. GSA Advantage! is indeed a fully operational electronic shopping service. Customers can compare prices, place orders, and make payments on-line for more than a million commercial products. We currently have approximately 4,500 schedule vendors on Advantage and will have all of our more than 9,000 on by July 2001. At the end of the month, we will move to a new version of the GSA Advantage! that will offer a variety of new capabilities to our customers. Key among them will be e-Buy, an on-line Request for Quotation (RFQ) system, that will allow our customers to solicit bids on large orders for commodities, and for complex services that don't lend themselves to "point and click" purchasing decisions. Since its inception five years ago, GSA Advantage! has seen steep growth consistent with that on other successful e-Commerce sites. Sales in FY 1999 were $85.6 million. In FY 2000 sales were $125 million. With the movement of the remainder of our vendors onto Advantage, we expect sales to jump to $200 million this year, and double that next year.

Question. Are your contracts for providing standard information-technology goods, such as personal computers and related software, sufficiently flexible and dynamic that agencies can take advantage of rapid price drops and cutting-edge products?

Answer. The Information Technology contracts awarded under the Federal Supply Schedule allow customers the flexibility to obtain additional price reductions through standard contract provisions. These contracts also permit contractors to offer the latest technology at anytime during the life of their contract.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Describe your interactions with the Office of Federal Procurement Policy within OMB. How involved do you get on procurement policy issues? Do you recommend changes in federal procurement policy based on changes in the market place and experiences from the field?

Answer.

i. Interactions with the Office of Federal Procurement Policy (OFPP) and involvement in procurement policy.

GSA actively interacts with OFPP in a variety of capacities to shape acquisition policies and develop key initiatives that support procurement operations across government.

Shaping Regulatory Policies.

- Participation on the FAR Council -- GSA and OFPP are two of the four members of the statutorily-based FAR Council, which is charged with assisting in the direction and coordination of government-wide procurement policy. As an active member of the Council, GSA seeks to promote effective acquisition policies that we believe will benefit the government and help to further the Administration's government-wide procurement agenda.

- Issuance of the Federal Acquisition Regulation (FAR) -- GSA has the statutory responsibility to issue and maintain the FAR in concert with the Defense Department (DoD) and the National Aeronautics and Space Administration (NASA), in accordance with the OFPP Act, 41 U.S.C. 421, and the Federal Property and Administrative Services Act. The FAR is the Government-wide regulation that governs the acquisition of supplies and services, including research and development, and construction. This function is conducted in the GSA Office of Governmentwide Policy (OGP). OGP discusses every proposed amendment to the FAR with OFPP.

Helping to Achieve Federalwide Acquisition Priorities. GSA is an active member of the Procurement Executives Council (PEC). The PEC is a forum which leverages procurement influence and knowledge and facilitates the development of systems and methods necessary to assist the agencies in their management of their procurement activities. For example, the PEC is developing a system of benchmarks to measure the effectiveness of agency procurement functions. This benchmarking system will permit agencies to identify best practices, areas of deficiencies and means of finding methods to improve agency procurement operations.

Managing the Federal Procurement Data System (FPDS). GSA manages the FPDS on behalf of OFPP. FPDS is a statutorily created system that gathers and displays data on all federal procurements. This database is the primary set of information on federal procurement and it shows contracting actions, dollars, types of acquisitions, contractor

locations, and other vital information that is needed to manage the federal procurement system. GSA, in concert with OFPP, has oversight of a project to re-engineer the FPDS system to make it more accurate, faster, and of greater utility in management of the federal procurement system.

Managing the Federal Acquisition Institute (FAI). Under OFPP's general guidance, GSA maintains the Federal Acquisition Institute (FAI), consistent with section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405). FAI works closely with OFPP to develop and promote career development and management initiatives and training to meet the needs of the acquisition workforce. FAI also recommends and discusses changes to workforce policy with OFPP. FAI activities include: career management, education (promoting the establishment and utilization of academic programs by colleges and universities in acquisition fields), research, and training (defining workforce competencies and standards for training).

Helping to Lead Acquisition Reform. GSA has played a central role in developing and promoting acquisition reform. We managed the implementation of the Federal Acquisition Streamlining Act (FASA) together with DoD. The policies generated to implement that Act have had a profound impact on the conduct of federal procurement. The policies include: new processes for acquisition of commercial items; new simplified processes for acquisitions under $100,000; new policies promoting multiple awards of indefinite quantity/delivery contracts; and reduction of reliance on cost or pricing data.

ii. Consideration of changes in the market place and experiences from the field.

GSA has developed a wide system of collaboration with other agencies and GSA Services to identify policy needs and develop policy solutions. Conferring with the Civilian Agency Acquisition Council. In order to ensure close collaboration with the agencies that are subject to policies issued by GSA, we established an interagency council to advise GSA on agency needs. The Civilian Agency Acquisition Council (CAAC) has members from 14 civilian agencies and departments that meet to discuss each policy promulgated by GSA in the FAR. By reliance on the CAAC's participation in our policymaking, GSA obtains direct participation from the field users of those policies.

Establishing Interagency Expert Committees to Advise the CAAC and GSA. In addition to the CAAC, GSA has established committees of functional experts to analyze and develop necessary procurement policies. These committees include front line acquisition professionals that provide reports to the CAAC.

Examples of federal procurement policies based on marketplace and field experience include the following:

- Changes to GSA's Multiple Award Schedule (MAS) Program -- In recent years, GSA has significantly altered its MAS program to serve customer needs. Customer-oriented enhancements in recent years have included: (1) the addition of schedules

for services, (2) the ability to order in larger quantities, (3) the introduction of "GSA Advantage", an electronic catalog to maximize item visibility, facilitate customer learning about available products, and simplify the ordering process; and (4) the ability to negotiate spot pricing and special discounts with vendors. GSA recognizes that additional policy guidance in certain areas, such as on the acquisition of services, is needed to strengthen schedule buying practices and is working towards this end.

- Rewrite of Federal Negotiation Policies -- GSA played a central role in rewriting the negotiation policies in FAR Part 15. To address field problems, GSA actively promoted policies that emphasize best value acquisitions, streamline the acquisition process, and reduce protests.

- Development of FedBizOpps -- GSA has taken a leadership role to develop the Governmentwide single point of entry on the Internet for accessing information on Federal procurements. Federal Business Opportunities, at http://www.fedbizopps.gov, is enabling the re-engineering of processes that agencies use to provide information, and vendors use to obtain information, on Federal business opportunities. Of particular importance to agency buyers, FedBizOpps has been designed to support streamlined preparation and issuance of notices and solicitation information without disrupting, eliminating or otherwise requiring the replacement of current agency electronic commerce software.

- E-Marketplace -- The GSA Office of Governmentwide Policy is currently exploring ways to position GSA to leverage E-Marketplace opportunities and streamline acquisition procedures to benefit all agencies.

- Use of Purchase Cards -- GSA was a key agency in piloting use of purchase cards for low dollar value purchases. Today, GSA manages the SmartPay contract, which provides agencies with access to a cadre of prequalified card providers that issue purchase cards and offer a variety of value added services. Because purchase cards can be issued to program offices (i.e., end users), to conduct micro-purchases (i.e., purchases of $2500 or less), this tool helps to alleviate the burden placed on contracting offices, allowing them to focus their resources on more complex high-value procurements where their expertise adds the greatest value to the buying process.

INFORMATION TECHNOLOGY FUND

Question. Briefly describe the status of the effort to transition into the FTS2001 contract. Is this effort complete? If not, when will it be complete? How many federal agencies that participated in the FTS2000 contract opted not to participate in the FTS2001 contract?

Answer. The Federal Technology Service provides a comprehensive array of planning, engineering, pricing and customer support services in support of transition. We have

used every available mechanism to inform and support our customers and their decision-making processes and then to expedite the transition activities. We have worked closely with our customer agencies through the Interagency Management Council and the Transition Task Force. Today we are 95 percent complete with our efforts to transition more than 51,000 customer locations. We expect transition to be completed by this summer.

The FTS2001 program is non-mandatory, so agencies have the choice of using or not using our services. Twelve small agencies have left the program altogether. Of those twelve, 7 agencies were discontinued and 5 agencies moved to other (non-FTS contracts). No large agencies have left the program entirely, but a few have moved services that have been significant revenue sources for FTS in the past. Agencies that have pursued their own acquisition alternatives are: NASA for its data requirements, the Postal Service for the bulk of their long distance requirements, the IRS for its taxpayer toll free services, the EPA for its Dedicated Transmission Service (DTS) service, various Dept. of Treasury bureaus for a variety of services and the Dept. of Energy for its DTS and calling card requirements.

As a result of the FTS2001 contract, five new small agencies have come on board. They are the DC Government Water and Sewer Authority, National Council on Disability, Presidential Advisory Commission on Holocaust Assets in the U.S., Presidio Trust, and The Statue of Liberty/Ellis Island Foundation.

Question. An article in the April 30 issue of the Government Executive Magazine, referencing a GAO report, "FTS 2001: Transition Challenges Jeopardize Program Goals" (GAO-01-289) suggests that delays in transitioning from FTS 2000 to FTS 2001 have led to increased costs and may threaten the competitive structure of the FTS 2001 contract. Quantify what added costs are being incurred (and by whom) and describe the degree to which the competitive structure of the FTS 2001 contract is being threatened by the delay?

Answer. We estimate that those customers that had not transitioned by December 6, 2000 will pay $74 million more for FTS2000 services than they would have for the same services on FTS2001. Transition delays could have been more costly. But the FTS2000 incumbents, AT&T and Sprint, lowered their prices to FTS2001 levels early on in transition and continued to track FTS2001 prices until late last year, so the price differences between the old and new contracts during that period were small. Late last year, AT&T and Sprint FTS2000 bridge contract prices rose significantly leading to the unexpected cost increases. The benefits of the FTS2001 program to date offset these costs. We estimate that our customers saved $150 million in FY2000 and will save an additional $250 million in FY2001.

Vigorous competition has been evident in the FTS2001 program since immediately following the award of contracts to Sprint and MCIWorldcom in fiscal year 1999. Customer agencies selected the provider that best met their mission needs after very careful studies of products, services and prices. Both companies actively competed for

each agency's business and will continue to do so throughout the life of the contracts. Even more competition will be introduced in the near future. This summer, GSA/FTS will begin the crossover process to permit winners of Metropolitan Area Acquisition (MAA) contracts to offer long distance service and compete with FTS2001 contractors.

Question. An article on page C1 of the Friday, April 6, 2001 New York Times discusses problems in the telecommunications industry, especially problems being faced by relatively small competitors. Some of these smaller start-up firms have successfully competed for GSA telecommunications contracts. What impact, if any, do these problems within the industry pose for the GSA and its telecommunications programs?

Answer. The Metropolitan Area Acquisition (MAA) program was launched by GSA shortly after the passage of the 1996 Telecommunications Act. The GSA strategy was to stimulate vendor competition in the local telecommunications marketplace and to take advantage of the resulting lower prices. GSA has awarded 37 contracts in 20 cities to 6 vendors. It is estimated that the Federal agencies could potentially save $1 billion over the 8 year life cycle of the awarded contracts.

Of the 6 vendors awarded MAA contracts, only Winstar Communications falls into the category of "small start-up firms" as referenced in the April 6, 2001 New York Times article. Of the 6 MAA contractors, Winstar is unique in its ability to bypass the local loop of the incumbent telephone company through the deployment of its rooftop fixed wireless technology.

Winstar recently petitioned the bankruptcy court for a reorganization of its finances, and the company has assured all of its customers, including GSA, of its commitment to maintain "business as usual." If Winstar or any other MAA contractor was to fail in its operations leading to dissolution of the company, GSA would face two major issues: The first would be continuity of services for customer agencies, either through novation of the contract to a successor contractor if appropriate, or through a new services contractor obtained in accordance with applicable procurement regulations. The second and perhaps more serious issue would be the potential for less competition in the local telecommunications marketplace. Fewer competitors in the MAA program could lead to higher prices for Federal agencies.

WORKING CAPITAL FUND

Question. Provide tables similar to those provided last year that show – for fiscal years 1998, 1999, 2000, 2001 (planned), and 2002 (planned) – the dollars and FTE for the offices of the Chief Financial Officer, Chief Information Officer, Chief People Officer, General Counsel, Enterprise Development, Equal Employment Opportunity, and remaining Working Capital Fund offices. Divide the dollars and FTE for each office by funding source (internal reimbursable and external reimbursable). Show the balance of the working capital fund at the end of each fiscal year.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer.

Centralized Administrative Support (Internal Reimbursable)

(Dollars in thousands)	1998		1999		2000		2001		2002	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Chief Financial Officer	55,147	*561*	65,820	*595*	73,013	*594*	71,501	*610*	74,686	*610*
Chief Information Officer	10,124	*65*	10,170	*49*	5,365	*31*	7,860	*34*	8,151	*34*
Chief People Officer	37,714	*380*	32,445	*334*	34,421	*329*	41,536	*340*	41,940	*340*
General Counsel	13,998	*124*	14,650	*128*	15,747	*131*	18,101	*131*	18,959	*131*
Enterprise Development/ Business Service Centers	2,920	*35*	3,353	*35*	3,816	*37*	4,305	*37*	4,510	*37*
Equal Employment Opportunity	1,931	*17*	2,205	*19*	2,226	*19*	2,692	*19*	2,818	*19*
Remaining WCF Offices	1,833	*18*	2,467	*33*	4,547	*37*	5,266	*37*	5,519	*37*
Total Centralized Admin Support	**123,667**	***1,200***	**131,110**	***1,193***	**139,135**	***1,178***	**151,261**	***1,208***	**156,583**	***1,208***

Centralized Administrative Support

Centralized Administrative Support functions represent the largest portion of the WCF. These services are provided to internal GSA customers, and include agency-wide functions such as finance, budget and accounting support, personnel administration, facilities management, acquisition policy, and legal services. The centralizing of administrative support functions enables GSA to achieve economies of scale, thereby reducing costs and increasing operational efficiencies, and allows GSA's program areas to focus on and accomplish their goals.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Other Reimbursable

(Dollars in thousands)	1998		1999		2000		2001		2002	
External to GSA	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
Inspector General	559	*0*	1,116	*0*	1,337	*0*	2,000	*0*	2,000	*0*
Chief Financial Officer	2,966	*26*	2,518	*27*	4,571	*32*	6,265	*34*	9,260	*34*
Chief People Officer	3,989	*42*	8,699	*52*	4,887	*34*	9,093	*35*	9,411	*30*
General Counsel	16	*0*	3	*0*	2	*0*	25	*0*	25	*0*
Enterprise Development	0	*0*	0	*0*	0	*0*	0	*0*	0	*0*
Equal Employment Opportunity	0	*0*	0	*0*	0	*0*	0	*0*	0	*0*
Total Other Reimbursable External	**7,530**	***68***	**12,336**	***79***	**10,797**	***66***	**17,383**	***69***	**20,696**	***64***

Other Reimbursable External to GSA

These activities provide administrative services for non-GSA clients similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies, Presidential committees and commissions, House and Senate offices, and administrative support for the Inspector General Criminal Investigators Academy provided by the GSA Inspector General.

Other Reimbursable

(Dollars in thousands)	1998		1999		2000		2001		2002	
Internal to GSA	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
Major Equipment Acquisition & Development	5,574	*0*	15,024	*0*	13,846	*0*	3,500	*0*	4,900	*0*
Centralized Charges	37,028	*15*	36,207	*22*	36,327	*44*	39,435	*29*	42,610	*18*
Chief Information Officer	30,662	*36*	29,101	*36*	42,832	*52*	46,500	*57*	48,128	*57*
Chief Financial Officer	0	*0*	0	*0*	8,947	*0*	17,593	*0*	13,740	*0*
Other WCF Offices	0	*0*	0	*0*	172	*0*	300	*3*	312	*3*
Total Other Reimbursable Internal	**73,264**	***51***	**80,332**	***58***	**102,124**	***96***	**107,328**	***89***	**109,690**	***78***
Reserve	0	0	0	0	0	0	16,789	0	15,171	0
Duplicating Program	15,027	77	669	0	0	0	0	0	0	0
Total Other Reimbursable	**95,821**	**196**	**93,337**	**137**	**112,921**	**162**	**141,500**	**158**	**145,557**	**142**
TOTAL WCF	**219,488**	***1,396***	**224,447**	***1,330***	**252,056**	***1,340***	**292,761**	***1,366***	**302,140**	***1,350***
Total WCF Unoblig. Bal., Sept. 30 *	**36,283**		**35,950**		**31,052**					

* Includes Major Equipment Acquisition and Development Program Unobligated Balances -- $27,603 thousand in 1998, $16,905 thousand in 1999, and $9,346 thousand in 2000.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Other Reimbursable Internal to GSA

Other Reimbursable activities also reflect the financial transactions for GSA internal programs such as: (1) GSA Centralized Charges (e.g.: Workers' Compensation, Unemployment Compensation, Audit of GSA's Financial Statements, Postage and Fees, the GSA Financial Management Intern program, and Intercity Telephone (FTS 2001)); (2) cost of internal GSA information technology support provided by the Chief Information Office; and (3) Major Equipment Acquisition and Development

Pegasys

Question. In its Semiannual Report to the Congress for April 1, 2000 – September 30, 2000, the GSA IG reports on a major issue with respect to the development and implementation of Pegasys, a financial management system. Provide a table showing the fiscal year costs of the system since 1996 with projections for 2001 and 2002. When will the system be implemented? Once implemented, will it comply with JFMIP requirements? Comment on the validity of the concerns contained in the report (including cost and schedule overruns, the adequacy of the in-house program management staff, the status of the independent validation and verification study, and the adequacy of contractor performance control mechanisms) and on the steps being taken to address these concerns.

Answer. The table below contains the actual costs for Pegasys from FY96 to FY00 with projections for FY01 through FY04.

Costs By Fiscal Year	Amounts in ($000)
1996	$0
1997	$2,317
1998	$3,317
1999	$14,940
2000	$17,697
2001	$18,416
2002	$19,061
Total Estimated Obligations FY 1996 - FY 2002	$75,748
Estimated GSA Personnel Costs FY 1996 - FY 2002	$15,050
Total through FY 2002	**$90,798**
2003 (O&M)	$8,052
2004 (O&M)	$8,547
Estimated GSA Personnel Costs FY 2003 and FY 2004	$11,261
Total FY 1996 - FY 2004	**$118,658**

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Pegasys will be the GSA accounting system of record beginning October 2002 and will be JFMIP compliant.

The IG report, dated September 29, 2000, discussed concerns with increasing project costs and limited project management and oversight. Although we disagree with some of the specific issues mentioned in the report, the Office of the CFO (OCFO) recognizes that cost containment and adequate project management are valid concerns for a project of this size.

The report stated that estimated project costs had increased from $34M to $134M. The $34M figure was an internal GSA number used to estimate the base contract development costs through FY 2002 for capital planning purposes. This figure did not represent total costs. In December 1999, the OCFO developed a cost analysis that estimated the cost of the project at $117M through FY 2004. This figure increased in June 2000 to $134M due to increases in anticipated development and operation and maintenance costs. In February 2001, the Pegasys project was rescoped to focus on implementing the components needed for the core accounting system. Therefore, the current costs for the Pegasys project have decreased to $119M through FY 2004. GSA's rescoping also accelerated the implementation schedule for the project from FY 2004 to FY 2003. GSA's cost projections for FY 2003 and FY 2004 represent operation and maintenance costs of $8.052M and $8.547M respectively.

In order to address the project management concerns in the report, the OCFO awarded an IV&V contract in January 2001 to assess the project and make recommendations. The IV&V process will help to ensure that project goals and objectives are being met. It will also help to mitigate the risks inherent in developing systems by identifying potential issues earlier for more effective and timely problem solving.

Additional steps being taken by the OCFO include (1) developing more effective project milestones, through the rescoping effort, to monitor and track the project; (2) expanding participation in the Pegasys Advisory Board, a body composed of GSA executives and regional representatives, formed to provide advice and guidance to the Pegasys project; and (3) investigating performance-based contracting as a contractor control mechanism.

Another step that the OCFO has taken to make the most use of its in-house resources was to consolidate all Information Technology (IT) system efforts within the OCFO into a single office. This partnership expands the IT base for Pegasys and maximizes resources available to the project.

OFFICE OF INSPECTOR GENERAL

Question. Provide a table similar to the one provided last year showing – for fiscal years 1998, 1999, 2000, 2001 (planned), and 2002 (planned) – the dollars and FTE for the Office of Audits, Office of Investigations, Office of Counsel to the IG, Office of Administration, and the Office of the IG.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer.

	FY1998		FY1999		FY2000		FY2001		FY2002	
	$000	FTE	$000	FTE	$000	FTE	$000 *	FTE	$000	FTE
Audits	18,350	173	18,090	173	20,490	183	21,355	183	22,695	183
Investigations	8,336	69	8,485	69	8,329	74	8,611	74	8,647	74
Counsel of the IG	934	8	920	8	833	8	689	8	937	8
Asst IG for Administration	4,577	22	3,235	23	2,665	23	2,756	23	2,716	23
Office of the IG	1,261	8	1,000	9	1,000	9	1,033	9	1,030	9
Totals	33,458	280	31,730	282	33,317	297	34,444	297	36,025	297

* NOTE: FY2001 reflects the .22% rescission

Question. Provide brief but specific examples of how program reviews of the Office of Audits have influenced positive change in GSA's programs and operations.

Answer. Information Technology - OIG activities have focused on ensuring that critical planning and system integration occurs, as GSA becomes increasingly dependent upon technology to perform its mission. OIG audits have shown that replacement efforts for the agency's legacy systems have lacked a strong project management structure and systems development methodology. Other reviews have revealed that GSA has not clearly defined the operational responsibilities for protecting its infrastructure or incorporated critical security planning into new system designs. Finally, review of the GSA's Seat Management initiative, a long-term program to standardize personnel computer technology across the agency, identified significant challenges to be resolved before moving to the next phase of implementation. These challenges involved uniform maintenance and support; communication between GSA, system users and the contractor; funding concerns; and the need for enhanced performance measures.

Protection of Federal Buildings and Personnel – Continuing OIG efforts have helped GSA management strengthen security and improve safety in Government facilities. Reviews revealed that contract guards were non-compliant with critical contractual requirements, physical and key card access needs to be strengthened, and strategic alliances with other law enforcement entities are not being optimized. Other efforts revealed that not all childcare providers have undergone prompt background checks and that a large Federal complex had numerous fire safety concerns.

Using and Protecting Federal Charge Cards – Federal charge cards have streamlined procurement and accounting practices, program implementation and stewardship are areas of continuing attention. In one review, we found that GSA's efforts to pilot "smart card" technology lacked centralized management, coordination, and monitoring for Government-wide usage. In another review, we worked with officials in GSA's Fleet Management Center, a program valued at $411 million, to enhance processes for approving replacement cards, ordering and receiving cards, and deactivating cards from sold vehicles.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Managing Federal Buildings and Assets – In order to make sound financial decisions, Federal mangers need reliable program information. Several OIG reviews focused on information improvement. We found that methods for allocating building operating revenues and expenses need to be strengthened, revenues generated from the sale of real property may not be adequately controlled, and equipment inventories were not accurate. Other reviews revealed that construction change order management needs attention to control escalating costs. Although initial efforts to control Federal agencies' energy costs have been good, agencies may be exposed to volatile energy prices if area-wide agreements are not renewed.

Procurement Activities – GSA has adopted the use of multiple award task orders delivery contracts (MACs) for Federal customers to use when precise characteristics of products or services cannot be determined. A GSA-wide review revealed that GSA's services used MACs with mixed results. In one service, these contracts provided flexibility and speed in meeting needs, but only a small percentage of these contracts abided with guidance that contracts be performance based and contain pricing incentives. In other services, opportunities were missed for less costly and potentially better quality services, and vendors were not always provided a fair opportunity to compete for orders.

Question. Briefly describe what trends, if any, have been detected by the Office of Investigations with respect to illegal and improper activities involving GSA programs, operations, and personnel.

Answer. While the Office of Investigations has not detected any trends showing increased illegal and improper activities in any GSA programs, operations, and personnel, we have detected *new* areas of vulnerability which are now requiring expenditures of our resources.

The increasing use of technology for commerce and communication has required us to develop a Seized Computer Evidence Recovery Specialist unit within the Office of Investigations. Agents from this unit have been utilized for investigations involving child pornography being accessed from agency computers, unauthorized access to e-mail by agency employees, potential network intrusions, and recovery of records and evidence from other seized computers.

The emphasis on the use of charge cards for procurement of goods and services has created new needs for monitoring and investigating misuse, abuse and fraudulent use of these cards. Recent investigations have examined agency employees' usage of fleet and office purchase cards and fraudulent use of cards by unauthorized third parties, who have obtained the charge card number.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

PRESIDENTIAL TRANSITION

Question. Briefly describe the impact of the delay resulting from GSA's unwillingness to designate President Bush the winner of the November 2000 Presidential election until after the final action of the Supreme Court in December 2000.

Answer. Under the Presidential Transition Act of 1963, as amended, 3 U.S.C. § 102 note (the Act), GSA is the provider of a fully equipped headquarters and a variety of services and supplies for the President-elect's transition team. The Presidential election of 2000 was an unprecedented, incredibly close, intensely contested election, in which legal action was pursued by both sides. Because of the uncertainty of the outcome of the election, the Administrator of General Services was unable to "ascertain" the "apparent successful candidates" for President and Vice President until December 14, 2000, and GSA support of the Transition was delayed until that time.[1]

It is generally understood that the impact of the delay on the Bush-Cheney Transition Team was to shorten the amount of time available to accomplish transition activities, in particular, the identification of potential candidates for political appointments, and communication with departments and agencies about their programs and initiatives, prior to the inauguration. Because of the delay in GSA's support of the Transition, the Bush-Cheney Transition Team established itself in offices in McLean, Virginia, from which they engaged in transition activities. GSA defers to the Bush-Cheney Transition Team with regard to whether the delayed GSA support of the Transition resulted in operational impact.

GSA was fully prepared to provide the necessary services and facilities beginning the day after the election. However, the delay in ascertaining the "apparent successful candidate" did have an impact on GSA's support to the transition. This impact was twofold: First, instead of having a ramp-up period after the election, we had to be ready to provide complete support to a large group of people that immediately moved into GSA space. Given the circumstances, this was very successful. Second, GSA had to be more flexible about its transition support processes. In previous transitions, GSA recommended transition procedures prior to the election, and the newly-created transition team -- which had no previous experience -- generally accepted GSA's processes. In this case, the Bush-Cheney Transition Team had created their own processes (*e.g.*, how information about transition team members would be captured and shared) and became accustomed to them. After GSA was able to begin providing direct support, existing transition processes had to be examined to decide if they needed to be

[1] Section 3 of the Act provides, "The terms 'President-elect' and 'Vice-President-elect' . . . shall mean such persons as are the apparent successful candidates for the office of President and Vice President, respectively, as ascertained by the Administrator . . . ." The Act gives no explicit criteria or deadlines for making this ascertainment. However, as the legislative history demonstrates, Congress made it perfectly clear that if there is "any question" of who the winner is "in a close contest" this determination should not be made. *See* 109 Cong. Rec. 13,348-49 (July 25, 1963).

changed (*e.g.*, to comply with Federal laws and regulations), or if they could continue unchanged. Through clear, open and honest communication between GSA and transition team leadership, this was accomplished with a minimum of disruption to the transition team or to GSA.

Question. Briefly describe the status of the exit transition of the Clinton Administration. Will all transition activities of the past Administration be complete by July 20?

Answer. Yes. The lease is signed for Mr. Clinton New York office. This space will be ready by July 20 and the Washington office will close and relocate to New York.

FORMER PRESIDENTS

Question. Briefly describe why the appropriations amount included in the President's Budget Appendix is slightly different from the appropriations amount included in your budget justification. Which number is correct?

Answer. The amount in the budget justification is correct. It was reduced because the estimated amount for former President Clinton's office was reduced after the Budget Appendix had gone to print.

Question. Briefly describe the status of the plans recently announced by former President Reagan's staff that his office will be moving soon to less expensive space. When do you anticipate that move occurring? What potential rent savings might occur as a result of the move?

Answer. The solicitation to lease space for Former President Reagan's Office closed on Friday, May 11. The three properties within the Century City area, closest to the existing location, did not submit bids. We are currently working with the only bidder who is located in the Westwood/West Los Angeles area, not far from the West Los Angeles Federal Building on Wilshire Blvd. Both Former President Reagan's Office and Secret Service have visited the bidder's property and have agreed that it is suitable for their needs. The space being offered is 2,450 net rentable square feet. The range of their rent should be between $38 and $42 per square foot or approximately $100,000 per year. These amounts do not include Secret Service space.

We will not know the final rental amount until the lease is negotiated. We anticipate an award on or before June 6th with the physical move possible as early as June 15th.

We have also estimated $15,000 for the move, an amount that we think can be absorbed within the current appropriation. There should be at least $100,000 in annual rent saving; however, we are reluctant tocommit to a specific amount until the lease is finalized and the move has been accomplished.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Briefly describe the status of GSA actions aimed at providing office space for former President Clinton. What will be the annual rent of this office space for FY 2002? Are all costs associated with the office space provided by GSA for all of the former Presidents paid for from this appropriations account? If not, explain in detail.

Answer. We have signed a lease for 8608 sq. ft. to house the Office of President Clinton at 55 West 125th Street in Harlem, New York. This includes 308 sq. ft. for the Secret Service. The lease was signed on April 17, 2001, and we expect the space to be ready for occupancy by the end of July 2001. The space is located on the 14th floor of the building. The lease term is for ten years with the one time right to terminate the lease at the end of the third, sixth and eighth years.

The annual contract rent for the lease in FY2002 will be $346,127.68 including the 308 sq. ft. for the Secret Service. This is the annual rent GSA pays to the lessor. For the Office of President Clinton alone, (8300 sq. ft.), the annual contract rent is $333,743. In FY2002, the Office of President Clinton will pay GSA $353,768 which includes our fee.

The office of President Clinton is providing an amount not to exceed $325,000 out of transition funds towards build-out of their space. No private funds are being used to cover the rental or build-out costs associated with the Harlem lease.

Question. What is the appropriate size of office space that GSA should provide for former Presidents? How are decisions made regarding the amount of office space appropriate for a former President and his staff? Given the wide range of the number of staff associated with these offices, from 6 identified for former President Ford for FY 2001 to 16 identified for former President Reagan for FY 2001, is there a general rule of thumb to the amount of office space appropriate for the former President and his staff?

Answer. There is no set amount of space that is deemed appropriate. We work with each outgoing President and his staff to develop a space plan, which meets their needs and Secret Service requirements. The Former President decides how much space he needs. We advise them and as part of that advice we inform them about the size and build-out of their predecessors' space and the typical features for executive-level space. The office size of the existing offices range from 4,000 to 6,000 square feet. Some Former Presidents, such as Mr. Reagan, have decreased their requirements over time. The nature of each Former President's staff is different. Many of the 16 staff for Former President Reagan are part-time volunteers. The number of staff, whether they are full-time or part-time and the nature of their duties are all factored into the space planning process.

Question. A 1980 memorandum from the GSA General Counsel to the Administrator suggests that, absent any specific guidance from Congress, a reasonable standard for office space would be that established for cabinet officers. Briefly describe that standard and the rationale behind the opinion. Is that opinion still valid?

Answer. This addresses personal office and adequacy of fit and finish and office furniture. The Former Presidents' pension is tied to cabinet level officials and at the time we had policies regarding quality of space for senior appointees. Those standards no longer exist.

Question. If the 1980 opinion of the GSA General Counsel is still valid, is that standard being applied by GSA to set the maximum size of office space provided for former Presidents? If the 1980 opinion is no longer valid, what if any standard does GSA apply to set the maximum size of office space provided for former Presidents?

Answer. We use size and build-out of other Former Presidents' offices as a guideline. We provide that information to outgoing Presidents to assist them in planning for their office.

ELECTRONIC GOVERNMENT FUND

Question. The largest single increase of appropriated funds in your request is for a new appropriations account, Electronic Government Funds, to be initiated at $20 million. One of the selection criteria cited in your budget justification is that projects must involve a new innovation in order to be considered for funding. Are you willing to consider new and innovative applications of leading edge technologies or are you only going to fund new innovations? New innovations are inherently risky in web-based and other forms of electronic technologies; what failure rate have you established for this fund?

Answer. The e-gov fund selection criteria to which you refer are still being circulated for comment and do not represent the final criteria that will be used. As you know, your subcommittee staff has been invited to offer their views on the most appropriate criteria to use. The draft criteria use the term "innovative" to refer to innovative applications of existing, proven leading edge technologies, not to risky innovations at the edge of technology. There is a wide-array of market-driven commercial technologies that are not being fully utilized by the Federal Government that could deliver more effective and efficient services. We are not projecting a failure rate for e-gov fund projects since we believe that the fund will only be used for projects that are considered to have a high probability for success.

Question. Another selection criteria cited in your budget justification is that projects proposed for funding must be interagency projects. What definition of the term "interagency" is being used in this context? Would the collaboration of two bureaus from within the same Department constitute "interagency," or would at least one partner need to be from a different Department? Inasmuch as GSA is to administer the fund, will it not automatically be a partner (if only a limited one) in all of the projects?

Answer. The term "interagency" as used in the draft criteria means affecting more than one department or agency. It does not mean multiple bureaus within a department or agency. We understand that the fund will be used primarily for projects that fall outside of any individual agency's funding priorities. Agencies will be expected to fund their

own e-gov projects from within their own resources. We do not consider GSA's role in administering this fund to make all projects "interagency".

Question. The Committee believes that many agencies within the federal government are already making tremendous efforts and progress in all sorts of electronic government initiatives. Does GSA have an estimate of the size of the overall electronic government effort supported by the President's FY 2002 budget request? What quantitative data does GSA have on the scale and scope of the many projects that are already underway using agency-appropriated funds? What data does GSA have to quantify the benefits of this centralized approach above and beyond the benefits already being achieved in the federal government?

Answer. Agency IT exhibits that support the President's Budget suggest that as much as $2.5 billion was spent in FY2001, and approximately $2.8 billion will be spent by the end of FY2002 on projects which have some electronic government element. Expenditures to date have been weighted toward information dissemination, meaning that the Federal government has put a lot of information on websites. However, while that is a good start, agencies must move to the next step; they must begin transacting business with citizens in order to achieve successful electronic government.

The only quantitative data available to GSA in the scale and scope of agency IT projects are the data contained in the IT exhibits that support the President's Budget.

Although GSA does not have data to quantify the benefits of a coordinated approach to e-gov funding, we believe that the primary benefits of cross-agency coordination include:

1. **Increased agency participation and public satisfaction**. A decrease in agency transaction costs leads to more agency partners. Spreading the cost is likely to result in adequate funding so projects can address performance and ease of use questions.
2. **Increased speed of the transaction**. The public participant and the agency spend less time completing transactions. Putting the transaction online can allow for more real-time help to participants.
3. **Improved record keeping efficiency and data analysis opportunities**. Data is easier to access and store, which can enhance program evaluation and improve measurement of the effects of the government program in question.
4. **Increased employee productivity and improved quality of the final product**. Electronic transactions have fewer errors. Errors can be detected and corrected prior to submission. So, there is a dramatic reduction in the time spent on exception handling.
5. **Greater information benefits to the public**. Moving to electronic transactions often can make the related information more accessible to the public.

6. **Improved security.** Designed, implemented, and managed properly, electronic transactions have fewer opportunities for fraud and more robust security measures than paper and envelope transactions.

Question. What is the specific process that is proposed for soliciting, reviewing, and approving the funding of E-Gov initiatives from this account? According to your budget justification, OMB will control the allocation of the funds and direct their use. Who in OMB will control the allocation of the funds and will direct their use? What is the role of GSA in this effort if OMB controls the allocation of funds and directs their use? Why is this appropriation included in GSA's budget if OMB will control the allocation of the funds and will direct their use?

Answer. The Administration is still working out the specifics of this process. Under the current plans, projects must have support from senior levels of participating agencies (i.e., Deputy Secretary/Chief Operating Officer), similar to the FirstGov initiative, and be reviewed by the e-gov committees of the CFO, CIO, and Procurement Executives Councils. We also understand that project budgets will be approved by OMB's Deputy Director for Management and submitted to appropriation and authorization committees for review before spending is authorized, in a manner similar to the Y2K fund. Criteria for using the fund are still under development, but would include placing a priority on funding innovative interagency projects that would deliver services directly to the public, or create the infrastructure to support such delivery. The fund will also give priority to projects that integrate Federal, State, and local approaches to service delivery.

The President has made the determination that OMB will control the allocation of the e-gov fund. This is a natural extension of OMB's role in coordinating all Federal IT investments. The OMB Director (via Deputy Director for Management) will provide oversight of the fund. The funds would be located in a GSA account. Accountable to the OMB's Deputy Director for Management, GSA's role will be to provide day-to-day management of the allocation of the fund.

GSA is experienced in administering the distribution of funds for interagency projects, such as the CIO Council funding. We also have the necessary financial management systems and procedures in place to do this activity. OMB normally does not disburse funds for projects, or maintain centralized funds like the e-gov fund. They occasionally disburse disaster relief funds but are not set up to handle this type of activity on a routine basis. Nor is it staffed to handle the day-to-day coordination or management. GSA, however, is set up and staffed to perform this funds disbursement activity. For the past three years, GSA has performed a similar role in managing the distribution of funds collected under the "pass the hat" authority. These funds are disbursed to the agencies which play a lead role in various interagency projects sponsored by the CIO, CFO, and Procurement Executives Councils. Some of these funds have also been used for e-gov related projects.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

GUIDANCE REGARDING LIMITED ENGLISH PROFICIENCY

Question. On January 17, 2001, the General Services Administration placed notice in the Federal Register: "Office for Civil Rights; Title VI of the Civil Rights Act of 1964; Limited English Proficiency Policy Guidance for Recipients of Federal Financial Assistance." The policy guidance was to take effect immediately; GSA solicited comments (due by March 20, 2001) on the guidance upon which GSA would determine what, if any, modifications are needed to the guidance.

The notice states several places that this policy guidance does not create new obligations for recipients, but rather, clarifies existing responsibilities. To what extent does this clarification constitute a new, broader, or strengthened interpretation of existing responsibilities?

Answer.

Background: GSA has four Federal Financial Assistance programs, including:

(1) The Federal Surplus Personal Property Donation Program.
(2) The Disposal of Federal Surplus Real Property for Public Use Program.
(3) The GSA Personal Property Utilization Program.
(4) The Allotment of Space Program.

Executive Order 13166, issued on August 11, 2000, requires that recipients of Federal financial assistance are responsible for making their programs accessible to those with Limited English Proficiency (LEP) due to their national origin. Following Department of Justice guidelines, The following questions and answers deal with this LEP program.

Title VI of the Civil Rights Act of 1964, *as amended*, prohibits discrimination on the basis of race, color, and national origin in all Federally funded programs and activities. On August 11, 2000, former President Clinton issued Executive Order 13166 to clarify the responsibilities of recipients of Federal financial assistance to make programs accessible to those not English language proficient because of national origin (LEP). The Department of Justice (DOJ) has oversight responsibility for Title VI, and directed all affected Federal agencies to publish policy guidance implementing LEP. After coordinating with stakeholders, the General Services Administration (GSA) placed a notice of its policy guidance in the Federal Register on January 17, 2001. It was entitled: "Office for Civil Rights; Title VI of the Civil Rights Act of 1964; Limited English Proficiency Policy Guidance for Recipients of Federal Financial Assistance." The policy guidance took effect immediately. Nevertheless, GSA solicited comments to determine what, if any, modifications to the guidance may be needed for the future. Comments were due to GSA by March 20, 2001, however, GSA received no comments.

Concerning clarification of existing responsibilities, GSA's recipient guidance is rooted in Title VI of the Civil Rights Act of 1964, as amended, and was issued in response to

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Executive Order 13166 (August 11, 2000). The guidance seeks to clarify responsibilities of recipients of Federal financial assistance with regard to individuals who, because of their national origin, are Limited in their English proficiency (i.e., LEP). It further provides information and examples to assist recipients of Federal financial assistance in assessing their responsibilities with regard to LEP individuals. GSA's guidance is consistent with legal authorities that have addressed the responsibility of Federally assisted programs/activities in providing meaningful access to individuals who, based on their national origin, are LEP.

Question. The notice states that GSA is incorporating in its guidance the implementing regulations and relevant case law of the Department of Justice for the purposes of determining compliance. Does this incorporation of regulations constitute issuing regulations?

Answer. No, the reference was to incorporate DOJ's guidance only.

Question. The notice references "GSA's implementing regulations" under the section on legal authority with further reference to 41 CFR 1001-6.204-1 and 41 CFR 101-6.204-2. To what extent are these regulations specific to GSA? What specific statutory authority has been provided GSA to externally implement any part of Title VI?

Answer. The regulations (41 CFR 101-6.204-1 and 41 CFR 101-6.204-2) are a part of GSA's Federal Property Management Regulations, and as such, are specific to GSA. Section 602 of the Civil Rights Act of 1964, as amended, and located at 42 U.S.C. Section 2000d-1, provides that "Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 2000d of this title with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken."

Question. Does GSA have any specific regulations (implementing or otherwise) of its own on this topic? If so, provide a copy of the regulations for the record. If not, is GSA planning to issue regulations on this topic? If so, what is the status of those plans? When will these regulations be issued?

Answer. No. GSA does not intend to issue regulations specifically addressing LEP responsibilities.

Question. Explain the apparent discrepancy between the statement that the guidance does not create new responsibilities and the listed "action required" that all recipients of Federal financial assistance are to develop written plans for ensuring meaningful access by Limited English Proficiency persons consistent with the guidance.

Answer. We are not creating new responsibilities but are only asking for documentation from agencies to assist us in determining the recipient's compliance with Title VI as it relates to non-discrimination on the basis of national origin. Title VI implementing regulation, 41 CFR 101-6.209-2 provides that "each recipient shall keep such records and submit to the responsible GSA official or his designee timely, complete and accurate compliance reports at such times, and in such form and containing such information, as the responsible GSA official or his designee may determine to be necessary to enable him to ascertain whether the recipient has complied or is complying with this subpart 101-6.2." The requirement to develop a written LEP plan will provide GSA's Office of Civil Rights information that will assist in determining the recipient's compliance with Title VI as it relates to nondiscrimination on the basis of national origin.

Question. Under the section on Federal financial assistance programs, GSA states that it administers two major Federal financial assistance programs in addition to two other Federal financial assistance programs.

Are these the only four GSA programs or accounts that provide federal financial assistance?

Answer. GSA administers four Federal financial assistance programs. The first two are major programs. The last two are minor programs. All are described in detail in the GSA policy guidance issued in the January 17, 2001 Federal Register.

(1) The Federal Surplus Personal Property Donation Program.
(2) The Disposal of Federal Surplus Real Property for Public Use Program.
(3) The GSA Personal Property Utilization Program.
(4) The Allotment of Space Program.

Question. Provide a table listing these four GSA programs and accounts and showing for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate) the amount of federal financial assistance provided and the total program or account funding levels (reference all sources of funds).

Answer.

Federal Surplus Personal Property Donation Program. The Donation program provides surplus Federal personal property to eligible non-profit, non-Federal organizations through a network of State Agencies for Surplus Property (SASP). The SASPs are responsible for determining eligibility and distributing Federal Surplus property to public agencies and qualifying nonprofit, tax-exempt organizations. The value of property donated to the SASPs is reported as the total value of the donation program.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

As requested, we have provided aggregate sums for the amount of property donated through the donation program for the years 1998 – 2002.

1998 - $652 Million
1999 - $580 Million
2000 - $564 Million
2001 - $643 Million (Estimate)
2002 - $610 Million (Estimate)

Disposal of Federal Surplus Real Property

Discount Conveyances		
Fiscal Year	**Value**	**Funding**
1998	60.9m	2.95m
1999	57.3m	3.28m
2000	114.6m	2.84m
*2001	37.9m	2.21m
*2002	58.2m	2.22m

*Projections

GSA Personal Property Utilization Program. The primary intention of the Utilization program is to facilitate new uses for excess Federal government property and transfer property no longer required by one federal activity to another. However, there are certain laws that provide Federal agencies with the authority to directly transfer specific excess property to nonfederal entities. The FSS Property Management Division maintains statistics on overall transfers carried out through GSA by Federal agencies but does not track transfers to nonfederal recipients. These statistics may be better acquired through GSA's Office of Governmentwide Policy (OGP). OGP imposes additional-reporting requirements on Federal agencies for information on property transferred to non-Federal recipients and property donated to educational based organizations through the "Computers for Learning" program. We do not currently have up to date information but will furnish it shortly under separate cover.

Allotment of Space

Space occupied by activities such as credit unions, vending stands for the blind, and child care centers is assigned to the GSA inventory as Joint Use space. Within the category of Joint Use, there is no discrete data on any of the individual components. However, we do have the total figures for Joint Use. They are 6,062,178 square feet with an annual cost (income) of approximately $123 million. These figures are about 2% of our space inventory and about 2% of our total income of over $6 billion.

From manual records, we know there are 369 vending stands for the blind and 113 childcare centers. The 369 vending stands for the blind take up 320,000 square feet of joint use space, and approximately $6,400,000 is paid to GSA in revenue from agencies. Our nationwide network of Child Care Centers account for 843,004 square

feet of GSA space. Our arithmetic shows that this space is .00242 (00.242%) of all GSA space. [Includes 193.2 million square feet of owned space and 153.2 million square feet of leased space.] Space is billed as joint use space to our customer agencies (all customers in a building). We do not know the number of credit unions. However, we will provide that number shortly under separate cover.

Question. Provide a table listing for these 4 programs and accounts the number of individual persons, companies, or institutions that received federal financial assistance and the total value of that assistance for fiscal years 1999, 2000, 2001 (estimate), and 2002 (estimate).

Federal Surplus Personal Property Donation Program. The Property Management Program does not maintain this information. The State Agencies for Surplus Property are responsible for maintaining information on their program participants.

Answer. ***Disposal of Federal Surplus Real Property***

Discount Conveyances		
Fiscal Year	**Number**	**Value**
1998	39	60.9m
1999	77	57.3m
2000	49	114.6m
*2001	52	37.9m
*2002	56	58.2m

*Projections

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QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

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Question. Describe the kinds of specific actions (including hiring and training staff) and the related costs that will be incurred by persons, companies, or institutions in order for them to comply with the policy guidance.

Answer. Before determining what actions may be needed to comply with LEP, each recipient must first analyze the four factors articulated in the guidance. Those factors are: (1) Number or proportion of LEP persons; (2) Frequency of contact with the program; (3) Nature and importance of the program; and (4) Resources available. The guidance provides recipients with flexibility to determine what reasonable steps, if any, they may need to take to ensure meaningful access to their programs and activities by persons who are limited English proficient. Given the uniqueness of each recipient and the flexibility allowed in the analysis, it is difficult to speculate what specific actions might be taken and the cost, if any, associated with them.

Question. Under the section titled "LEP Procedures and Guidelines," the notice states that "Executive Order 13166 (65 FR 50119) provides for a flexible standard stating that recipients of Federal financial assistance are to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons."

Explain the apparent discrepancy between the "flexibility" and "reasonableness" contained in above statement and the sentence that follows it, "Thus, it is important that all recipients take the following steps in determining their LEP responsibilities and providing appropriate LEP assistance."

Answer. There is no discrepancy. Each recipient must analyze the four factors to determine what, if any, responsibility exists to make their programs and activities accessible to persons who are limited English proficient. The analysis is flexible and based on reasonableness. The guidance does not seek to unduly burden recipients. Rather, it seeks to strike a balance between the need to provide meaningful access and each recipient's circumstances.

Question. Provide a table that shows estimated costs that will be incurred by small, medium, and large non-Federal entities as a result of taking the following four steps: (1) conducting an assessment, (2) developing written LEP assistance plans, (3) implementing the LEP plan, and (4) monitoring the effectiveness of the LEP plan.

Answer. We are unable to provide a table estimating costs because those costs are not available. The diversity of GSA's recipients, the uniqueness of their situations, and the flexibility recipients have to provide LEP assistance (based on the four factor analysis in GSA's Guidance) make estimating cost difficult.

Question. Some of the specific actions required for compliance with the guidance involve a requirement for the hiring of bilingual or multilingual staff, interpreters, or translators for oral communication.

Is there a numerical requirement for how many bilingual or multilingual staff, interpreters, or translators an entity receiving Federal financial assistance from GSA should maintain, either as a percentage of its workforce, a percentage of its budget, or a percentage of the population it assists?

Answer. No. Recipients have the flexibility to tailor LEP assistance based on the result of the four factor analysis. For example, the fact that a particular recipient has a large number of LEP individuals in their serviced area does not automatically dictate any specific requirement for LEP assistance. The three other factors, i.e., nature and importance of the recipient's program, available resources, and frequency of contact, should be weighed when determining what, if any, LEP assistance is needed.

Question. How many bilingual or multilingual staff, interpreters, or translators will be required in order for entities receiving federal financial assistance from GSA to comply with this guidance?

Answer. There is no specific numerical requirement. As indicated in the response to the previous question, there are no bright line requirements.

Question. How many bilingual or multilingual staff, interpreters, or translators are available to be hired for this purpose? Given the competing demands of other entities needing to come into compliance with similar policy guidance of other Federal groups, is it reasonable to expect that the current supply of bilingual or multilingual staff, interpreters, or translators is sufficient to allow entities receiving financial assistance from GSA to come into compliance with this guidance?

Answer. GSA does not have this information because there is no bright line requirement that recipients provide bilingual/multilingual staff, interpreters or translators. Factor four of the four factor analysis balances the availability of resources. For example, even if a recipient found it might have an LEP obligation based on its analysis of the first three factors, the fourth factor would balance that obligation if there were a shortage of available resources.

Question. What are the total costs (first-year costs and the annual costs for each of the next four years) estimated to be incurred by entities in order for them to come into compliance with the guidance by hiring bilingual or multilingual staff, interpreters, or translators. Provide a further breakdown of the first-year costs to cover training, hiring

bonuses, and all other applicable categories. What methodology was used to develop these cost estimates? What group developed these cost estimates?

Answer. The costs, if any, will depend on each recipient's situation, based on the four factor analysis discussed in our guidance.

Question. The notice also states a written communication requirement for entities to provide translations of all written materials that are routinely provided in English to applicants, clients and the public. This includes all documents that are "required by law" plus all other "vital documents."

Estimate how many different documents (realizing that each entity will have its own sets of documents) and the number of pages that must be translated and into how many different languages and at what expense.

Answer. The number of different documents that fall under the vital document definition will vary from recipient to recipient, and such translation responsibilities, if any, will be determined by each recipient's four factor analysis as outlined in GSA's guidance. Thus, such an estimate is unavailable. Furthermore, the guidance provides that a translated summary of vital information contained in "large documents" is appropriate, as opposed to translating the entire document.

Question. What are the total costs (first-year costs and the annual costs for each of the next four years) estimated to be incurred by entities in order for them to come into compliance with the guidance associated with the written translation portion of the requirements. Provide a further breakdown of the first-year costs to cover training, hiring bonuses, and all other applicable categories as well as the costs associated with hiring a different contractor to conduct a second review of translated documents. What methodology was used to develop these cost estimates? What group developed these cost estimates?

Answer. Due to the diversity of GSA's recipients, the uniqueness of their situations, and the flexibility that recipients have in providing for LEP assistance (based on a balanced analysis of the four factors as outlined in GSA's guidance), it is virtually impossible to speculate what, if any, costs will be incurred by recipients.

Question. In a section on compliance, the guidance states that GSA's Office for Civil Rights will make assessments on a case by case basis in determining whether the steps taken by a recipient of federal financial assistance provide meaningful access (i.e., nature and importance of recipient's services to the serviced population, recipient's size, availability of financial and other resources, and frequency of contact with LEP persons).

Will GSA's Office for Civil Rights assess every "case." If not, which cases will be assessed and what action(s) or condition(s) will trigger an assessment?

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Answer. No. GSA Office of Civil Rights conducts periodic compliance reviews with the State office responsible for administering the Federal Surplus Personal Property Donation Program in 10-12 states each year. GSA Office of Civil Rights does not have an established compliance program with regards to any other Federal financial assistance program at this time. However, it is in the process of establishing a Title VI compliance program with regards to the Disposal of Federal Surplus Real Property, similar to the Federal Surplus Personal Property Donation Program.
As part of the periodic compliance review, GSA Office of Civil Rights visits recipients of donated property in the States to ensure their understanding of Title VI responsibilities, and compliance with Title VI and other nondiscrimination laws and regulations. Therefore, no assessments will be scheduled nor conducted separately for determining LEP compliance, although compliance with GSA's guidance is a normal part of GSA's compliance reviews.

Additionally, GSA Office of Civil Rights has the responsibility to investigate complaints of discrimination filed by individuals based on Title VI. This responsibility includes investigating complaints filed by individuals who are LEP. To date, GSA has received no such complaints.

No recipient has lost its ability to participate in GSA's surplus personal property program due to GSA's emphasis toward voluntary compliance, with a focus on technical assistance.

Question. If GSA's Office for Civil Rights is to assess every case, what is the assessment schedule? How often will every case be assessed?

Answer. Please see previous answer.

Question. Provide a table showing the resources ($ and FTE) of the GSA Office for Civil Rights for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate).

Answer.

Fiscal Year	Dollars	FTE
1998	$ 779,600	8
1999	$ 1,071,900	8
2000	$ 1,197,100	8
2001 (estimate)	$ 1,210,400	9
2002 (estimate)	$ 1,233,700	9

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question. Provide a brief description of the geographic locations of the GSA Office for Civil Rights (city, state).

Answer. GSA's Office of Civil Rights is located in its headquarters building in Washington, D.C. In addition, there are regional Equal Employment Opportunity Program offices in New York, New York (Region 2); Philadelphia, PA (Region 3), Atlanta, Georgia (Region 4), Chicago, Illinois (Region 5), Kansas City, MO (Region 6), Ft. Worth, Texas (Region 7), San Francisco, CA (Region 9), and in Southwest Washington, D.C. (National Capital Region). The regional programs only administer GSA's internal Title VII Equal Employment Opportunity Program, not the external Title VI Program. There are two full-time staff members in the Office of Civil Rights in GSA's headquarters office working on the Title VI Program.

Question. In the notice, GSA lists examples of factors that would be taken into consideration during an assessment. Provide a complete list of all such factors. Assign a numeric ranking to the factors indicating level of importance.

Answer. It is not intended for these factors to be ranked, rather they are intended to be balanced and looked at based on the totality of the circumstances of each recipient. In addition to the four factor analysis (i.e., Number or proportion of LEP individuals; Frequency of contact; Nature and importance of the program; and Available resources), other factors may include availability of population data, whether the ability to communicate in English is an integral part of the program, whether providing appropriate LEP assistance will create an undue burden for the recipient, etc. A complete list of such factors is not available.

Question. The notice states that GSA's Office of Civil Rights will apply, where appropriate, the LEP guidance of other Federal agencies. What authority does GSA have to implement or enforce the guidance of other Federal agencies?

Answer. GSA does not have the authority to implement or enforce another agency's guidance. Rather, this refers to situations where a particular recipient is subject to more than one Federal agency's guidance. In this case, GSA will, as standard practice, coordinate with the other Federal agency to determine the most appropriate way to address the LEP compliance issue. The language was included in the guidance to reduce the confusion for those recipients who may be subject to more than one Federal agency's guidance.

Question. Provide a listing of all Federal agencies that have LEP guidance. To what extent is GSA's Office of Civil Rights familiar with the differences and special characteristics of the LEP guidance of other Federal agencies?

Answer. Each Federal agency administers its Title VI programs independently. However, the DOJ has posted six other Federal agencies LEP guidance for recipients on their web-site at http://www.usdoj.gov/crt/cor/13166.htm. Those agencies are Department of Treasury, Department of Labor, Department of Health and Human

Services, Corporation for National and Community Service, National Aeronautics and Space Administration, and the National Science Foundation. DOJ may be able to provide a more extensive list.

Question. Provide a breakout of the total costs ($ and FTE) expected to be incurred by the GSA Office for Civil Rights in performance of the assessments, including travel costs and training costs. Include a breakout of assessment costs necessitated by the requirement of being sufficiently familiar with the LEP guidance of all other Federal agencies and of being sufficiently knowledgeable of the recipient to know whose LEP guidance should be applied.

Answer. GSA's Office of Civil Rights does not expect to incur any significant additional costs. LEP assessments will be conducted during regularly scheduled Title VI compliance reviews. GSA's Office of Civil Rights staff is not required to be knowledgeable about other Federal agencies' LEP guidance. Rather, during scheduled Title VI on-site compliance reviews, recipients are asked if they receive Federal financial assistance from other agencies. If, a Title VI concern emerges, GSA's Office of Civil Rights will contact the other Federal agency to coordinate compliance, as appropriate.

Question. Provide a breakout of the total costs ($) expected to be incurred by non-Federal recipients of Federal financial assistance in responding to and supplying materials for the GSA assessment.

Answer. Such costs are unavailable and difficult to project until each recipient conducts the four factor analysis as outlined in GSA's guidance.

Question. In a section on enforcement, the notice states that GSA's Office of Civil Rights will enforce Title VI.

To what extent does this external enforcement of Title VI represent a new role for GSA's Office of Civil Rights? Cite the specific part of the statute that provides GSA with the specific authority for externally enforcing Title VI. To what extent does this action on the part of GSA constitute a new interpretation of statutory law?

Answer. GSA Office of Civil Rights implements Title VI under the authority of Section 602 of the Civil Rights Act of 1964, as amended, which is codified at 42 U.S.C. 2000d-1, and has been doing so since its implementing regulations went into effect in 1973.

Question. In the section on enforcement, the notice also states that GSA's Office of Civil Rights will enforce the recipient's responsibility to establish LEP procedures and provide appropriate LEP assistance, consistent with enforcement procedures as provided in Title VI regulations. These procedures include complaint investigations, compliance reviews, efforts to secure voluntary compliance, and technical assistance.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

To what extent does this enforcement of recipient responsibilities represent a new role for GSA's Office of Civil Rights? Cite the statute that provides GSA with the specific authority for enforcing these recipient responsibilities.

Answer. See answer to previous question.

Question. Provide a table showing the costs ($ and FTE) to GSA's Office of Civil Rights for conducting each of the enforcement procedures cited above. Include breakouts of travel costs and training costs.

Answer. GSA will not incur additional travel costs to enforce LEP. Separate visits to enforce LEP will not be done except where a complaint of discrimination is filed. LEP enforcement will be carried out in conjunction with other scheduled visits to a State, such as, during Title VI on-site compliance reviews of recipients. GSA employees will not visit a State just for LEP enforcement. Videos regarding a recipient's Title VI responsibilities (to include LEP) and other information regarding LEP responsibilities will be provided to the recipients at nominal costs.

Question. The guidance states that GSA's Office of Civil Rights is available to provide assistance to recipients seeking to ensure that they operate an effective language assistance program.

What resources ($ and FTE) are being devoted in FY 2001 and will be devoted in FY 2002 for providing technical assistance? What training needs are associated with this effort? Where are these funds specifically located in your current and proposed budgets? Where are these FTE specifically located within GSA's organizational structure?

Answer. GSA's Office of Civil Rights has not dedicated specific resources for LEP technical assistance. Rather, the Office of Civil Rights will provide LEP technical assistance as a normal part of its regularly scheduled on-site compliance reviews, and as appropriate in the context of a Title VI complaint investigation. In addition, the Office of Civil Rights will offer telephonic and other such technical assistance, as requested and appropriate.

Question. What cost-benefit analysis has been done to justify these costs for technical assistance? What group(s) performed the analysis? Provide a copy of the cost-benefit analysis for the record.

Answer. Since it is expected that nominal, if any, costs will be incurred to provide LEP technical assistance, the Office of Civil Rights has not conducted a cost-benefit analysis. As mentioned previously, LEP technical assistance will be incorporated into our existing Title VI program.

Question. Provide a table estimating the total new or added costs (including hiring and training staff) that are being or will be incurred by GSA's Office of Civil Rights and by

each GSA program and account providing Federal financial assistance or otherwise impacted by this guidance and the new or added costs that will be incurred by persons, companies, or institutions receiving Federal financial assistance from each as a result of their compliance with the policy guidance.

Answer. GSA's Office of Civil Rights does not expect to incur any significant new or additional costs because of LEP, therefore no table is provided. The nominal costs we do expect to incur are the cost of providing already existing informational posters and videos to recipients. In addition, as mentioned previously, because of the diversity of our recipients, the uniqueness of their situations, and the flexibility recipients have in providing LEP assistance, GSA is unable to provide cost estimates.

Question. The notice in the Federal Register solicited comments about the guidance by March 20, 2001. Describe the comments GSA has received concerning the policy guidance.

Answer. No comments were received.

Question. What legal standing does the policy guidance have?

Answer. LEP assistance guidance is rooted in Title VI of the Civil Rights Act of 1964, as amended. GSA is responsible for enforcing compliance with Title VI.

Question. What is the impact of the recent Supreme Court ruling in Alexander V Sandoval on GSA's plans to implement and enforce this policy guidance?

Answer. None. It is our understanding from reading the recent Supreme Court ruling that the lower appellate court's decision was reversed on other grounds, unrelated to the legality of LEP assistance.

Question. What plans are being developed by GSA to reprogram or transfer funds during FY 2001 for the purposes of meeting the resource requirements related to this policy guidance?

Answer. None.

Question. What plans are being developed by the Administration to submit a budget amendment for the purposes of meeting the FY 2002 resource requirements related to this policy guidance?

Answer. None.

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

PUBLIC RELATIONS

Question. Does GSA have a standard definition of what actions and functions constitute public relations-type activities (as differentiated from a public response-type activity, such as answering phone calls)? If so, what is it?

Answer. GSA does not have a standard definition of public relations-type activities. However, GSA's centralized Office of Communications has a Public Affairs and Media Relations Division that handles media requests and provides responses. That division works with GSA officials and program offices in planning, implementing, and coordinating agency media relations for many audiences, including GSA employees, the news media, all branches of the Federal Government, industry, trade and professional associations, and the public. The Division's information dissemination activities include news releases, advisories, backgrounders, news conferences and other necessary means associated with on-going media relations strategies. Many private sector businesses look to the Division's media reports for GSA business opportunities while Federal agencies and others seek information on GSA programs and policies. It is our belief that communications - internally and externally - is a vital business function and that we have an obligation to tell the American people via the media what we are doing with their money.

Question. Using a standardized definition, what total level of funding within each account of GSA (all sources of funds) is devoted to public relations-type activities?

Answer. Nationwide about 11 FTE handle media requests either full- or part-time. Employees are paid from the following funds – 6 FTE from the Policy and Operations appropriations; 3.5 FTE from the Federal Buildings Fund; and 1.5 FTE from the Working Capital Fund. Expenditures for those activities total $750,000.

Question. Using a standardized definition, how many positions within each part of GSA are devoted to public relations-type activities?

Answer. There are 3.5 FTE in the Public Buildings Service and 7.5 FTE in GSA Central Office and staff offices, for a total of 11 FTE nationwide that handle media requests.

Question. For each part of GSA, list the geographic locations where these positions are located and the number of positions at each geographic location.

Answer. In Central Office, four full-time FTE handle media requests. Because of their large markets and subsequent media activity, GSA offices in New York, Chicago and San Francisco have one full-time FTE each that handle media requests. The other 8 GSA regions cover media requests less than full-time and with the help of Central Office.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

FDA CONSOLIDATION

Question. How much is necessary to construct the third phase of the FDA consolidation at White Oak?

Answer. Construction of Phase 3 at White Oak, the FDA Center for Devices and Radiological Health (CDRH), is estimated to cost $176,545,000.

Question. Can you explain why this amount was not provided in the budget request for FY 2002?

Answer. GSA believes it would be unable to design and begin construction of Phase 3 within the same fiscal year. Therefore, only design funds are being sought for FY 2002.

Question. Was this GSA's decision or OMB's decision?

Answer. It was GSA's decision.

Question. Can GSA obligate construction funding if it was on the books for FY 2002? Is there a lower amount that you can obligate?

Answer. GSA has identified $38 million for Phase 3 items unrelated to the design of the CDRH lab that could be obligated in FY 2002. These include the parking structure, the central utility plant, demolition work, site infrastructure, and A & E for the master plan.

Question. Can you provide the full cost of delaying this consolidation for a year? Such as increased construction costs and lease extensions or finding new space for employees because of an additional year delay.

Answer. As design funds were not available in FY 2001, completion of Phase 3 will be extended for one year. Escalating construction costs should increase the Phase 3 cost by roughly $10 million. With regard to lease extensions, GSA has identified four CDRH leases totaling 220,000 square feet, which FDA intends to vacate for the move, that will need to be extended for an additional year. At current market rents, this will cost an additional $8.5 million.

Question. The Sierra Club has recently filed a lawsuit against the FDA Consolidation project. Can you summarize for the committee the arguments against the FDA consolidation and if they have any merit?

Answer. For a description of the lawsuit filed against these projects and its possible impact on the development of new FDA campuses in Maryland, please see the following "Status of the Lawsuit."

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Status of the Lawsuit

Sierra Club et al. v. General Services Administration et al.
Civil Action No. 01-403(TFH)
Filed in U.S. District Court for the District of Columbia

The Sierra Club, the Forest Conservation Council, and a FDA employee filed a lawsuit on February 23, 2001, against GSA and FDA. The lawsuit covers four FDA projects: White Oak, Beltsville (complete in 1996), College Park, and a proposed lease action for a laboratory associated with the Center for Food Safety and Nutrition at College Park. Plaintiffs request injunctive relief barring GSA from taking any further action (planning, development, construction or execution of contracts) to occupy the White Oak facility and/or the College Park leased space, or taking any further steps to relocate FDA employees into or out of facilities in the Washington metro area. The Government filed its answer on
April 24, 2001.

Plaintiffs primarily allege in their complaint that GSA's actions with respect to these four projects violate the National Environmental Policy Act, Executive Order 12072, the Public Buildings Act, and various appropriations Acts. The overall theme to the complaint is that the government's actions are promoting suburban sprawl to the detriment of Washington, DC.

GSA is confident that all of the government's actions regarding the consolidations are fully compliant with all laws, regulations, and executive orders.

NEPA. Plaintiffs' primary allegations are with respect to White Oak, although they allege that GSA is required to prepare a "programmatic EIS" to review the environmental impacts of all four projects in one document.

The White Oak EIS was published in final in 1997, and the Record of Decision was published in June 1997. Plaintiffs allege two general deficiencies in the EIS:

1. It does not evaluate all reasonably foreseeable impacts on the quality of the human environment (traffic congestion, sprawl, impact on Washington, DC, lengthened employee and resident commutes, non-availability of mass transit)

2. It fails to evaluate and compare a reasonable range of alternatives (failure to consider Southeast Federal Center, St. Elizabeth's Hospital, central business area, Metro sites)

Environmental Assessments were published for College Park and Beltsville (Mod II) in 1996. Plaintiffs allege that GSA did not adequately evaluate alternatives to, and the environmental impacts of, those decisions.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Executive Order 12072. Plaintiffs allege that GSA did not give first consideration to locations in Washington and/or Washington's central business area and/or other cities in the Washington area. Further, they allege that GSA did not conduct the necessary consultation with local officials under the Executive Order (and the Public Buildings Cooperative Use Act). They also assert that GSA has not accomplished required coordination with the NCPC and Maryland planning agencies including, but not limited to, justifications for zoning changes and inconsistencies with policies set forth in the Comprehensive Plan.

Appropriations Acts, Public Buildings Act. Plaintiffs allege that GSA did not obtain a prospectus for White Oak and College Park, and therefore is violating the Public Buildings Act and the various Appropriations Acts by spending funds without an approved prospectus.

Impact of the Lawsuit. Plaintiffs have not filed a motion for a preliminary injunction or for a temporary restraining order. Work on all projects continues and is not affected by the lawsuit.

SUITLAND FEDERAL CENTER

Question. I understand that there is $2.8 million in the budget request for the design of a new facility for the Census Bureau on the Suitland campus.

What are the plans for the Census Bureau on the Suitland Campus?

Answer. GSA is preparing a master plan for the Suitland Federal Center. For the Bureau of the Census, GSA proposes to construct a new headquarters building, which will house Census employees now located in Federal Office Building 3 (FOB #3). GSA's current plan is to renovate and add in-fill space in FOB #3 once it is vacant. However, GSA and Census are still discussing the costs and schedule associated with either renovating or replacing FOB #3. Census employees in other buildings at Suitland and in leased space will be consolidated in the renovated FOB #3 or its replacement.

Question. Does the Census Bureau support a new facility that will house all Census employees currently on the Suitland campus?

Answer. Census supports construction of a new headquarters building, into which all employees now in FOB #3 will move. GSA and Census continue to discuss and evaluate the future of FOB #3.

Question. What is the cost estimate to build a new facility for the Census Bureau?

Answer. It will cost $155,314,000 to design and build a 771,265 gross square foot building and structured parking for 1,592 vehicles.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Question. Are there options being evaluated for the Census Building?

Answer. Options were considered for FOB #3.

Question. If so, what are they?

Answer. GSA considered demolishing FOB #3 and replacing it, renovating it with in-fill space, and renovating it without in-fill space. GSA's plan at this time is to renovate FOB #3 and add in-fill space. GSA continues to work closely with Census in choosing the best alternative.

Question. Is GSA requesting funding in the FY 2003 budget?

Answer. GSA will use the reprogrammed FY 2001 funds and the requested FY 2002 funds to design the new Census headquarters building. GSA plans on submitting a request for $147.3 million in construction funds at the appropriate time.

Question. Are there historic preservation issues associated with Federal Building 3?

Answer. Both FOB #3 and FOB #4 may be eligible for listing on the National Register, both for their facades and because they represent the first significant move of federal employees out of Washington, DC, into the nearby suburbs. GSA believes it is feasible to demolish FOB #4, because the building was not originally designed for office use and lacks the floor-to-ceiling heights needed for modern office space. GSA continues to discuss the options we are considering for FOB #3 with the Maryland State Historic Preservation Office.

ELECTRONIC GOVERNMENT

Question. What type of projects are planned for the $20 million Electronic Government (e-gov) fund?

Answer. Criteria for using the fund are still under development, but the draft criteria currently being circulated include placing a priority on funding innovative interagency projects that would deliver services directly to the public, or create the infrastructure to support such delivery. The current draft also gives priority to projects that integrate Federal, State, and local approaches to service delivery.

Question. Who would be responsible for determining which projects received funding?

Answer. It is our understanding that OMB's Deputy Director for Management would manage the allocation of the fund and assure its use for information technology projects that offer the greatest improvements in access and service. We also understand that the E-government committees of the CFO, CIO, and Procurement Executives Councils will provide input to OMB on the projects to be selected.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Question. Why is the funding being requested in GSA's budget?

Answer. The President has made the determination that OMB will control the allocation of the e-gov fund. This is a natural extension of OMB's role in coordinating all Federal IT investments. However, OMB does not ordinarily perform the funds disbursement and project oversight activities that go along with managing central funds like the e-gov fund. On the other hand, GSA is experienced in administering the distribution of funds for interagency projects and has the necessary financial management systems and procedures in place to do this.

For the past three years, GSA has performed a similar role in managing the distribution of funds collected under the "pass the hat" authority. These funds are disbursed to the agencies which play a lead role in various interagency projects sponsored by the CIO, CFO, and Procurement Executives Councils. Some of these funds have also been used for e-gov related projects.

Question. Are there other examples within GSA's budget where funding under the control of other agencies is requested by you?

Answer. A notable example within GSA's budget where funding under the control of other agencies rests with GSA is the funding for administrative support we provide for the Executive Councils (the Chief Information Officers Council, the Chief Financial Officers Council, and the Procurement Executives Council). These councils are made up of multiple agencies and GSA serves as the central point of coordination and management for the councils.

ENERGY SAVINGS

Question. What is the Administration plan for reducing energy usage in Federal buildings in California?

Answer. In general, the Administration directs the heads of executive departments and agencies to take appropriate actions to conserve energy usage at their facilities to the maximum extent consistent with the effective discharge of public responsibilities. Agencies located in regions where electricity shortages are possible should conserve, especially during periods of peak demand.

In addition, agencies should review their existing operating and administrative processes and conservation programs to identify and implement ways to reduce energy usage. Agencies are required to report on conservation actions to the President, through the Secretary of Energy, within 30 days from the date of the memorandum issued on May 3, 2001. The agencies are to take appropriate energy conservation actions using existing budget authority.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Question. What is GSA's role in this process?

Answer. Specific to GSA owned and operated buildings in California, GSA will exercise a two-part plan. First, we will communicate with employees, tenants and outside parties regarding the status of energy supplies, obtain their assistance in voluntarily reducing consumption, and encourage them to accept our curtailment efforts as instituted by manipulation of building operating equipment. GSA has assigned a team to inform and encourage the participation of our tenants through e-mail, posters, letters, etc. Second, we are developing individual building curtailment plans following a soon to be finalized GSA Region 9 guideline for energy conservation during emergency alerts and shortages. This guideline will set some general policies.

Additionally, GSA Region 9 and Energy Simulation Specialist have created an Information Technology infrastructure for facility management that will provide unprecedented energy management capabilities for multiple facilities throughout the region. The first GEMnet network was successfully implemented in the Phillip Burton Federal Building in March of 2001. The GEMnet network will be expanded to numerous facilities throughout the region in the coming months.

GEMnet offers a wide range of facility management capabilities including:

- Centralized monitoring and control of multiple facilities;
- Data collection and the ability to identify building performance metrics;
- Facilitating the integration of multiple automation system providers; and
- Region-wide demand management and utility procurement.

Initially, eleven GSA buildings in Region 9 will be linked via the GEMnet network. Nine of those facilities will be operational by the end of May. Additionally, demand reduction strategies for three San Francisco facilities will be underway within the next 30 days. If the project continues to proceed with the same level of success, 12 additional facilities in Region 9 will be linked to GEMnet, for a total of 23 facilities throughout GSA Region 9.

Question. How will these savings be enforced?

Answer. GSA has the capability to monitor energy usage on an individual building basis. While the processing of this information is delayed several weeks, GSA nonetheless will be able to determine the quantity of savings occurring in States like California during critical months. In GSA Region 9, an incentive program for Field Offices that clearly show reductions in consumption is planned.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Question. How much energy do you think this will save?

Answer. Since 1985, GSA has reduced energy consumption (BTU/per gross square foot) by 20 percent through fiscal year 2000. GSA Region 9 has experienced a 4 percent reduction in its buildings during the same time period. Many energy conservation opportunities have been identified and are currently waiting for funding. Specific to California, GSA is participating in an Independent System Operator (ISO) demand relief program, promising to shed 1.22 megawatts when requested. Overall we hope to achieve the higher reductions during stage 2 and 3 emergency alerts. We are also participating in the May 24th Energy Curtailment Test. The California ISO is planning to measure the impact Federal facilities have on the grid when they conserve.

Question. How will the day-to-day work environment of Federal employees be affected?

Answer. GSA employees will be asked to adjust to the increased building temperatures by dressing casually. Casual dress code is being issued by the Regional Administrator in Region 9. This will be shared with the Federal Executive Board for possible application at other Federal agencies. Federal employees will share in the responsibility to conserve energy by policing personal habits. Guidelines will be sent to them on measures they can take to help conserve.

Question. Are there any plans to expand this proposal to other areas of the country?

Answer. At the national level, the U.S. General Services Administration (GSA) implements emergency load reduction plans for buildings in owned and operated space on an individual building basis. Also, GSA enjoys good communications with local utilities and national utility associations that facilitate effective emergency electricity reduction measures.

To enhance our existing emergency electricity reduction program, GSA has instituted a comprehensive program entitled "Tactical Curtailment." This program will determine the effectiveness and appropriateness of a number of specific actions GSA will implement in California and nationwide to provide convincing leadership in this area.

As its name indicates, this program serves as a tactical plan within GSA's larger strategy, entitled "Strategic Positioning," to improve its load management capabilities under deregulation of the electricity industry. Two primary types of distributed resources will be implemented to effect this plan:

- Technology that increases GSA's ability to completely disconnect from the local distribution system and supply required load via local generators.

- Technology that increases GSA's ability to reduce a measurable and verifiable portion of its load.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

GSA has taken a number of preliminary actions required to initiate this program:

1. Several metering demonstrations nationwide are underway to determine which minimum level of technology is capable of recording interval consumption data. This metering technology will have the potential for providing integrated hourly kilo-watt hour (kWh) values for market settlement purposes, i.e., metering that is capable of recording integrated hourly values for the actual net generation of the generator or other distributive technology.

   For example, GSA Region 3 has joined with Baltimore Gas and Electric (BGE) and Powerweb Technologies to launch the Omni-Link Internet Energy Platform in GSA facilities in the Baltimore area. The Omni-Link technology is designed to give customers an opportunity to save money by optimizing energy management via the Internet. Through this platform, GSA will have the ability to monitor energy prices, perform analyses to determine how various factors impact energy costs and curtail energy load based on real-time prices with pager notification from BGE.

   The initial phases of this project began in February of 2001 and the pilot program will run through the end of the year. Omni-Link gives GSA the ability to improve energy management and procure energy at the lowest available prices.

2. Building level information is being gathered to identify where GSA has capability to reduce load on average of 100 kWh.

3. GSA has invested in a Daily Electricity Demand Forecast service which provides daily reports projecting departures for peak hour, on-peak, and off-peak, as well as average loads for Eastern and Western electricity market participants. In addition to departures, estimates for load levels for each of the four categories are also provided. Finally, all load equations are estimated using a methodology that captures the non-linearity of temperature/load response.

4. GSA's Energy Center of Expertise will continuously monitor this information and notify targeted buildings to implement Tactical Curtailment actions as opportunities arise.

Additionally, the Energy Center of Expertise website has been expanded to educate employees on the summer capacity crisis at the following address: http://www.gsa.gov/pbs/centers/energy/curtailment.htm.

In conclusion, GSA's Tactical Curtailment Program prepares GSA to respond to the country's reliability problems, so that the Federal Government is viewed as a good neighbor.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

GSA WAREHOUSE CLOSURES

Question. How many warehouses are you closing?

Answer. GSA is closing four Forward Supply Points on October 5, 2001, and two distribution centers; Ft. Worth, TX, on November 2, 2001, and Palmetto, GA, on November 16, 2001.

Question. Where are these warehouses?

Answer. The Forward Supply Points are in Auburn, WA; Denver, CO; Chicago, IL; and Franconia, VA. The Distribution Centers are in Fort Worth, TX, and Palmetto, GA.

Question. How many jobs will be affected by the closures?

Answer. At the closing sites, approximately 255 Government and 136 contract staff positions will be affected. FSS has announced that early-out and incentive buyouts will be available to staff. Nevertheless, a Reduction-In-Force will be needed at most sites, particularly at our two largest sites, Palmetto and Fort Worth.

Question. How is GSA ensuring that Federal employees are treated as fairly as possible?

Answer. A contract has been established with Resource Consultants, Inc. (RCI), to provide employee outplacement assistance at the closure sites. Each site, in coordination with the GSA HR organization, will select from a menu of the services listed below to establish the best "fit" of assistance from both RCI and existing state/local agencies:

- Career Transition Centers
- Individual Counseling
- Career Transition Workshops
- Job Search Seminars
- Job Clubs
- Resume Preparation Assistance
- Job Development Services
- Reference Library
- Computer Resource Center/Internet Access
- Job Bulletin Boards

RCI is presently contacting each of the sites to finalize arrangements.

GSA has offered Voluntary Early Retirement Authority (early-outs) and Voluntary Separation Incentive Payments (buyouts) to the FSS employees in the closing facilities.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

GSA's Human Resources processes will also provide fair and substantial assistance to the workforce. These include Reduction-In-Force procedures to assure equitable placement for available positions within the organization, as well as actions to assure that displaced employees receive priority consideration for other Federal positions. During the week of May 14, 2001, for example, GSA provided to each affected employee "Career Transition Assistance Plan" letters which are a part of the priority placement assistance process.

BUILDING REPAIRS

Question. How many Federal buildings are in need of repair?

Answer. Of the more than 1,800 buildings for which GSA has repair and alteration responsibility, approximately 160 buildings require major reinvestment and/or total modernization within the next three to five years. Among the balance, most buildings require some level of work on an ongoing basis.

More than 43 percent of our inventory is over the age of 50 years; over 51 percent are between the ages of 21 and 50 years. The longer the reinvestment is delayed, the higher the ultimate cost and the higher the risk that lifesafety and productivity issues will drive tenants out.

Question. What would the cost be to repair these buildings?

Answer. The approximately 160 buildings that now require major reinvestment and/or total modernization represent our current workload inventory (sometimes referred to as a backlog) of $4.5 billion. The results of the general building condition assessments, which are currently being performed on the entire inventory, may affect this number.

Question. Are there particular buildings that need more repairs than others?

Answer. Yes. GSA ranks all prospectus-level projects in descending order of importance, as determined by a multi-factor decision analysis software program. The 24 prospectus projects submitted for FY 2002 represent the top 24 projects from that list.

Question. Can you please submit the buildings and cost estimates for the record?

Answer. These 24 projects for which we are requesting $423,019,000, are listed in the FY 2002 Congressional Justification, FBF-48. The Congressional Justification is printed as part of this record.

Question. How much funding is GSA requesting for repairs in FY 2002?

Answer. We are requesting a total of $826.7 million for the Repairs and Alterations

program, of which $370 million is for Basic Repairs and Alterations (non-prospectus: below $2,130,0000).

Question. How does GSA determine which buildings it will repair in a given year?

Answer. We evaluate and rank our proposals based on the following criteria: 1) economic justification, 2) project timing and execution, 3) physical urgency, 4) client agency needs, and 5) historical significance. Economic justification keeps an eye on both the project's financial impact on the Federal Buildings Fund and the overall cost to the U.S. taxpayer. Project timing and execution examines our ability to deliver the project in the respective year in which we are requesting funding as well as the timing of those projects that could possibly affect the execution of our proposal. Evaluating physical urgency examines the infrastructure needs of our assets. This includes but not limited to ADA, seismic, asbestos abatement, HVAC, fire-life heath safety, security, roof repairs, and elevators. Client agency need looks at positioning our assets/buildings to best support the mission and goals of our agency clients in a cost efficient manner. Historical significance puts a special emphasis on maintaining our national treasures that are often long lasting symbols of our Federal Government.

Question. How much funding did GSA request from OMB for repairs in FY 2002?

Answer. GSA believes that the allocation of the Fund's resources provides for a balanced capital investment program that addresses our most pressing needs given the funding available. The question asks about GSA's budget request to OMB and about OMB's response to the GSA budget request. The advice and counsel leading up to the recommendations, which form the basis of the President's Budget, is part of the internal deliberative process. Similar to the pre-mark up activities of any Congressional committee, the initial views and positions within the Executive Branch vary widely relative to the final outcome in the President's Budget. In order to assure the President the full benefit of advice from the agencies and departments, the Administration treats these working papers as pre-decisional, deliberative documents.

Question. What is GSA's estimate as to how long these repairs will take?

Answer. Building repairs that were identified as part of the budget request can be awarded in FY 2002. Work for these repairs would be completed between FY 2002 and FY 2004.

Question. What is the financial impact of delaying these repairs?

Answer. We cannot definitively quantify the financial effect of delaying identified repair needs. However delay can lead to deficiencies, effectively shortening the service life of a building system or an entire facility. The financial impact for these delays increases accordingly. If repairs are deferred, what was a repair problem can become a replacement requirement, with collateral damage. For instance, a water leak (roof or

plumbing) can result in water damage to other building elements, requiring costlier repairs. The longer the reinvestment is delayed, the higher the ultimate cost and the higher the risk that lifesafety and productivity issues will drive out tenants.

Question. What is the impact on Federal employees?

Answer. Delaying repairs can negatively affect the client agency's productivity and accomplishment of mission. Delaying all repairs, including priority fire/life safety repairs, could pose significant risks to occupants' health or safety.

HIRING FREEZE

Question. Is GSA currently still under OMB's hiring freeze, pending confirmation of an Administrator?

Answer. Yes, we are currently operating under a partial hiring freeze. GSA may fill the following positions without seeking Office of Management and Budget approval:

- Non-supervisory/managerial positions below GS-13 or equivalent
- Presidential Management Interns
- Student Summer Hire Program, and
- Workforce Recruitment Program for College Students with Disabilities

Question. How many SES positions do you currently have vacant?

Answer. The General Services Administration (GSA) currently has 23 vacancies in the Senior Executive Service (SES). Ninety-three SES positions are filled as of May 17, 2001. GSA's permanent SES allocation is 112 for Fiscal Years 2000/2001. In addition to the 112 permanent SES slots, the U.S. Office of Personnel Management granted GSA an additional 4 temporary SES spaces to accommodate some short-term temporary staffing needs for a total SES allocation of 116.

Question. What has the impact been of the hiring freeze on the management of the organization?

Answer. GSA has been granted some exceptions to the hiring freeze for positions related to law enforcement, information security, and the financial management intern program. However, GSA has had to delay hirings in several new and expanding programs, including the CIO's Critical Infrastructure Assurance Office, FirstGov and the Federal Supply Service Multiple Awards Schedule program.

TRAVEL CHARGE CARDS

Question. How many Federal employees have government travel cards?

Answer. In March 2001, the number of cards issued totaled 2.6 million.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

Question. What is the delinquency rate of Federal travel card holders?

Answer. In April 2001, 5.56% of dollars outstanding were more than 61 days past the billing date.

Question. How much are employees currently delinquent in paying on Federal travel cards?

Answer. In April 2001, account balances 61 days and older totaled $21.6 million.

Question. How much are Federal agencies delinquent in repaying employees?

Answer. See response to the following question.

Question. In general, how long does it take an agency to repay an employee for travel costs?

Answer. In general, it takes an average of 9.86 days after the submission of a proper temporary duty travel claim to be paid and 15.77 days after the submission of a proper travel claim for relocation (permanent change of station) to be paid. On average, 97.82 percent of temporary duty travel claims are paid within 30 days and 94.29 percent of relocation claims are paid within the same time period.

This information was obtained from the agencies for GSA's second report to Congress on the mandatory use of the charge card.

Question. Can you estimate how much money is put on government travel cards for non-work related purposes?

Answer. GSA does not capture that information. Agency program coordinators are designated to manage the program for each agency. Agency program coordinators have access to information necessary to monitor cardholder expenditures and have responsibility for communicating misuse of cards to employees' supervisors.

Question. What are you doing to increase accountability, either with the agencies or the employees, in the use of government travel cards?

Answer. High-level management involvement at the agency level is the most effective tool. We have seen the positive results of strong management directives and policy on reducing misuse of cards. Agencies use several tools such as merchant category blocks, credit limits, salary deduction, credit checks, personnel actions, and late fees to manage risk.

The agencies have access to real-time tracking of travel expenses via the Internet. Each bank provides, under the terms and conditions of the contract, an electronic access system for monitoring cardholders. Agency program coordinators have access

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN HOYER

to numerous reports on delinquency and types of expenditures as well as the ability to view cardholder transactions.

GSA is currently working with customer agencies on several initiatives to improve management of the travel card including:

- Monthly Chief Financial Officer (CFO) Report, which monitors CFO Agency delinquency and yearly trends;
- A guide on managing risk for agency program coordinators and on-line cardholder training (delivery June 2001);
- Development of a business case model to assess viability of the Government's travel card program (delivery summer 2001);
- Third Annual GSA SmartPay® conference for agency program coordinators (August 2001); and
- Publication for cardholders on proper use of the card.

As requested in the hearing on May 1, 2001, GSA will provide monthly CFO reports to the House Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

Miami Courthouse Project

Questions. Mr. Davis and Mr. Chistolini, I want to get an update on the status of the Miami Courthouse project, an issue of enormous importance to me and to my constituents. As you know, the FY 2001 Appropriations Bill included advance FY 2002 funding of $121.9 million for the construction of the new Miami courthouse project.

In its FY 2002 Budget Request, the Administration sought additional funds for three of the projects that received advance FY 2002 funding in the FY 2001 bill (Washington, DC, Buffalo, NY and Springfield, MA), but did not seek additional funds for the Miami courthouse project. (The Administration also sought additional funds for design and construction of a project in Brooklyn, NY for which funds previously were appropriated in FY 1999). The Washington, DC, and Springfield, MA, additional funds are for construction, while the Buffalo, NY, additional funds are for site and design.

Obviously, Miami is subject to the same inflationary pressures that affected these other projects when the start date was delayed, and I understand that the costs of construction for the Miami project have increased by about $15 million dollars as a result of these delays. I believe that these costs should have been included in the Administration's FY 2002 budget request and I have requested that they be included in our bill. What is your current estimate of the increased costs of the Miami Courthouse project? Why were the increased costs of the Miami courthouse project not included in the FY 2002 request? Does the administration support my request to fund these additional costs?

While there was an open issue with the judiciary as to how many courtrooms should be built for this project and when they should be built, I understand that there is now an agreement between GSA and the Judiciary regarding the courtroom issue and that the prospectus should be ready to go before the House authorizers soon. Is this correct? Please provide an update. When do you expect the prospectus for Miami to go before the House authorizing subcommittee and the full committee?

Answer. In the 106th Congress, the Senate authorized the Miami project with a level of funding appropriate for construction of 16 courtrooms in 2001. The House proposed a level of funding appropriate for construction of 12 courtrooms in the Miami courthouse in compliance with the U.S. Courts Design Guide, with no departures from the Design Guide's provisions. The Administration supports a courthouse construction program that does not depart from the provisions of the U.S. Courts Design Guide. Most of the projects approved by Congress for the fiscal year 2001 courthouse construction program did not depart from the Design Guide's provisions. A letter from the Florida congressional delegation requested that the House authorize the full 16-courtroom courthouse. Authorization is still pending.

The court for the Southern District of Florida is currently evaluating its housing options for Miami to determine the total number of courtrooms required for the District. GSA did

not request additional funds for the Miami courthouse project in FY 2002 because we determined that a 12 courtroom courthouse could be built within the $121,900,000 provided by the fiscal year 2002 advance appropriation if there are no further delays. If the number of courtrooms increases beyond 12, additional funding will be required to offset the inflation escalation and additional contingency requirements in Miami.

GSA defers to the House Committee on Transportation and Infrastructure and the House Subcommittee on Economic Development, Public Buildings and Emergency Management concerning the schedule for consideration of this project.

Consumer Product Safety Commission

Question. I am pleased to hear that you are working with the U.S. Consumer Product Safety Commission (CPSC) on projects to develop their laboratory and build a sample warehouse at the laboratory site. These projects are important because they directly support CPSC's mission to protect our nation's children and families. However, I am concerned about the progress of both initiatives.

A. Laboratory Development Master Plan

In September 1999, CPSC gave GSA $50,000 to complete a master plan for CPSC's testing laboratory. The master plan is the crucial first step in making substantial improvements in this important facility.

I understand that the CPSC expected the plan to be completed in 2000. GSA took a long time to pick a contractor to develop the plan. Then the contractor dropped out of the project. The second contractor selected by GSA did not begin work on the Master Plan until February of this year - almost 1¼ years after the project began. GSA has informed CPSC that the study is 30% complete and will be completed next month.

Will the plan be completed in June? If not, when? I would like this project to be kept on schedule. Please keep me informed of its progress.

Answer. This plan will not be completed by June 2001. It will be 60 percent complete by early June. GSA meets frequently with CPSC to go over the plan as it progresses, incorporating suggestions and changes they request. GSA anticipates that the final draft will be ready for CPSC review and comment in early August and for submission to the National Capital Planning Commission (NCPC) in early September. Given the normal time required for processing, and assuming community support, the earliest date for NCPC and Montgomery County approvals is December 15, 2001.

There are several reasons for the delay. The original master plan scope was solely intended to identify the best placement for the sample warehouse facility on the Gaithersburg facility, at an estimated cost of $50,000. The scope of the plan was expanded at the suggestion of the NCPC, which urged GSA to develop a master plan for the entire site that would propose its highest and best use. This considerably

increased the cost, causing further delay while additional funding was procured. Work finally began in October 2000, with a final cost of over $200,000. GSA is paying the full cost of the master plan out of the Building Operations budget activity. With regard to the additional costs for the construction of the sample warehouses, GSA intends to cover these costs by reallocating FY 2002 funds.

B. CPSC Sampling Laboratory

CPSC has a requirement to properly store and protect thousands of consumer product testing samples used in compliance investigations and in support of safety standards development. CPSC currently leases a sample warehouse in Rockville, Maryland, miles away from the CPSC's laboratory in Gaithersburg.

GSA is working with CPSC to build a sample warehouse on the same site as the laboratory, to eliminate the waste and inefficiency of having to constantly transport samples between the lab and the warehouse.

I understand that GSA originally agreed to fully fund the cost of building the sample warehouse at the laboratory site. Based on requirements supplied by CPSC, GSA estimated that the project would cost about $650,000 and GSA allocated that amount in its internal construction budget.

GSA subsequently informed CPSC that their original estimate was wrong, and that the cost will be about $1 million. GSA also told CPSC that CPSC would have to pay the difference between the estimate and the real cost.

CPSC has informed me that they do not have hundreds of thousands of dollars to pay for the warehouse. I can understand this because CPSC has a big and important mission and a very modest budget.

This co-location appears to be in the best interest of the Government as it improves efficiency, eliminates a leased facility, and enhances the Federally owned laboratory site.

Question. When does GSA plan to finalize the estimate for the CPSC sample warehouse?

Answer. GSA intends to finalize the estimated cost by June 30, 2001.

Question. Shouldn't GSA fund this entire project, given that is what you committed to from the beginning? After all, it is not CPSC's fault that you substantially underestimated the costs of the project from the beginning. I am interested in having this project completed without using CPSC's limited budget. Please keep me informed of the progress of this project.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

Answer. GSA and CPSC have worked closely together on this project from its inception. GSA's initial cost estimate was based on a combination of industry standards for warehouse design and the initial requirements specified by CPSC. As the scope was being prepared, CPSC added further requirements, including higher ceilings, additional lighting, modified HVAC specifications, and additional square footage for the building. These changes, along with the delays caused by the expansion of the scope of the master plan, increased the total cost for the facility.

GSA intends to reallocate additional funding, if available, during FY 2002 to complete the project. However, any costs incurred in excess of this additional funding must be paid for by CPSC by reimbursable work order.

GSA CHILD CARE INITIATIVES

Question. I commend GSA on its child care initiatives. It is crucial that we do whatever we can to make Federal Government employment a family-friendly experience. I particularly support the provision in our FY 2000 appropriations bill authorizing federal agencies to provide tuition assistance to low income employees for child care. Please give me your evaluation of the program. Do you consider it successful? What do you need to improve it and increase its coverage?

You said that you would be serving more than 100 GSA families through this program in FY 2001. Do you have an estimate of the overall demand for this assistance? What percentage of the overall need do you estimate that you are reaching? What are your plans for this program?

Answer. GSA considers the subsidy program to be a success; we are currently providing a substantial childcare subsidy for 100 children of GSA employees. We have anecdotal information that indicates employees consider it as a factor when they consider whether to stay with GSA. To advertise it, we have sent several agency-wide emails, posted it on our web site and put messages on employee's pay slips. To expand our publicity efforts we are distributing a brochure to all employees. We've also designed posters to be displayed in all GSA buildings.

Through an agency-wide 1999 survey we estimated the overall demand to be a maximum of 500 GSA families; however, we think the survey results included some employees who would qualify on their GSA salary alone, and had not considered their spouse's salary which when added to theirs makes them ineligible. We've developed a new survey to re-estimate the need. We estimate that we are reaching at least half of all eligible employees. Our plans are to institutionalize the program when the pending legislation permits.

EQUAL OPPORTUNITY IN HIRING AND IN CONTRACT AWARDS

Question. For the three most recent years for which the information is available (including the current fiscal year if year to date figures are available), please provide a

statistical profile of your employees and management personnel broken down by race, sex, and pay grade.

Answer.

GSA-wide (SES) By Grade / Gender / RNO

FY 2001

	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
	0	0	1	1	4	5	1	1	21	60	94
Percent of SES workforce	0.0%	0.0%	1.1%	1.1%	4.3%	5.3%	1.1%	1.1%	22.3%	63.8%	100%

FY 2000

	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
	0	0	1	1	5	8	1	2	23	64	105
Percent of SES workforce	0.0%	0.0%	1.0%	1.0%	4.8%	7.6%	1.0%	1.9%	21.9%	61.0%	100%

FY 1999

	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
	0	0	0	2	7	9	0	2	23	72	115
Percent of SES workforce	0.0%	0.0%	0.0%	1.7%	6.1%	7.8%	0.0%	1.7%	20.0%	62.6%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY01 GSA-wide Workforce (GS) By Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1				1	4		1	1		1	8
2					10	1	4	1		3	19
3	1		3	2	19	2			6	4	37
4	2	1	2	1	52	11	15	5	32	26	147
5	3	2	9	5	100	23	14	4	65	51	276
6	2	2	14	4	119	27	19	7	112	59	365
7	11	11	19	20	276	117	35	36	327	214	1066
8	1	1	3	1	37	51	5	14	55	79	247
9	13	2	23	6	213	118	36	36	268	285	1000
10		1		1	1	18		9	2	21	53
11	12	7	16	20	236	135	38	43	304	361	1172
12	16	17	63	84	610	258	87	69	840	1089	3133
13	11	15	49	48	365	214	32	39	754	1176	2723
14	3	6	16	32	139	93	15	20	373	679	1376
15		3	5	6	31	30	4	3	146	376	604
Total:	75	68	222	231	2232	1098	305	287	3284	4424	12226
Percentage	0.6%	0.6%	1.8%	1.9%	18.3%	9.0%	2.5%	2.3%	26.9%	36.2%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY01 GSA-wide (GS) Supervisors By Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1											0
2											0
3											0
4											0
5					1						1
6	1										1
7											0
8					1	5					6
9			2		6				1	5	14
10				1	1	18		8		19	45
11		1		1	2	13			7	10	34
12	1		1		10	11	4	2	24	53	106
13	2	2	2	7	40	48	7	18	94	218	438
14		3	7	9	62	39	10	12	161	311	614
15		1	4	5	19	21	3	3	86	270	412
Total:	4	7	18	23	142	153	24	43	373	886	1671
Percentage	0.2%	0.4%	1.0%	1.4%	8.5%	9.2%	1.4%	2.6%	22.3%	53.0%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY01 GSA-wide Workforce (Wage) By Grade / Gender / RNO (As of 5/15/01)											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1				1	10	32		4	2	34	83
2		1			44	66	1	2	4	40	158
3						12		3		5	20
4						6				3	9
5	1	2	1	7	8	67		18	6	87	197
6		2		3	11	93	2	26	3	159	299
7		1		2	1	17		2	2	23	48
8		4	1	5		47	2	13	1	114	187
9				1		29		7	1	68	106
10		5		7	3	104		20	3	255	397
11				2		78		6	1	90	177
12				3		32	1	1		28	65
13						2				2	4
14						1				1	2
15						1					1
16										1	1
17						2					2
Total:	1	15	2	31	77	589	6	102	23	910	1756
Percentage	0.1%	0.9%	0.1%	1.8%	4.4%	33.5%	0.3%	5.8%	1.3%	51.8%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY01 GSA-wide Wage Supervisors By Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1						5				3	8
2					6	7				5	18
3										1	1
4						2					2
5		1		1	2	4				8	16
6					1	8	1	3		4	17
7					1	1					2
8						3				2	5
9				1		5		1		7	14
10				1		7		2		24	34
11						11		2		8	21
12				1		3				4	8
13						2				2	4
14						1				1	2
15						1					1
16										1	1
17						2					2
Total:	0	1	0	4	10	62	1	8	0	70	156
Percentage	0.0%	0.6%	0.0%	2.6%	6.4%	39.7%	0.6%	5.1%	0.0%	44.9%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY00 GSA-wide Workforce (GS) by Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1				1	4	1	2	2		1	11
2			1		12		1		1	5	20
3			1	2	25	3	3		3	7	44
4	2	1	5	1	68	15	10	8	30	37	177
5		1	6	5	96	26	10	2	67	62	275
6		2	12	4	138	28	23	16	145	71	439
7	8	5	24	18	275	117	34	41	334	217	1073
8	1	1	2	1	41	56	5	13	66	83	269
9	9	2	22	7	209	119	34	36	259	284	981
10		1		2	1	20		8	1	22	55
11	8	9	15	18	259	143	40	41	321	347	1201
12	15	9	60	85	586	258	80	76	867	1130	3166
13	9	16	50	52	381	209	33	33	739	1177	2699
14	2	4	14	31	130	85	13	17	360	658	1314
15		3	4	5	30	29	4	3	135	387	600
Total:	54	54	216	232	2255	1109	292	298	3318	4498	12324
Percentage	0.4%	0.4%	1.8%	1.9%	18.3%	9.0%	2.4%	2.4%	26.9%	36.5%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY00 GSA-wide (GS) Supervisors By Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1											0
2											0
3					1						1
4											0
5					4	1			1	1	7
6					9		1	1	5	3	19
7	1				10	4		2	16	6	39
8						3			2	1	6
9			2		12	2		1	13	12	42
10				1		13		5		18	35
11				1	10	12	1		21	14	59
12	2		2	1	23	17	5	4	42	64	160
13	4	3	2	7	48	41	6	11	113	226	461
14	1	2	5	12	43	32	6	8	110	260	479
15		1	2	3	16	17	2	3	55	230	329
Total:	8	6	13	25	176	142	21	35	378	833	1637
Percentage	0.5%	0.4%	0.8%	1.5%	10.8%	8.7%	1.3%	2.1%	23.1%	50.9%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY00 GSA-wide Workforce (Wage) by Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1				1	10	34		5	2	34	86
2					46	71	1	5	4	44	171
3						14				4	18
4						5				4	9
5	1	3	1	9	8	70	1	20	6	97	216
6		1		3	11	99	2	25	3	164	308
7				2	1	17		2	2	26	50
8		4	1	5	1	49	1	12	2	113	188
9				1		29		9	1	72	112
10		4		8	4	110		20	3	290	439
11				2		81		6	1	89	179
12				3		31	1	1		26	62
13						2				3	5
14						2				1	3
15						1				1	
16										1	
17						2					2
Total:	1	12	2	34	81	617	6	105	24	969	1851
Percentage	0.1%	0.6%	0.1%	1.8%	4.4%	33.3%	0.3%	5.7%	1.3%	52.4%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY00 GSA-wide Wage Supervisors By Grade / Gender / RNO											
	American Indian or Alaskan Native	American Indian or Alaskan Native	Asian or Pacific Islander	Asian or Pacific Islander	Black, not of Hispanic origin	Black, not of Hispanic origin	Hispanic	Hispanic	White, not of Hispanic origin	White, not of Hispanic origin	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1						6				3	9
2					5	8				5	18
3										1	1
4						2					2
5		1		1	2	4				9	17
6					1	9	1			4	15
7					1	1					2
8						4				4	8
9				1		6				8	15
10				1		7				27	35
11						11				8	19
12				1		3				4	8
13						2				3	5
14						2				1	3
15						1				1	2
16										1	1
17						2					2
Total:	0	1	0	4	9	68	1	0	0	79	162
Percentage	0.0%	0.6%	0.0%	2.5%	5.6%	42.0%	0.6%	0.0%	0.0%	48.8%	100%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY99 GSA-wide Workforce (GS) By Grade / Gender / RNO

	Am Indian	Alskn Nat	Asian / Pacc Islander		Black	Black	Hispanic	Hispanic	White	White	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1					11	1				2	14
2			1		9	1	1		1	1	14
3				2	39	3	6		4	6	60
4	1		3	1	62	18	9	5	22	35	156
5	1	1	12	3	104	28	21	7	77	57	311
6	1	2	8	2	138	36	25	26	169	86	493
7	6	3	25	18	301	131	33	39	338	223	1117
8	1	1	2	1	42	59	7	17	53	108	291
9	4	4	14	5	220	127	38	49	270	288	1019
10		3		2	1	21		6	2	28	63
11	8	6	16	16	264	125	40	29	350	302	1156
12	14	9	65	91	569	259	70	72	835	1157	3141
13	6	10	40	49	337	201	32	31	707	1147	2560
14	3	3	9	27	106	75	13	12	316	622	1186
15		2	4	6	24	27	2	4	127	366	562
Total:	45	44	199	223	2227	1112	297	297	3271	4428	12143
Percent	0.4%	0.4%	1.6%	1.8%	18.3%	9.2%	2.4%	2.4%	26.9%	36.5%	100.0%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY99 GSA-wide Workforce (GS) Supervisory By Grade / Gender / RNO											
	Am Indian Alaska Nat		Asian / Pac Islander		Black Non-Hispanic		Hispanic	Hispanic	White	White	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1											0
2											0
3											0
4											0
5											0
6											0
7									1		1
8						5			1	1	7
9					7	4		1	5	4	21
10		2		2	1	20		6		26	57
11				1	3	12			9	18	43
12		1	1		10	13	4	2	29	65	125
13	3	2	3	12	33	45	10	13	99	232	452
14	2	3	5	10	53	36	9	7	147	315	587
15		1	3	5	19	21	2	4	90	290	435
Total:	5	9	12	30	126	156	25	33	381	951	1728
Percent	0.3%	0.5%	0.7%	1.7%	7.3%	9.0%	1.4%	1.9%	22.0%	55.0%	100.0%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY99 GSA-wide Workforce (Wage) By Grade / Gender / RNO											
	Am Indian	Alskn Nat	Asian / Pac Islander		Black	Black	Hispanic	Hispanic	White	White	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1				1	10	36		5	2	35	89
2					51	76	1	5	6	50	189
3						16		1		4	21
4						4				5	9
5	1	3	1	9	8	75	2	27	6	118	250
6		1		5	11	106	1	24	4	170	322
7				2	1	16		2	2	25	48
8		4	1	6	2	55	1	17	2	117	205
9		1		3		30		9	1	79	123
10		3		9	3	121		22	4	315	477
11				3		93		9		82	187
12				2		31	1	1		25	60
13						2				3	5
14						2				1	3
15						1				1	2
16										1	1
17						2					2
Total:	1	12	2	40	86	666	6	122	27	1031	1993
Percent	0.1%	0.6%	0.1%	2.0%	4.3%	33.4%	0.3%	6.1%	1.4%	51.7%	100.0%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

FY99 GSA-wide Workforce (Wage) Supervisors By Grade / Gender / RNO											
	Am Indian	Alaska Nat	Asian / Pac Islander		Black Non-Hispanic		Hispanic	Hispanic	White	White	Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1						7		1		4	12
2					5	7				5	17
3										1	1
4						2				1	3
5		1		1	2	4				9	17
6					1	7	1	3		6	18
7					1	2					3
8						2				3	5
9				2		8		2		13	25
10				1		5		2		26	34
11				1		11		2		9	23
12						2				3	5
13						2				3	5
14						2				1	3
15						1				1	2
16										1	1
17						2					2
Total:	0	1	0	5	9	64	1	10	0	86	176
Percent	0.0%	0.6%	0.0%	2.8%	5.1%	36.4%	0.6%	5.7%	0.0%	48.9%	100.0%

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

Question. For the three most recent years for which the information is available (including the current fiscal year if year to date figures are available), please provide a profile broken down by race, sex, and company size of the vendors who are receiving contracts from the GSA. Please include the aggregate dollar amount of such contract awards, along with an aggregate dollar amount of all contracts awarded by the GSA to third parties.

Answer. This response is derived from the Federal Procurement Data System (FPDS). The FPDS is the central repository of Federal contract activity. The system captures detailed data on obligations over $25,000 and summary data on obligations of $25,000 and less; contract award value is not included in the FPDS. The FPDS does not capture data by race. It can only identify if a contractor is a minority.

In FY 2000, the GSA had 47,562 awards over $25K for $10.3 billion. Large businesses obtained $6.2 billion (60.1%) and small businesses obtained $3.8 billion (36.9%). The remaining 3% went to nonprofit, state and local governments, and foreign contractors. Within the amounts awarded to small businesses, $1.6 billion (15.4%) went to small disadvantaged businesses. There were 558 women-owned businesses that received $360 million (3.5%). In FY 2000, the GSA utilized 2,212 large businesses; 5,264 small businesses, of which 975 were small disadvantaged businesses. **Chart A** displays this data for the last three fiscal years.

In FY 2000, the GSA had 532,840 awards of $25K or less for $808 million. Large businesses obtained $177.6 million (22.0%) and small businesses obtained $440.2 million (54.5%). The remaining 24.5% went to nonprofit, state and local governments, and foreign contractors. Within the amounts awarded to small businesses, $45.4 million (5.6%) went to small disadvantaged businesses and $47.8 (5.9%) went to women-owned small businesses. **Chart B** displays this data for the last three fiscal years.

The Federal Procurement Data Center also collects data on contracts that are required to have subcontracting plans, contracts of $500K or $1 million for construction. In FY 2000, the awards as reported to GSA for subcontractors were $3.1 billion. Large businesses obtained $1.9 billion (60.3%) and small businesses obtained $1.2 billion (39.7%). Within the amounts to small businesses, $173.6 million (5.6%) went to small disadvantaged businesses and $140.5 million (4.5%) went to women-owned small businesses. **Chart C** displays subcontracting data for the last three fiscal years.

During the period from FY 1998 to FY 2000, the GSA had an average of 37.3% of awards over $25K to small businesses, 13.4% to small disadvantaged businesses, and 3.8% to women-owned businesses. During this period, the GSA had an average of 56.6% of awards less than $25K to small businesses, 5.8% to small disadvantaged businesses, and 5.5% to women-owned small businesses. The subcontract awards resulted in 39.5% to small businesses, 6.9% to small disadvantaged businesses, and 4.4% to women-owned small businesses.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

CHART A

FEDERAL PROCUREMENT DATA SYSTEM
FEDERAL CONTRACT ACTIONS REPORTED ON SF-279
PROFILE OF GSA CONTRACT AWARDS
(Dollars are in Thousands)

			Awards over $25,000		
FY	Total	Large Business	Small Business	Small Disadvantaged*	Women-Owned
2000	$10,310,911	$6,200,927 (60.1%)	$3,806,682 (36.9%)	$1,587,840 (15.4%)	$359,787 (3.5%)
1999	$6,915,309	$4,017,961 (58.1%)	$2,678,767 (38.7%)	$ 961,717 (13.9%)	$317,651 (4.6%)
1998	$7,423,117	$4,485,634 (60.4%)	$2,687,624 (36.2%)	$ 801,524 (10.8%)	$238,862 (3.2%)
	* Dollars are included in Small Business Dollars				

CHART B

FEDERAL PROCUREMENT DATA SYSTEM
FEDERAL CONTRACT ACTIONS REPORTED ON SF-281
PROFILE OF GSA CONTRACT AWARDS
(Dollars are in Thousands)

			Awards less than $25,000		
FY	Total	Large Business	Small Business	Small Disadvantaged*	Women-Owned*
2000	$808,083	$177,569 (22.0%)	$440,168 (54.5%)	$45,357 (5.6%)	$47,846 (5.9%)
1999	$892,962	$184,708 (26.7%)	$392,854 (56.7%)	$46,060 (6.6%)	$42,753 (6.2%)
1998	$818,743	$230,229 (28.1%)	$456,398 (55.7%)	$41,477 (5.1%)	$35,032 (4.3%)
	* Dollars are included in Small Business Dollars				

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

CHART C

FEDERAL PROCUREMENT DATA SYSTEM
FEDERAL SUBCONTRACT AWARDS REPORTED ON SF-295
PROFILE OF GSA SUBCONTRACT AWARDS
(Dollars are in Thousands)

			Subcontracting		
FY	Total	Large Business	Small Business	Small Disadvantaged*	Women-Owned*
2000	$3,104,212	$1,871,150 (60.3%)	$1,233,157 (39.7%)	$173,563 (5.6%)	$140,548 (4.5%)
1999	$2,215,320	$1,377,544 (62.2%)	$ 837,777 (37.8%)	$168,856 (7.6%)	$ 99,442 (4.5%)
1998	$1,540,588	$ 909,292 (59.0%)	$ 631,296 (41.0%)	$115,862 (7.5%)	$ 64,273 (4.2%)
	*Dollar are included in Small Business Dollars				

Question. Please detail your efforts to recruit African Americans, Hispanics, other minorities and women to your workforce and as vendors. How do you rate the success of your promotion and recruitment programs for such prospective employees and vendors?

Answer. Since the 1990's, GSA has undergone a major downsizing effort and has recently been operating under a partial-hiring freeze. Both conditions have severely limited GSA's ability to bring new people into its workforce. Nevertheless, GSA is committed to developing its current workforce, as well as building on the talent we are bringing into the agency. GSA recruitment teams contact colleges and universities directly, as well as various minority organizations such as Hispanic Association of Colleges and Universities (HACU), Historically Black Colleges and Universities, etc., to ensure that we recruit from a diverse population.

Other initiatives and activities GSA has undertaken to enhance employment opportunities for women and minorities include:

- Utilized available appointment authorities (e.g., Outstanding Scholar, cooperative education, federal intern, etc.) to recruit women and minorities.
- Developed recruiting/marketing materials to stress to prospective agency employees that "YOU CAN do that here," reflecting the wide variety of career opportunities available at GSA and diversity of the workforce.
- Developed recruitment mailing lists targeting women's groups, minority groups, Historically Black Colleges and Universities, Hispanic Association of Colleges and Universities, Chambers of Commerce, various ethnic organizations, such as Association of Black Engineers, and the Asian-American Resource Workshop.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN MEEK

- Attended training and employment conferences, including National Federation of the Blind, Blacks in Government, and the Department of Defense/Historical Black Colleges Procurement Conference and Recruitment Fair.
In addition, the following practices have also aided in increased hiring and development of minority employees:

- Announced positions under the Training Agreement for Career Interchange (TAFCI) whenever feasible. Under TAFCI, qualification requirements are waived, and employees are rated on the basis of their potential. This allowed for high-potential employees to move into new career occupations where they did not necessarily meet the experience requirements.

- Introduced OnLine University (OLU) as an interactive, web-based training alternative to traditional classroom instruction. GSA's OLU is available 24 hours a day, 7 days a week, with the cost of some courses free to employees. OLU allows employees to complete training at their convenience.

- All vacancy announcements are available on-line to provide easy, world-wide access to employment opportunities at GSA.

- Currently piloting a new automated employment application processing system. The system is a web-based software program that enables applicants to apply on-line for vacancies.

As reported in a recent Office of Personnel Management Oversight Review at the GSA, our workforce is diverse and exceeds Government-wide minority representation for African Americans. Despite downsizing, GSA has made progress over the last few years in each minority category. In FY 2001, GSA is revitalizing its affirmative employment outreach activities to assure that it has a diverse workforce, especially in Hispanic, Asian, African American and disabled communities. GSA agency will continue to find new ways to recruit, develop and retain the best skills possible to serve the customers and the American taxpayer.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN VISCLOSKY

HAMMOND, INDIANA COURTHOUSE

Question. Mr. Davis: In my district in Northwest Indiana, a tremendous strain has been placed on the federal court facilities. A new courthouse was first proposed in 1989, and in August 1997, ground was finally broke on a new federal courthouse in Hammond, Indiana. At that time, Camdon Hindes, project manager for GSA, stated that the courthouse would be completed and open for occupancy in November 1999. Gradually, that date was pushed back, first to January 2000, then September 2000, March 2001, and now we are told that the courthouse should be completed sometime this fall. Can you please tell me, what is the estimated completion date of the Federal Courthouse in Hammond, Indiana?

Answer. The Hammond courthouse project has incurred significant delays due to the dwindling size of the workforce on the project. GSA is scheduled to meet with the contractor on May 24, 2001, to address this issue and the timeframe for the expected completion of the project.

Question. I have been told that the building is currently 94 percent complete, and that minor work remains. In October 2000, David Wilkinson, a spokesman for GSA, stated that the minor work primarily consisted of discolored limestone which was not identical in shade or color. Two months later, in December 2000, Mr. Wilkinson stated that the major reason for the delay was that the wood paneling for two courtroom areas was "aesthetically impaired". I understand the paneling, English Brown Oak, is standard in courtrooms because of the interesting grain, which also makes the material expensive, about $12 a square foot. This paneling also has an ordering process that lasts about three months from order to delivery. Is the entire project being held up because of aesthetic reasons that really do not impair the intended use of the building? Is there paneling with a less-interesting grain that could be substituted for the English Brown Oak?

Answer. Although the wood paneling for one courtroom and the library have been unsatisfactory, new paneling has been located and will be installed at no additional cost to the government. The affected judge will use another courtroom until the replacement paneling is satisfactorily installed. This will not delay occupancy of the courthouse.

Question. The original price tag for the Hammond courthouse was to be $50 million. I understand that several additional security measures have added to the cost of the project, and I am not going to deny the courthouse staff and visitors the protection they deserve. In fact, I secured additional funding that allowed a firewall to be installed between the courthouse and the street it faces, and I do believe that was money well spent. However, according the most recent GSA fact sheet on the courthouse, the current price of the project is now running at $65.4 million, a $15.4 million increase. I was a strong supporter of the courthouse in the beginning because I believed that it would save taxpayers money by consolidating government agencies that are currently scattered around Lake County in leased sites. Now, I am placed in the position of explaining to my constituents, American taxpayers, why this project has a $15.4 million

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN VISCLOSKY

overrun. Could you please tell me why these cost overruns are so high? Could you tell me how much each month of delayed operations costs American taxpayers, not only in construction costs, but also in rental costs for the leased sites which currently house the agencies?

Answer. GSA's Report of Building Project Survey dated September 6, 1991, proposed construction of a 211,200 gross square foot courthouse in northwest Indiana, with a total estimated construction cost (including site, design, construction, management and inspection) of $59 million. The courthouse currently under construction in Hammond will contain 269,000 gross square feet of space (a 27 percent increase) with a total estimated project cost of $65 million (a 10 percent increase). GSA's contract with the construction contractor is for a set amount (including possible change orders to the project). Consequently, the construction costs will not be affected by delays to the project. GSA has incurred approximately $290,000 in additional leasing costs to extend the U.S. Attorney's lease for an additional year. All the other affected agencies are housed in federal space.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

INTRODUCTION:

The General Services Administration (GSA) was established by the Federal Property and Administrative Services Act of 1949.

GSA's mission is to provide policy leadership and expert solutions in services, space and products, at the best value, to enable Federal employees to accomplish their missions. We believe that no other organization in the public or private sector can bring to bear as much experience, knowledge, and range of capability as GSA in ensuring high performance in Federal work environments. Due to its procurement expertise and experience, GSA is uniquely qualified to provide Federal agencies with the products and services needed to accomplish their missions and improve their performance.

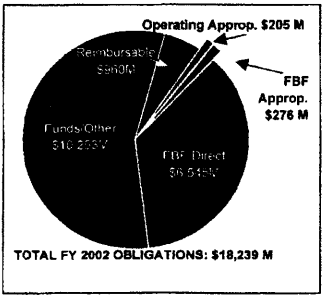
The agency has dual policy and operational roles in accomplishing five major goals: promote responsible asset management, compete effectively for the Federal market, excel at customer service, meet Federal social and environmental objectives, and anticipate future workforce needs.

GSA is organized into the Public Buildings Service (PBS), the Federal Supply Service (FSS), the Federal Technology Service (FTS), the Office of Governmentwide Policy (OGP), and various staff support offices. Geographically, operations are conducted through 11 regional offices located throughout the country.

BUDGET TOTALS AND SOURCES

Measured in obligations, GSA's FY 2002 budget estimate totals $18.2 billion for programs under agency accounts. Most of GSA's funding comes from customers through reimbursements to revolving funds for purchase of goods and services or as rent paid for space in GSA-owned and leased buildings. Congress is asked to appropriate only $205 million for GSA direct funded operations.

The Federal Buildings Fund (FBF) includes $276 million in advance appropriations enacted in FY 2001 for FY 2002. Congress annually authorizes how GSA may apply its available FBF revenues (new obligational authority in annual appropriations acts).



The table on the following page shows by account the total GSA budget program, as well as the parts requiring congressional action.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS
(DOLLARS IN THOUSANDS)

	FY 2000 Actual	FY 2001 Current	FY 2002 Budget
OBLIGATIONS			
Operating Appropriations - Direct	200,489	197,881	205,176
Federal Buildings Fund - Direct	5,548,057	6,518,937	6,820,680
Reimbursable programs	1,290,088	1,004,654	960,070
General Supply Fund	3,466,179	3,521,476	3,582,069
Information Technology Fund	5,327,266	5,925,822	6,343,707
Working Capital Fund	252,056	292,761	302,140
Federal Consumer Information Center (Reimb.)	4,203	3,620	3,293
Real Property Relocation	0	11,807	0
Permanent Indefinite Appropriations	15,248	20,498	21,528
TOTAL OBLIGATIONS	**16,103,586**	**17,497,456**	**18,238,663**
REQUIRING APPROPRIATIONS COMMITTEE ACTION			
Operating Appropriations[1]			
Policy and Operations	139,426	137,406	138,499
Electronic Government (E-Gov)	0	0	20,000
Federal Consumer Information Center (Direct)	2,622	7,106	7,276
Office of Inspector General	33,317	34,444	36,025
Allowances, Former Presidents	2,241	2,511	3,376
Presidential Transition	0	7,084	0
Subtotal Budget Authority/Appropriations	*177,606*	*188,551*	*205,176*
Federal Buildings Fund New Obligational Authority:			
Construction & Acquisition of Facilities	94,363	499,575	662,689
Repairs and Alterations	669,010	673,263	826,676
Installment Acquisition Payments	201,646	185,369	186,427
Rental of Space	2,917,896	3,163,370	2,959,550
Building Operations	1,588,543	1,624,771	1,748,949
Transfer to Pennsylvania Ave. Act	3,652	0	0
Columbia Hospital for Women	14,000	0	0
Subtotal New Obligational Authority (NOA)	*5,489,110*	*6,146,348*	*6,384,291*
Subtotal FBF Budget Authority	*(210,471)*	*280,887*	*307,454*
Subtotal FBF Appropriations[2]	*0*	*476,523*	*276,400*
TOTAL, Treasury Approp. Action (BA/NOA)	**5,664,094**	**6,327,793**	**6,582,191**
Budget Authority	*(35,487)*	*462,332*	*505,354*
Appropriations	*174,984*	*657,968*	*474,300*
TOTAL, VA/HUD Appropriations Action (BA)	**2,622**	**7,106**	**7,276**
Federal Consumer Information Center (Direct)	*2,622*	*7,106*	7,276

[1]The FCIC is funded under the VA/HUD bill; all else is in the Treasury and General Government bill.
[2]$276.4 million advance appropriation enacted in FY 2001 for FY 2002.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE
Changes in Appropriated Accounts
$(Thousands)

	Policy and Operations	Inspector General	Former Presidents	Electronic Government	Total
FY 2001 [1]	**$137,406**	**$34,444**	**$2,511**	**$0**	**$174,361**
Congressional Initiatives[1]	-11,226				-11,226
Pay Raise	2,296	1,128	82		3,506
Increased Infrastructure Costs	523	453			976
Full Year Cost for Former President Clinton's Office & Staff			385		385
Full Year Rent for Former President Clinton			297		297
Rent Increase for Other Former Presidents			73		73
Equipment & Other Increases			28		28
Critical Infrastructure Protection Programs	6,500				6,500
FirstGov	3,000				3,000
New Electronic Government Fund				20,000	20,000
FY 2002	**$138,499**	**$36,025**	**$3,376**	**$20,000**	**$197,900**

[1]FY 2001 Appropriations, net of rescissions.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

FEDERAL BUILDINGS FUND
New Obligational Authority

2002 Construction and Acquisition of Facilities (NOA) *In Priority Order* $(Millions)	
Projects funded from FBF:	
Executive Agencies:	
Judgment Fund Repayment	$84.4
Suitland, MD, NOAA II	34.1
Suitland, MD, U.S. Census Bureau	2.8
New York, NY, US Mission to the UN	4.6
Washington, DC, SEFC Site Remediation	5.0
Montgomery County, MD FDA Consolidation	9.1
Houston, TX, Federal Bureau of Investigation	6.3
Fort Hancock, TX, Border Station	2.2
Jackman, ME, Border Station	.9
Del Rio III, TX, Border Station	1.9
Raymond, MT, Border Station	.7
Eagle Pass, TX, Border Station	2.3
Detroit, MI, Border Station	9.5
Non-Prospectus Construction	5.9
Subtotal, Executive Agencies	169.5
Federal Judiciary:	
Brooklyn, NY, Courthouse Annex – GPO	3.4
Washington, DC, Courthouse Annex	6.6
Buffalo, NY, Courthouse Annex	.7
Springfield, MA, Courthouse	6.5
Fresno, CA, Courthouse	121.2
Erie, PA, Courthouse Annex	30.7
Eugene, OR, Courthouse	4.5
El Paso, TX, Courthouse	11.2
Mobile, AL, Courthouse	11.3
Norfolk, VA, Courthouse	11.6
Las Cruces, NM, Courthouse	4.1
Little Rock, AR, Courthouse Annex	5.0
Subtotal, Federal Judiciary	216.8
Total Construction Funded from FBF, FY 2002	**386.3**
Projects Funded by Advance Appropriation	
Washington, DC, Courthouse Annex	109.5
Buffalo, NY, Courthouse Annex	3.6
Springfield, MA, Courthouse	41.4
Miami, FL, Courthouse	121.9
Subtotal, Approved Advance Appropriation[1]	276.4
TOTAL CONSTRUCTION PROGRAM, FY 2002	**$662.7**

[1]$276.4 million advance appropriation enacted in FY 2001 for FY 2002.
Note: This table will not add due to rounding.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

FEDERAL BUILDINGS FUND Cont'd):

2002 Repairs and Alterations (NOA)
In Priority Order
$(Millions)

Basic Non-Prospectus R&A Projects	$370.0
Limited Scope Program:	
Des Moines, IA, 210 Walnut Street Federal Building	12.0
HVAC Modernization – Various Buildings	6.7
Chicago, IL, John C. Kluczynski Federal Building	12.7
PCB Transformers – Various Buildings	15.6
Washington, DC, 320 First Street Federal Building	8.3
Lakewood, CO, DFC Building 57	8.5
Laguna Niguel, CA, Chet Holifeld Federal Building	11.7
Providence, RI, U.S. Federal Building and Courthouse	5.1
Subtotal, Limited Scope Program for R&A Construction	80.4
Modernization Program:	
Cleveland, OH, Howard M. Metzenbaum CT	27.9
Chicago, IL, Federal Building, 536 South Clark Street	60.1
Las Vegas, NV, Foley Federal Building-Courthouse	27.0
Muskogee, OK, Federal Building-Courthouse	8.2
Newark, NJ, Peter W. Rodino Federal Building	5.3
Cleveland, OH, Anthony J. Celebrezze Federal Building	23.0
Tallahassee, FL, U.S. Courthouse	4.9
Washington, DC, IRS Main Building (Phase 2)	20.4
St. Louis, MO, Federal Center Building 104/105	20.2
Washington, DC, Main Interior	22.7
Milwaukee, WI, Federal Building-Courthouse	10.0
Washington, DC, Main Justice Building (Phase 3)	46.0
Chicago, IL, Harold Washington Social Security Center	13.7
San Diego, CA, Edward J. Schwartz FB-CT	13.1
Jacksonville, FL, Charles E. Bennett Federal Building	23.6
Portland, OR, Pioneer Courthouse	16.6
Subtotal, Modernization Program for R&A Construction	342.6
TOTAL R&A CONSTRUCTION PROGRAM	423.0
R&A Design Program:	
Limited Scope Program:	
Ft. Worth, TX, Fritz G. Lanham FB	.8
New York, NY, U.S. Customs House – 6 World Trade Ctr.	.7
Subtotal, Limited Scope Program for R&A Design	1.5
Modernization Program:	
Boston, MA, McCormack Post Office-U.S. Courthouse	5.3
Washington, DC, Federal Office Building 8	7.8
Washington, DC, Mary E. Switzer Memorial Building	5.4
Brooklyn, NY, Emanuel Celler Courthouse	3.8
Atlanta, GA, Martin Luther King Jr. Federal Building	2.4
Springfield, IL, Paul H. Findley FB-CT	.5
Denver, CO, Byron G. Rogers FB-CT	3.7
Atlanta, GA, Richard B. Russell Federal Building	2.9
Fargo, ND, Federal Building-Post Office	.3
Subtotal, Modernization Program for Design	32.1
TOTAL R&A DESIGN PROGRAM	33.6
TOTAL REPAIRS AND ALTERATIONS, FY 2002	$826.7

Note: This table will not add due to rounding.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE
Changes in Other FBF NOA
$(Thousands)

	Installment Acquisition Payments	Rental of Space	Building Operations
FY 2001	**$195,369**	**$3,161,999**	**$1,668,426**
Decrease in Capitalized Interest Payments	-1,095		
Decrease in Interest Payments	-7,847		
Exclusion of the Part Year Cost of FY2001 Indefinite Authority		-96,346	
Annualization of FY 2001 Program		-172,399	
Rental Increases		65,622	
Lump Sum Payments for taxes and lease buyouts		74,067	
Cancellations		-36,894	
Expansions – Not Indefinite Authority		25,107	
Building Services in New Space			19,031
Part Year Increase for FY 2001 Pay Act (3.1%), Effective January, 2001			5,223
Wageboard and Pay Act Increase (3.0%), Effective January, 2002			13,375
Increase for Environmental Compliance			5,600
Increase for Law Enforcement Security Officer Hires			3,100
Increase for Contract Security Guard Program			10,004
Increase for Security System Replacements			2,500
Fuel and Utility Rate Changes			21,690
FY 2002	**$186,427**	**$3,021,156**	**$1,748,949**

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

BUDGET HIGHLIGHTS AND TRENDS

Operating Programs

Annual operating appropriations in FY 2002, after adjustments for one-time projects and Presidential Transition, shows a modest increase over FY 2001 levels. This increase is primarily related to a new Electronic Government (E-Gov) Fund, the FirstGov program, and the President's initiative on Critical Infrastructure Protection (CIP) Please see the waterfall table on page 3 for details on changes to appropriations.

The agency is expanding its role to implement electronic government. Electronic government is a major focus of the new administration, as expressed in President Bush's Budget Blueprint. Expanding e-procurement will reduce transaction costs and foster greater competition. Expanding citizen access to the government through the Internet will result in a citizen-centric government, in which agencies will conduct transactions with the public through secure web-enabled systems that use portals to link common applications and protect privacy. Citizens will be able to go online and interact with their Federal Government—and with their State and local governments that provide similar information and services—around citizen preferences and not agency boundaries. OGP has taken a leadership role in the implementation of electronic government, in both the E-Gov and FirstGov initiatives.

The new Electronic Government (E-Gov) fund provides $20 million in FY 2002 for initiatives that use the Internet or other electronic methods to make the Federal Government more accessible, efficient and productive. The public will have easy, standardized access to Federal information, benefits, services and business opportunities. OMB will control allocation of the funds to various Federal agency information technology projects.

In FY 2002 we are requesting $3.0 million for the FirstGov Program. Designed to be a single point of access for the U.S. Government, the FirstGov website consolidates and simplifies connections to agencies, records, services, and informational releases. In addition, the program will be coordinated with State and local governments to create linkages to their web sites. By consolidating access through one E-Portal, FirstGov will provide a comprehensive resource to those attempting to gather information from government agencies. FirstGov currently accesses more than 30 million Federal web pages, and links to all fifty states.

The Federal Technology Service is also supporting electronic government initiatives through the products and services it provides. FTS plays an important leadership role providing Critical Infrastructure Protection and making the Federal Public Key Infrastructure (PKI) a reality. The PKI initiative requires development of an interoperable, Government-wide PKI capability that will provide four basic security services through digital signature and encryption: authentication, data integrity, non-repudiation, and confidentiality.

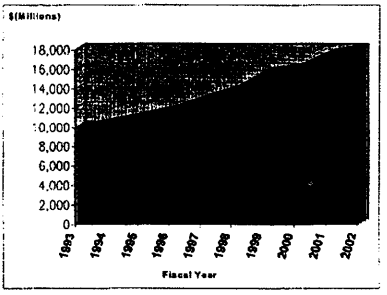
The Federal Computer Incident Response Capability (FedCIRC) is a collaborative partnership drawing on the skills and resources within Government, academia, and the private sector to address computer security related incidents. Federal civilian agencies turn to FedCIRC for assistance in identifying, containing and recovering from adverse events that impact on the confidentiality, integrity or availability of

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

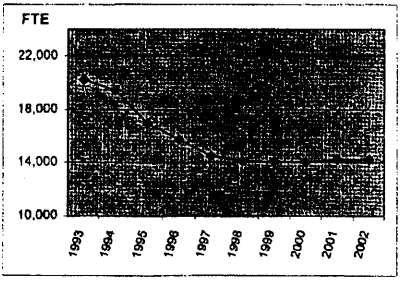
information traversing the critical information infrastructure. We are requesting $6.5 million for these programs in FY2002.

In its ongoing business operations, GSA has moved from being a mandatory source to being a provider of choice, and is competing for customer purchases of supplies, fleet services, information technology services and, increasingly, real property services.

Even in this non-mandatory environment, GSA's "business volume" (expressed as total obligations) has steadily grown, reflecting delivery of increased goods and services to Federal customers. Higher business volumes demonstrate that customers are increasingly choosing GSA in an environment in which they have many choices. During the 10-year period shown in the following chart, obligations increased over 85%.



Over the same period, GSA has significantly streamlined and reduced its workforce.



This has been achieved without adverse action through hiring freezes/attrition and 4,391 voluntary separations under "buyout" authority.

The budget supports 14,216 FTE in FY 2002, a number equal to that of FY 2001. The FY 2002 level is a decrease of 6,032 FTE, or 30%, since FY 1993, one of the greatest percentage reductions of any large executive branch agency.

Federal Buildings Fund Capital Investment

The budget proposes $663 million for new construction projects in FY 2002. $827 million is also being requested for repairs and alterations projects. This $1.5 billion capital program is the largest since 1994. $276 million is funded from direct appropriations enacted in FY 2001 for FY 2002, and $1.2 billion is funded from Fund revenues.

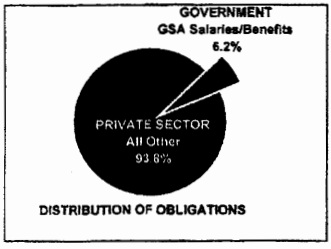
General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

OTHER PERSPECTIVES

GSA has a large influence on overall federal spending.

In total, GSA actually affects over $72 billion in financial transactions throughout the Government. This includes its own funds and the value of contractual and other vehicles it puts in place for all agencies to use. See the table on "Government Financial Transactions Affected by GSA" on page 13.

GSA contracts with the private sector to meet client agency needs. Of the $18.2 billion budgeted in FY 2002, only $1.1 billion, or 6.2%, is for salaries and benefits of GSA personnel.



The rest is for commercially sourced supplies, services, commercial rent payment, equipment, communications and utilities.

PROGRAM HIGHLIGHTS

The FY 2002 budget program seeks to maintain and build upon GSA's contributions toward making the Federal sector work better and cost less.

Public Buildings Service

The Federal Buildings Fund finances GSA's real property activities, except for disposal. GSA offers quality non-mandatory real property services, which permit our customers to choose their leasing and space alteration providers from GSA, other public, or private sources. Most agencies continue to use GSA's facilities and services. Public Buildings Service (PBS) customer satisfaction increased from 74% in FY 1994 to its goal of 85% in FY 2000, well ahead of last year's projections. The PBS goal is to maintain that level in FY 2002 and beyond. PBS participates in industry groups, keeps abreast of changes and trends in the industry, pursues energy conservation strategies and employs commercial buying practices. These activities have all contributed to PBS' success in achieving and maintaining its goal of operating government owned space at 12 percent below private sector costs. PBS is maintaining that target, recognizing that further increasing the differential between GSA and the private sector may have a negative impact on customer satisfaction.

GSA's FY 2002 budget reflects a significant construction program, including:

- $217 million for twelve Federal Judiciary projects, including construction funding for two projects, funding for five new design starts, and additional funding for five projects currently underway.
- $17 million for six Border Station projects, three each on the Northern and Southern borders of the Continental United States.
- $6 million for nonprospectus projects.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

- $34 million for the Suitland, MD, National Oceanic and Atmosphere Administration (NOAA) facility, which is to house NOAA's satellite monitoring computer equipment.

- $6 million for a new Federal Bureau of Investigation (FBI) facility's site and design in Houston, TX.

- $5 million for demolition of the existing facility utilized by the U.S. Mission to the United Nations so that construction of its replacement can proceed.

- $9 million for the design of the Montgomery County, MD, Center for Devices and Radiological Health Laboratory and Office, as part of the consolidation of the Food and Drug Administration Headquarters office and laboratory space.

- $5 million for site remediation work at the Southeast Federal Center in Washington, DC.

- $3 million for design of a new Department of Commerce, Bureau of the Census facility, to be located in the Suitland Federal Center.

- $84 million for repayment to the Judgment Fund for monies disbursed in settlement of 20 claims against 11 new construction projects.

In addition to Construction, an $827 million Repairs and Alterations program would fund modernization of the existing inventory and other PBS initiatives. This program is a very high priority for GSA. GAO noted in its most recent report that $4 billion is needed to ensure acceptable quality, health, and safety standards. Repairs and Alterations include:

- $370 million for Basic Program of repairs and alterations work identified through a five-year inventory needs assessment.

- $423 million for Major Modernization Program.

- $34 million for Design Program.

GSA maintains and disposes of surplus Federal real property, producing $335 million in proceeds in FY 2000, at significant savings to our customers.

Federal Technology Service

Through FTS's portfolio of Network Services and IT solutions, GSA delivers Federal agencies the latest in telecommunications and information technology. Few other entities are able to deliver the broad range of technological services that we provide our customers at the attractive prices we offer. For example, in FY 1999, the FTS2000 average cost for long distance telecommunication, at 5.8 cents per minute, was more than 40% below the 10.2-cent market average. With FTS 2001, cost per minute will continue to be below the industry average.

FTS programs are financed by the Information Technology Fund, a revolving fund that provides IT resources to Federal agencies on a fee-for-service basis. IT Fund resources have grown from approximately $1.5 billion in FY 1995 to over $5 billion in FY 2000 and are expected to exceed $6 billion in FY 2002.

Federal Supply Service

The General Supply Fund (GSF) is a full-cost recovery, revolving fund that provides Federal agencies with services and

supplies. In fiscal year 2000 the fastest growing area was the $15.1 billion Federal Supply Multiple Awards Schedules program, particularly services contracts. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of products and services.

GSA Advantage™, GSA's award winning electronic shopping service, allows Federal employees worldwide to compare prices, place orders, and make payments over the Internet. Customers benefit from consolidated purchasing, contracting expertise, and compliance with Federal procurement and socioeconomic policies.

In FY 2001, the implementation of the new Office of Supply will help FSS focus on innovation and increased efficiency in a new and distinct Supply Business Line.

GSA's Interagency Fleet, which leases vehicles to over 75 Federal agencies, continued to expand in FY 2000 by consolidating nearly 5,900 vehicles from other agencies, resulting in a 177,000 vehicle fleet. Cost avoidance from consolidation will save taxpayers nearly $4 million.

The Travel and Transportation business line helps control the costs of Federal employee travel and transportation services. Reducing costs by consolidating contracts and achieving administrative savings, this business line competes successfully for Federal business in its non-mandatory program areas as well as achieving significant savings for the Government in its mandatory Airline City Pairs program.

Office of Governmentwide Policy

GSA's Office of Governmentwide Policy (OGP), funded by the Policy and Operations account, provides the leadership needed to develop and oversee the implementation of policies designed to achieve the most cost effective, innovative solutions for the delivery of administrative services. For example, OGP continues to be a leader in development of electronic procurement policies and practices, working toward eventual governmentwide standards. $2.1 million is being made available in FY 2001 to support the development of an electronic procurement infrastructure to provide an interoperable, single face for government electronic business transactions.

Staff Offices

The major staff offices in GSA – the Chief Financial Officer, Chief People Officer, Chief Information Officer and General Counsel – provide quality administrative, financial and legal services to all of the GSA business lines as well as external customers.

As a result of downsizing and restructuring, major program streamlining, and attrition and buyouts, much of GSA's corporate knowledge has been lost or displaced. GSA is taking steps to address its human capital needs. Workforce demographic problems, in particular skill needs, are being studied and acted on by a Worldclass Workforce Team, focusing on hiring college graduates and developing current employees. GSA's aging workforce will result in increased turnover due to retirements, and a number of recruiting, intern, and succession planning initiatives are underway. Although GSA is faced with human capital problems, GSA has nonetheless for two years in a row ranked in the top three federal agencies for reported job satisfaction in the OPM "Merit Principles" survey of federal employees.

GSA produces comprehensive annual reports and audited financial statements. We have earned an unqualified audit opinion from an independent public accounting firm in FY 2000, for the

thirteenth consecutive year, unprecedented among Federal agencies.

Socio-Economic Programs

GSA is committed to improving the quality of life of its employees, as well as promoting such socio-economic goals as improving environmental quality and increasing access to technology.

- GSA is a leader in family-friendly workplaces. We now manage 113 Federal child care facilities, serving 7,600 children. Eighty-eight percent of our centers are accredited, compared to five percent for all child care centers nationwide. Computers and internet access have been made available to all the childcare centers. We also continue to seek new ways to make Federal child care more affordable.
- GSA participated in the creation of a Computers for Learning website, that allows federal agencies to match the donation of surplus computer equipment to schools and non-profit education groups nationwide.
- GSA's energy conservation goal is to improve energy reduction from 22% below the 1985 baseline in FY 2001 to 24% below in FY 2002.
- GSA's fleet experiments with innovative technologies, such as alternative-fuel vehicles (AFVs), led to GSA's induction into the Clean Air Hall of Fame. GSA has purchased over 36,000 AFVs since FY 1991, with 30,000 of them for the GSA fleet.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

GSA affects over $72 billion in financial transactions throughout the Government.

Government Financial Transactions Affected By GSA

$(Thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
ACTIVITIES UNDER GSA ACCOUNTS:			
Budgeted Obligations	16,104,881	17,497,457	18,238,964
Unobligated Balance of Approved Const/R&A Program	1,098,642	780,791	407,806
Subtotal	17,203,523	18,277,954	18,666,946
FUNDS THAT GSA COLLECTS:			
Transportation Overcharge Collections	18,714	15,500	14,000
Surplus Real Property Sales Proceeds	335,200	359,100	329,400
Surplus Personal Prop Sales Revenue	10,000	11,200	12,200
Outlease of Govt-Owned Space	2,663	2,700	2,700
Energy Rebates and Recycling Receipts	2,051	2,102	2,102
Subtotal	368,628	390,602	360,402
MECHANISMS PUT IN PLACE BY GSA (REVENUES):			
GSA SmartPay (notes 1 & 2)	6,210	6,800	7,500
Subtotal	6,210	6,800	7,500
MECHANISMS PUT IN PLACE BY GSA (EXPENSES):			
Multiple, Single, Service Schedules (Supply & IT)	13,635,139	15,288,400	16,500,000
Purchase of Telecomm. Services (POTS)	11,000	11,000	11,000
Major Info. System Acquisition (FEDCAC)	78,600	88,500	94,600
Telecommunications Enhancement Contracts	135,797	164,345	194,293
Innovative Business Solutions (note 5)	143,516	149,780	153,280
Freight Transportation Services (HHG and STOS)	145,500	148,300	151,000
GSA SmartPay (notes 1 & 2)	17,452,398	18,680,000	20,363,000
Real Estate Schedules	2,000	2,000	2,000
Subtotal	31,603,950	34,562,325	37,469,173
COST AVOIDANCES DUE TO GSA PROGRAMS:			
Real Property Utilization Transfers	21,700	72,800	81,400
Personal Property Utilization/Donations	3,237,257	1,643,400	1,610,000
Real Property Donations	114,600	37,900	58,200
Value of FCIC Pub Svc Media Donations	14,100	15,200	15,500
Subtotal	3,387,657	1,769,300	1,765,100
GSA DELEGATED AUTHORITIES:			
Real Prop. Disposal (DOD) (note 3)	12,000,000	12,000,000	12,000,000
Buildings Delegations (note 4)	212,266	223,725	228,199
Supply Schedules - Dept Veterans Affairs	2,001,000	2,001,000	2,001,000
Subtotal	14,213,266	14,224,725	14,229,199
TOTAL GSA-RELATED FINANCIAL TRANSACTIONS	**66,783,234**	**69,234,006**	**72,498,320**

Note 1: Under GSA SmartPay, the amount of the refund varies by agency. There is a base refund of 4 basis points, which goes to GSA out of the agencies' refunds. Agencies have negotiated refunds in different amounts, depending upon such issues as how quickly they pay, how electronic the process is, volume, etc. Some agencies have refunds of well over 100 basis points, while others have a lot less. These refunds are paid directly to the ordering agency, not to GSA. Given that the refunds are dependent on actions of agencies (for example meeting volume incentives, improving speed of payment, etc.), we have no way of knowing how much the refunds will be. However, we are able to report the total amount of agency refunds after the end of the period. FY 1999 refunds totaled $55 million and increased to $85.3 million in FY 2000.

Note 2: The majority of flight volume passes through the GSA SmartPay Program. The estimated value of the City Pairs Program is $1.0 billion in FY 2000; and $1.3 billion in FY 2001 and FY 2002.

Note 3: Estimated sales value of properties under DOD Base Closures; GSA delegates its disposal authorities to DOD.

Note 4: Estimated rent payments transferred to delegatee agencies that are responsible for lease management as prescribed in the delegation agreements (usually single-tenant buildings).

Note 5: In FY 2000 includes Fedlearn, GSA IT Acquisition Center (ITAC), Financial Management Systems Support Center (FMSS), SEAT, and Smart Card.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

GSA'S GENERAL PROVISIONS

Brief explanations of proposed GSA general provisions are listed below, with minor modifications from last year as noted. Several GSA general provisions contained in the FY 2001 Appropriations Act were deleted, as they were one-time in nature and did not need to be repeated. Several Title VI General Provisions of special interest to GSA are also shown.

GSA General Provisions	
Sec. 401	Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 402	Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 403	Provides that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 404	Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5 year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 405	Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. 406	Provides that funds provided by the Information Technology Fund, GSA, to other Government agencies for performance of pilot information technology projects which have potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.
Sec. 407	Provides that claims against the Government for less than $250,000 arising from direct construction and the acquisition of buildings may be liquidated from savings effected in other construction projects provided that the Appropriations Committees are notified in advance.
Sec. 408	Amends Public Law 106-554, by changing the date of April 30, 2002 to September 30, 2002, for GSA to offer to employees a voluntary separation incentive in order to provide the necessary flexibility to carry out the closing of the Federal Supply Service distribution centers, forward supply points, and associated programs.
Title VI General Provisions *(of special interest to GSA)*	
Sec. 606	Provides that appropriations for any department or agency during the current FY for necessary expenses, including maintenance or operating expenses, shall also be available for payment to GSA for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with appropriate law.
Sec. 631	Provides that member agencies shall finance an appropriate share of the joint Financial Management Improvement Program (JFMIP) administrative costs, not to exceed $800,000.
Sec. 632	Provides for transfer of funds to GSA for governmentwide financial management, information technology, procurement, and other initiatives, as approved by OMB in consultation with the CFO, CIO and Procurement Executives Councils, not to exceed $17,000,000, following notification of the Appropriation Committees.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

OBLIGATIONS SUMMARY
By Object Classification
$(Thousands)

	FY 2000 Actual	FY 2001 Estimated	FY 2002 Estimated
Personnel Compensation:			
11.1 Full-time Permanent	$759,664	$825,838	$859,614
11.3 Other than permanent	19,795	18,891	19,318
11.5 Other personnel compensation	50,247	34,983	35,967
11.8 Special personal service payments	380	414	534
11.9 Total personnel compensation	830,086	880,126	915,433
12.1 Civilian personnel benefits	197,450	203,571	215,278
13.0 Benefits for former personnel	1,115	1,911	2,025
21.0 Travel and transportation of persons	34,010	34,559	35,165
21.0 Motor Pool travel	6,313	6,158	6,227
22.0 Transportation of things	57,836	62,196	64,337
23.1 Rental payments	79,140	86,089	90,298
23.2 Rental payments to others	2,892,548	3,161,999	3,021,156
23.3 Communications, utilities, and misc.	353,577	366,960	398,870
24.0 Printing and reproduction	14,994	23,785	24,576
25.1 Advisory and Assistance Services	337	353	353
25.2 Other services	7,267,294	8,233,940	8,905,134
25.3 Purch. of goods & services from Govt	203,967	234,028	247,005
25.4 Operation & maintenance of facilities	792,198	765,665	855,893
25.5 Research & development contracts	0	0	0
25.7 Operation & maintenance of equipmt	43,267	46,361	46,361
26.0 Supplies and materials	2,404,608	2,417,519	2,455,071
31.0 Equipment	685,276	711,020	721,769
32.0 Lands and structures	48,080	68,045	56,736
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies and contributions	6,065	245	45
42.0 Insurance claims and indemnities	281	86	86
43.0 Interest and dividends	178,346	175,030	166,276
90.0 Below Reporting Threshold	0	0	0
91.0 Unvouchered	0	7,084	0
93.0 Limitation on expenses	0	0	0
99.9 TOTAL OBLIGATIONS	$16,096,788	$17,486,730	$18,228,094

NOTE: All data exclude the Federal Consumer Information Center, financed under the VA/HUD Appropriations Act; these obligations are ($000): $6,798 for FY 2000, $10,726 for FY 2001, and $10,569 for FY 2002.

General Services Administration
FY 2002 BUDGET SUMMARY AND HIGHLIGHTS

ACQUISITION WORKFORCE EDUCATION AND TRAINING
FY 2002 BUDGET DATA

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2002 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training		
	FY 2000 Actual	FY 2001 Current	FY 2002 Request
Federal Supply Service:			
General Supply Fund	504,220	1,500,000	1,500,000
Federal Technology Service:			829,000
Information Technology Fund	103,102	813,000	
Public Buildings Service:			
Federal Buildings Fund	829,969	893,110	910,973
General Management:			
Working Capital Fund	11,250	15,000	15,000
Office of Governmentwide Policy:			
Policy and Operations	19,066	27,000	27,000
Working Capital Fund	10,254	14,000	14,000
Total	1,477,588	2,674,110	2,697,973

EXPENSES, PRESIDENTIAL TRANSITION

The following information is included in our annual budget in response to a Congressional request. The General Services Administration granted an exemption from rent charges to the incoming Administration for space occupied during the Presidential Transition. This office space was located at 1800 G Street, NW, Washington, DC. The estimated value of this exemption was $922,300.

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General Services Administration
POLICY AND OPERATIONS

MISSION

Under its Policy activity, this appropriation provides for Government-wide policy, evaluation, and asset management functions associated with real and personal property, supplies, vehicles, aircraft, information technology, electronic government, transportation and travel management. It also provides for acquisition policy, the Federal Procurement Data Center, the Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Governmentwide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

Under its Operations activity, the account provides for the personal property utilization and donation activities of the Federal Supply Service and for the real property utilization and disposal activities of the Public Buildings Service. These programs include utilization of real and personal property by Federal agencies and the transfer among agencies of excess real and personal property; disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus property pending its disposition; appraisal of excess and surplus property, necessary environmental and cultural analyses, reuse planning, and real property utilization surveys. Operations also includes the Critical Infrastructure Protection initiatives (Federal Computer Incident Response Capability), and support for the Federal Public Key Infrastructure Steering Committee and its activities of the Federal Technology Service.

Management and Administration activities include Indian Trust Accounting, administrative support of Congressional District and Senate State offices, and agency-wide management and administration.

THE BUDGET IN SUMMARY

The fiscal year 2002 budget request of $138,499 thousand reflects a net increase of $1,093 thousand over the amount for FY 2001 of $137,406 thousand (see page PO-15 for additional details). The net change of $1,093 thousand consists of $3,000 thousand for the Office of Governmentwide Policy, FirstGov electronic government initiative, $6,500 thousand for Information Assurance and Critical Infrastructure Protection, and $2,819 thousand for anticipated pay raises and other increases. These increases are partially offset by reductions of $11,226 thousand for other initiatives not required for fiscal year 2002.

EXPLANATION OF ESTIMATES

Policy and Operations, Direct and Reimbursable programs support the GSA mission in providing direction and coordination of comprehensive Government-wide programs.

Direct Program

Policy

The fiscal year 2002, Office of Governmentwide Policy (OGP) request reflects a net increase of $1,799 thousand. Included in this request are increases in salary costs and the cost of GSA-wide common information technology infrastructure costs totaling $1,294 thousand. In addition the Office of Governmentwide Policy requests an increase of $3,000 thousand for FirstGov, a single Government-wide Internet portal for information that offers the

public Internet access to over 30 million Federal Government web pages including links to State and local Government web pages. To date the development of this system has been funded from agency contributions. The $3,000 thousand requested will be used to fund GSA personnel and personnel related costs associated with the portal. Agency contributions will continue to fund contractual costs.

These increases are offset by reductions of $1,996 thousand for the Digital Learning Technologies Program and $499 thousand for the Virtual Archive Storage Feasibility Study.

Operations

The Operations Program area reflects a net decrease of $706 thousand. Included in this request are increases in salary costs and the cost of GSA-wide common information technology infrastructure costs totaling $1,525 thousand. In addition the Operations program requests an increase of $6,500 thousand for the Information Assurance and Critical Infrastructure Protection Program. These increases are offset by reductions totaling $8,731 consisting of: (1) $1,996 thousand each for the Institute for Biomedical Science and Biotechnology, the Center for Agricultural Policy and Trade Studies and Waltham, Massachusetts; (2) $998 thousand each for the Berwick Industrial Development Authority, PA and the Ewing-Lawrence Sewerage Authority, NJ; and (3) $747 thousand for the World Police and Fire Games.

Reimbursable Program

The Policy and Operations account provides reimbursable services to other Federal agencies including: (1) $2,200 thousand for personal property services; (2) $12,000 thousand for: (a) real estate disposal services for specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized, forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration; and, (3) $6,800 thousand for reimbursable programs of the Office of Governmentwide Policy which including: (a) $2,000 thousand for the Chief Information Officer's Council, a forum to improve the design, modernization, performance and use of IT resources; (b) $1,000 thousand for the Procurement Executive Council that was established to provide a senior level forum for monitoring and improving the Federal Acquisition System; (c) $1,000 thousand for an OGP Secretariat customer satisfaction survey; (d) $1,000 thousand for the Rapid Service Valuation and Preparation (RSVP) Access program (i.e., making electronic and information technology accessible to people with disabilities); (e) $550 thousand to provide procurement support, training, and advisory assistance; (f) $350 thousand for the Strategic and Tactical Advocates for Results (STAR) Program; (g) $200 thousand for the Information Resources Management (IRM) Conference which covers the broad spectrum of ADP, telecommunications, and records management; and $700 thousand for other miscellaneous reimbursable activities.

General Services Administration
POLICY AND OPERATIONS

POLICY AND OPERATIONS (DIRECT) Explanation of Budget Changes in Priority Order $(Thousands)	
FY 2001 Enacted Appropriation	**137,709**
Less .22% rescission	-303
FY 2001 Current Level	**137,406**
Digital Learning Technologies	-1,996 *
Virtual Archive Storage Feasibility Study	-499 *
Waltham, Massachusetts	-1,996 *
Institute for Biomedical Science & Biotechnology	-1,996 *
Center for Agricultural Policy & Trade Studies	-1,996 *
Berwick Industrial Development Authority, PA	-998 *
Ewing-Lawrence Sewerage Authority, NJ	-998 *
World Police & Fire Games	-747 *
Increased Pay Costs	2,296
Common Information Technology Infrastructure Costs	523
Critical Infrastructure Protection Programs	6,500
FirstGov (Electronic Government)	3,000
FY 2002 Budget Request	**138,499**

*Reflects the .22% rescission in the FY 2001 Consolidated Appropriations Act, P.L. 106-554.

General Services Administration
POLICY AND OPERATIONS

POLICY AND OPERATIONS
$(Thousands)

	FY 2000 Actual	FY 2001 Current *	FY 2002 Request	FY 2001/2002 Change
Direct Program:				
New Budget Authority				
Policy:				
Basic Program	51,434	55,108	56,402	+1,294
FirstGov	0	0	3,000	+3,000
Congressional Initiatives	2,275	2,495	0	-2,495
Year 2000 Emergency Program	146	0	0	0
Sub Total Policy	53,855	57,603	59,402	+1,799
Operations:				
Basic Program	66,952	63,090	64,615	+1,525
Congressional Initiatives	0	8,731	0	-8,731
Information Assurance & Critical Infrastructure Protection	0	7,982	14,482	+6,500
Year 2000 Emergency Program	6,496	0	0	0
Sub Total Operations	73,448	79,803	79,097	-706
Total Obligations – New Budget Authority	**127,303**	**137,406**	**138,499**	**+1,093**
Prior Year Carryover				
Policy:				
Year 2000 Emergency Program	3,886	0	0	0
Operations:				
Basic Program	1,748	5,805	0	-5,805
Congressional Initiatives	0	225	0	-225
FY 2002 Salt Lake Olympics	0	3,300	0	-3,300
Year 2000 Emergency Program	30,021	0	0	0
Sub Total Operations	31,769	9,330	0	-9,330
Total Obligations – Direct Program	**162,958**	**146,736**	**138,499**	**-8,237**
Reimbursable Program:				
Policy	6,319	6,533	6,800	+267
Operations	5,638	13,867	14,200	+333
Total Obligations – Reimbursable Program	**11,957**	**20,400**	**21,000**	**+600**
Net Outlays	**153,940**	**136,708**	**155,784**	**+19,076**
Employment (FTE):				
Direct	632	629	653	+24
Reimbursable	18	17	17	0

* Fiscal Year 2001 Appropriations have been reduced to reflect the FY 2001 .22% rescission.

General Services Administration
POLICY AND OPERATIONS

POLICY AND OPERATIONS
(Direct)
Obligations by Object Class
$(Thousands)

		FY 2000 Actual	FY 2001 Current *	FY 2002 Request
	Personnel Compensation:			
11.1	Full-time permanent	38,729	42,862	44,295
11.3	Other than full-time permanent	1,784	953	953
11.5	Other personnel compensation	5,990	4,142	4,215
11.9	Total personnel compensation	46,503	47,957	49,463
12.1	Civilian personnel benefits	8,649	9,541	10,331
21.0	Travel and transportation of persons	2,023	1,864	1,871
21.0	Motor Pool	131	125	133
22.0	Transportation of things	63	30	33
23.1	Rental payments to GSA	7,007	7,188	7,200
23.3	Communications, utilities and miscellaneous charges	1,136	2,043	2,043
24.0	Printing and reproduction	1,074	1,206	1,214
25.2	Other services	79,375	58,089	47,518
25.3	Purchases of goods and services from Government Accounts	15,231	15,938	15,938
26.0	Supplies and materials	644	899	899
31.0	Equipment	970	1,856	1,856
42.0	Insurance Claims & Indemnities	2	0	0
43.0	Interest & Dividends	150	0	0
99.0	Subtotal direct obligations	162,958	146,736	138,499
99.0	Reimbursable obligations	11,957	20,400	21,000
99.9	Total obligations	174,915	167,136	159,499

*Reflects the .22% rescission in the FY 2001 Consolidated Appropriations Act, P.L. 106-554.

General Services Administration
POLICY AND OPERATIONS

PROGRAM HIGHLIGHTS

POLICY

The Office of Governmentwide Policy (OGP) develops and implements Government-wide policies that seek to maximize opportunities for agencies' utilization of best administrative management practices. OGP programs are intended to increase agencies' effectiveness in the conduct of their administrative services programs, encourage innovations and efficiencies, and assure responsible asset management.

The primary functions of the OGP include policy development, planning, and oversight associated with real and personal property asset management, transportation, information technology, acquisition, regulatory information, electronic commerce, and Federal advisory committees.

Real Property

The OGP provides leadership to the Federal community in the use and management of real property. It encourages the adoption of best practices for use by the Federal real estate community. It is responsible for the development, coordination, administration and issuance of Government-wide real property guidelines, regulations, standards, criteria, policies and asset management principles concerning real property programs. Real property programs include real estate operation and management, acquisition, disposal, design and construction, space standards, delegations, safety and environmental issues, and workplace initiatives including telecommuting and cooperative administrative support units (CASU's). We intend to explore Government-wide solutions to real property by: (1) collecting and communicating information to Congress concerning the Federal Government's total real property portfolio within the Executive Branch; (2) providing guidance to other agencies to assist them in the most cost-effective management of their own individual portfolios; and (3) providing other agencies with a means of obtaining the tools and techniques that are necessary to manage and operate federal assets.

The OGP facilitates public/private information sharing for real property use. Through comprehensive study of space-use standards and best practices in both public and private sectors, the OGP has developed policy recommendations for improving real property management and space utilization across the Federal Government.

The following represent several projects that OGP collaborated on with other Federal agencies and private sector professional real estate groups in fiscal year 2000.

Integrated Workplace

The OGP report, "The Integrated Workplace", describes a collaborative, multidisciplinary process for developing workspace that aligns an organization's strategic real property plan with its strategic business goals. This process can provide work environments that increase productivity, improve employee health and satisfaction, and make better use of resources.

Governmentwide Real Property Information Sharing (GRPIS)

The GRPIS Program conducts fieldwork in communities nationwide and leads Federal real property professionals in establishing councils at the local community level. The councils provide these professionals with opportunities to network and share information with one another, which results in (1) improved Federal real property asset management, (2) a more cost effective use of resources, and (3) improved efficiencies.

To date, five major Federal communities have formed real property councils, (three of which were established in fiscal year 2000): Puget Sound, Washington; New England; South Florida; Arizona and New Mexico. During the first quarter of fiscal year 2001, studies began in Kansas City, Kansas/ Missouri and Cincinnati, Ohio with additional studies scheduled for the remainder of the year.

Information Technology

The Office of Information Technology plans, develops and directs Government-wide activities to support the Office of Management and Budget (OMB), interagency committees, and other Federal agencies and provides leadership and guidance on the acquisition, management and use of information technology (IT). Specific program activities include: (1) improving the effectiveness of the Government workforce by promoting guidelines and principles for the installation and management of electronically assisted government; (2) providing policy, technical and program development leadership for an accessible technology-augmented work environment for people with disabilities, in support of Public Law 105-220; (3) providing technical support and assistance to Federal, State, local and international governments; (4) developing and managing interagency programs to improve the management of information technology resources and to increase the efficiency and effectiveness of Government; (5) providing technical and management services to interagency IT groups such as the CIO Council, and IT Resources Board mandated by Executive Order 13011; (6) managing professional development programs to assist agencies in successful acquisition, management and use of information technology; and (7) developing, issuing and maintaining policies and regulations for the creation and maintenance of electronic Federal records. In developing and refining IT related Government-wide policies the Office of Information Technology works with over 70 inter-agency groups, including local, state, and other national governments.

Transportation and Personal Property

The OGP leads Government-wide development and evaluation of issues, legislation, policies and objectives related to travel, transportation, and personal property management. Specific responsibilities include: (1) developing policies for Government-wide freight and household goods transportation, transportation audit and documentation, and mail management programs; (2) developing regulations and procedures governing the management and oversight of Federal agencies' motor vehicles; (3) developing regulations, policies, and procedures for aircraft procurement, management, operations, safety, utilization and disposal; (4) developing the policies and regulations governing civilian agencies' travel, per diem rates (maximum reimbursement levels) for Federal travelers; and (5) developing legislation and regulations governing the management of Federal personal property.

OGP emphasizes the critical role that mail plays in Federal agencies' communication with their customers and works to make Federal mail more efficient and effective. The Interagency Mail Policy Council (which was officially chartered in 1999) now includes about 130 members representing over 38 agencies. The Council provides a setting for dissemination of best practices and a collaborative partnership in mail communications between OGP and customer agencies. In fiscal year 2000, OGP developed the First Annual Federal Mail Best Practice Awards and a Mail Resource Guide that consolidates a wide range of mail information into one source for Federal mail employees.

In fiscal year 2000, the OGP revised the section of the Federal Travel Regulation (FTR) which provides guidance on expenditure of travel funds to reflect more flexible commercial type policies. In addition, the FTR was amended to include guidance on the: (1) mandatory use of the Federal contractor issued travel charge card; and (2) requirements for agencies to reimburse employees within 30 days of travel.

Also in fiscal year 2000, OGP began issuing per diem rates effective on October 1, the beginning of the fiscal year, versus January 1, the beginning of the calendar year. This action will make it easier for Federal agencies to plan their annual travel expenditures and will coordinate the timing of per diem changes with the travel industry's pricing practices.

In addition, OGP established a Premier Lodging Program (PLP), which seeks to leverage the Government's spending in the travel marketplace and provide guaranteed rooms at the per diem rate for Federal employees.

The OGP has been working to develop state-of-the-art management information systems for vehicles and for personal property disposal statistics. In fiscal year 2000, the OGP deployed the new Federal Aviation Interactive Reporting System (FAIRS). FAIRS, an Internet accessible system, replaces the old Federal Aviation Management Information System (FAMIS) for aircraft. This new information system will be used to collect and report aviation management data. The FAIRS' computers are housed in a controlled access facility at the Department of Energy. OGP has trained about 150 FAIRS users and issued the personal digital certificates that every user will need to access the highly secure system. These new systems will help GSA and all Federal agencies measure their performance. The OGP also rewrote the major parts of the Federal Travel Regulation in plain language, streamlined regulations in personal property disposition and aircraft management, and revitalized interagency committees for mail, freight, and personal property.

Federal transportation managers manage over $15 billion in expenditures. In fiscal year 2000, OGP revised the (1) Federal Management Regulation (FMR) FMR 102-118 implementing Public Law 105-264, which requires that all transportation bills be audited prior to payment to ensure the bill's validity; and (2) FMR 102-117 that requires the retirement of the Government Bill of Lading (GBL) by October 1, 2001 and permits Federal transportation managers to use commercial documentation, systems, and practices in transportation.

In partnership with agencies that manage vehicles and aircraft, the OGP has developed performance measures that promote effective and efficient fleet management Government-wide. In addition, the OGP is helping other agencies comply with legislation requiring an increase in the number of alternative-fuel vehicles in their fleets, and has automated license plate assignments.

OGP sponsors the Biannual National Federal Fleet Manager Workshop, which provides Federal fleet professionals with training, policy changes, and updates on technological advances in fleet management. In fiscal year 2000, OGP developed the Federal Automotive Statistical Tool (FAST) jointly with the Department of Energy. FAST captures Federal motor vehicle fleet data to fulfill reporting requirements for the Federal Fleet Report, the Energy Policy Act, Executive Order 13149 "Greening the Government Through Federal Fleet and Transportation Efficiency", and the Energy Policy and Conservation Act.

In fiscal year 2000, GSA was given the responsibility for the Computers for Learning Program. The OGP participated in the

creation of a Computers for Learning web site that allows Federal agencies to match their available equipment with the needs of schools nationwide. The site has been redesigned to make it more user friendly.

Electronic Government

GSA spearheads Federal Electronic Government initiatives, finding ways to use technology for the delivery of information and services to citizens, business partners, employees, other agencies and other government entities. Government use of Internet-based services for electronic purchasing and information sharing is becoming more sophisticated, but online citizen transactions are still in the early stages. GSA promotes simplified and standardized access to on-line Government information and services.

Establishing the Next Generation of Technical Standards. GSA and the National Institute of Standards and Technology are collaborating on a methodology to test the interoperability of technology products based on supply-chain electronic business standards. RosettaNet, an independent consortium formed to reach industry consensus on electronic commerce standards, developed these standards. The use of these standards helps companies improve the quality of information exchanged between buyers and sellers.

Smart Cards. GSA has worked with agencies and commercial firms to reach agreement on common requirements for smart cards in the Federal Government, producing a handbook for Federal agencies and others. These cards look like credit cards, but contain computer chips capable of holding a wide variety of information, including digital signatures and biometric data such as fingerprints. Their use includes identification and authentication, building and computer access, and storage of medical and dental data. Smart cards can serve as both credit and debit cards.

Grants. On November 20, 1999, the Federal Financial Assistance Management Improvement Act was signed into law. The Act requires Federal agencies to create a common system for electronic processing of all grants for State, local, and tribal governments and nonprofit organizations. The Electronic Government Office sponsors the Interagency Electronic Grants Committee (IAEGC), made up of 23 grant-making agencies working to automate the grant process. The IAEGC is guiding development of work to automate the grants process through the Federal Commons initiative, a one-stop site for submitting grant applications to agencies across the government.

FirstGov. In fiscal year 2000, OGP developed and implemented FirstGov, a single Government-wide portal for information. FirstGov provides the public with Internet access to over 30 million Federal Government web pages including links to State and local Government web pages by key word(s) search, topic or by clicking to executive, legislative, and judicial sites.

Acquisition

The OGP Office of Acquisition Policy supports the Federal acquisition system, through which the Government obligates more than $200 billion annually. Responsibilities include researching, developing, and publishing policy guidance; providing career development services for the Federal acquisition workforce, including the development of acquisition training and career management programs and materials; as well as reporting on more than 20 million contract actions. The OGP chairs the 14-agency Civilian Agency Acquisition Council that collaborates with the Defense Acquisition Regulations Council to develop changes to the Federal Acquisition Regula-

tions (FAR). The two Councils have formed 25 interagency teams of technical experts in procurement to advise on FAR changes. In fiscal year 2000, OGP (1) developed new acquisition policies to streamline and clarify existing processes, and implement statutory changes through collaboration with other agencies and the public; (2) replaced hard-copy distribution of FAR case materials with an on-line site for agency partners to access; (3) managed the conversion of the Federal Property Management Regulation (FPMR) into the Federal Management Regulation (FMR) eliminating non-regulatory guidance, standards, and specifications; (4) awarded a contract for the Electronic Document Management System (EDMS) that will provide (a) electronic publication and document management capabilities for promulgating the Federal Acquisition Regulation (FAR) and (b) a web-based policy making tool for decision making on new FAR policies.

The Office of Acquisition Policy is also responsible for providing the following Government-wide services:

(1) Compiling Government-wide information on over 1,400 Federal assistance programs from 57 Federal agencies, departments, and other sites into the annual "Catalog of Federal Domestic Assistance" and its semi-annual update. The catalog is published in hard copy, CD-ROM, and on the Internet. It is available to Federal, state and local governments, and the public.

(2) Supporting the Electronic Posting System (EPS) which allows Government buyers to advertise solicitations online. Currently, 8 agencies including GSA are using the system to post procurement opportunities. In compliance with statutory requirements, a security certification and accreditation for the EPS will be completed in fiscal year 2001.

(3) Training through the Federal Acquisition Institute (FAI) which has established an Online University open to all Federal procurement officials. Also, FAI is partnering with Arizona State University and the National Association of Purchasing Managers to develop Internet-based education and training for public and private sector acquisition professionals.

Other Government-wide Policy Responsibilities

The OGP, through the Committee Management Secretariat, plans, develops, evaluates and directs a Government-wide program for maximizing the value of public participation in Federal decision making. In fiscal year 2000, the Secretariat expanded its Internet site to permit committees to submit on-line reports and also enhanced training via CD-ROM that links to the Internet site and helps committee members and managers understand their roles and participate more effectively. In addition, the Secretariat completed work on a revised regulation implementing the Federal Advisory Committee Act (FACA) and collaborated with multiple agencies to begin development of Government-wide performance indicators.

The Regulatory Information Service Center (RISC) is responsible for compiling and analyzing data on both Government-wide and agency specific activities in support of the regulatory oversight role of the Executive Office of the President. The Center also maintains a comprehensive Internet site of regulatory information that provides links to sources of information on Federal, State, and local regulations.

The Workplace Initiatives program provides leadership to the Federal community for programs designed to provide Federal employees with family-friendly cost effective and accessible workplaces. These programs include fostering the development of

child care centers; enhancing cooperative administrative support among Federal agencies; promoting alternative worksite arrangements; and facilitating support mechanisms among Federal agencies, State and local governments, nonprofit organizations, and the private sector to ensure that Federal facilities are accessible to citizens with disabilities.

The Office of Child Care promotes high quality, accessible and affordable child care for all Federal civilian agency employees and provides child care policy leadership, oversight, and information of Federal child care delivery. The office leads the Interagency Federal Child Care Council (IFCCC) in establishing Government-wide policies for safe, healthy child care in Federal buildings. The IFCCC includes representatives from all agencies with child care programs or policy responsibility. Since the inception of the IFCCC in 1998, GSA has led the other agencies to improve child care center accreditation and complete timely background checks on child care center employees.

GSA is a leader in designing and managing quality child care facilities. GSA has opened 113 child care centers in Federal facilities to meet the growing demand for affordable quality child care close to the workplace. Eighty-eight percent of GSA's child care facilities are professionally accredited, a far higher proportion than the five percent accreditation rate for all child care centers nationwide. More than 7,600 children are served in GSA's facilities. Also, computers and Internet access have been made available to all the child care centers so that even the youngest members of the Federal family can ride the information superhighway.

Reimbursable Policy Activities

In addition to its appropriated policy activities, the OGP provides related support to Federal agencies and other customers on a cost reimbursable basis. These services include: (1) information technology acquisition and system implementation training to Federal managers through the Trail Boss program; (2) the Strategic and Tactical Advocates for Results Program, which is an intensive two week training seminar focusing on Program and Project Management, Leadership, Security, Technology, and Government; (3) the Information Resources Management Conference, which covers ADP, telecommunications, and records management; (4) collecting, and disseminating Government-wide data through the Federal Procurement Data System and the Federal Assistance Programs Retrieval System; and (5) enabling agencies to manage their real property assets more effectively through the Foundation Information for Real Property Management (FIRM) system by customizing the system to meet unique agency needs. In FY 2000, the FIRM software interface with the GSA System for Tracking and Administering Real Property was completed and distributed to the FIRM users. The web-enabling conversion of FIRM began in FY 2001. In addition to providing Internet access to the FIRM software, the FY 2001 developments will restructure the application to improve both security and performance. FY 2002 planned developments include a deferred maintenance module; further enhancements to the ad-hoc report module, and improvements to the application to be identified by the FIRM focus group.

OPERATIONS

The Operations activity provides for the Real Property Disposal, Personal Property Utilization and Donation, and Information Assurance and Critical Infrastructure Protection programs. The Operations activity also provides for Management and Administration, which includes the internal policy, management, oversight and coordination of all GSA programs by the Administrator,

Deputy Administrator, Regional Administrators and the Heads of GSA Staff Offices.

Real Property Disposal

In line with the GSA mission, the Public Buildings Service supports the accomplishments of our customers' programs by providing real property disposal services in a timely and cost effective manner. This program promotes the maximum utilization and efficient redeployment of Federally owned real property through Federal transfers (property transferred to another Federal agency), public benefit discount conveyances (property conveyed to state and local governments and eligible non-profit organizations at or below market value), and negotiated and public sales. This program receives direct and reimbursable funding. The direct program provides services related to utilization and disposal of excess property by transfer to other federal agencies, by sale, exchange, or discount conveyance of surplus real property reported to GSA from agencies without disposal authority. These direct program properties actually belong to the GSA inventory, and as such the proceeds from these sales are deposited into the GSA receipt account. The reimbursable program provides similar services for agencies with their own disposal authorities on a fully reimbursable basis. These reimbursable properties do not come into the GSA inventory; they remain the property of the landholding agency. After the sale of these properties, GSA is reimbursed for its expenses, and the remainder of the proceeds is returned to the land holding agency. Examples of landholding agencies with their own disposal authority are the Department of Veterans Affairs, U.S. Marshals Service, U.S. Postal Service, and the Department of Transportation. The Department of Defense has disposal authority delegated by GSA under statute (Federal Property and Administrative Services Act of 1949 and P.L. 101-510, entitled National Defense Authorization Act for fiscal year 1991). Over the past ten years, GSA has provided $2.3 billion in real property proceeds to Federal landholding agencies for their ultimate use.

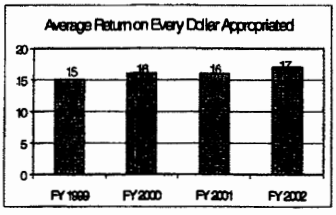
By reengineering the disposal process and the utilization program, significant time and costs savings to our customers and taxpayers at large were realized. In fiscal year 2000 Real Property Disposal (RPD) disposed of 262 properties. These properties had a total value of $472.7 million and produced $335.2 million in proceeds of which $327 million was returned to other federal agencies and $8.2 million was retained by GSA from properties covered under the Federal Property Act. Ten of these properties, worth $21.7 million were transferred between Federal agencies and 51 properties with a value of $115.8 million were conveyed to State and local governments and eligible non-profit institutions for public benefit purposes.

In fiscal year 2001, Property Disposal will continue to be the provider of choice for quality, cost-efficient, timely Federal real property redeployment activities. Along with the responsibility of protection and maintenance of properties such as Governor's Island, the protection and maintenance and environmental remediation of Lorton Correctional Facilities, RPD will provide expert redeployment of approximately $496 million in surplus or excess Federal real and related property.

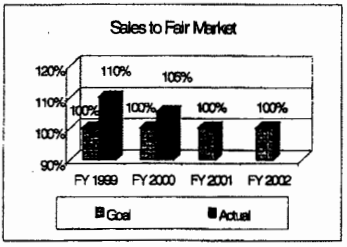
GSA has not yet identified all potential properties that could be sold in fiscal year 2002. However, GSA is anticipating receipts from the sale of a portion of Lorton Correctional Complex, disposal of miscellaneous Brownfields properties, as well as the sales of Governor's Island, and Union Station Air Rights. The total receipts from the sale of real property in FY 2002 plus estimated receipts of $3 million from outleasing of Government owned space is estimated at approximately $359 million.

GSA's RPD is improving operational and programmatic effectiveness and efficiency by establishing an aggressive Customer Outreach and Marketing Program, to ensure superior customer relations with existing customers and to reach new customers. Another GSA Property Disposal initiative is to maintain and continue developing new computer systems (hardware and software, Internet and Intranet) to ensure data accuracy, and the visual display of RPD's homepage of properties offered for sale on the World Wide Web.

GSA's RPD performance measure is the rate of return on an appropriated dollar. This measure provides results of disposal actions already completed by RPD and those projected for the future. The rate of return on an appropriated dollar provides information about how much in proceeds are returned to the Government for each dollar expended by RPD in the disposal process. This measure will continue to be refined to include a series of ratios and measures of costs and proceeds data that will be activity-based. The results of these activity-based measures will provide information on the efficiencies and effectiveness of the RPD program from an operational and programmatic perspective. The program emphasis is to provide the American taxpayer with the highest rate of return for their investment.



GSA makes every effort to achieve the goal of ensuring that the Federal Government receives full value for the sale of real property and produces quarterly results on Actual Sales Value to Fair Market Value. As a competitive service provider, GSA seeks to optimize the use of scarce resources while returning the maximum residual value of real property to the Government.



To support the development of additional performance measures, GSA's RPD organization has developed an Activity Based Costing (ABC) operating system to provide improved information concerning full cost and income of its business activities, projects, and cases. The ABC system has been fully implemented and it expected to help GSA's RPD organization determine projected resource needs, improve management of operations and costs, and understand the full costs of services leading to full cost recovery from customers. The ABC system will provide activity cost information to identify opportunities for cost avoidance and to monitor cost performance goals, and ultimately help RPD make sound strategic and operational decisions.

Information Assurance and Critical Infrastructure Protection (CIP)

GSA's Office of Information Assurance and Critical Infrastructure Protection (OIACIP) in

the Federal Technology Service is charged with assisting the Federal community in securing its communications capabilities and protecting the integrity of Government operations afforded by the open systems environment of the Internet. The following initiatives enable us to provide critical infrastructure protection that will allow the Federal community to continue to operate with confidence.

Federal Computer Incident Response Capability (FedCIRC)

The FedCIRC is a collaborative partnership drawing on the skills and resources within Government, academia, and the private sector to address computer security related incidents. Federal civilian agencies turn to FedCIRC for assistance in identifying, containing and recovering from adverse events that impact on the confidentiality, integrity or availability of information traversing the critical information infrastructure. The FedCIRC effort relies on an existing contract with the Carnegie Mellon University's Computer Emergency Response Team (CERT), which serves as the operational core for incident handling and response activities.

The incident analysis capability of FedCIRC provides the ability to identify, isolate and analyze hostile activities or misuse of federal information technology resources. Existing FedCIRC relationships with the National Infrastructure Protection Center, the National Security Incident Response Center and other computer security incident response teams within the Federal Government provide a medium through which a broad spectrum of incident and security relevant information might be shared to prevent or minimize the effects of anomalous activities and events.

Federal Public Key Infrastructure (PKI) Steering Committee and Federal Bridge Certificate Authority

The PKI initiative requires development of an interoperable, Government-wide PKI capability that will provide four basic security services through digital signature and encryption: authentication, data integrity, non-repudiation, and confidentiality.

The Federal PKI Steering Committee provides guidance and assists in the development of an interoperable Federal PKI employing commercial-off-the-shelf, standards-based products and services. The Steering Committee identifies Federal Government PKI requirements and recommends policies, procedures, and standards development activities that support the Federal PKI. The Steering Committee must also continue relationships with foreign countries for PKI interoperability in order to build upon successes already achieved with the Government of Canada (where interoperability was successfully tested in early 2000). The Steering Committee will continue to promote awareness and use of the GSA Government-wide PKI solution known as Access Certificates for Electronic Services (ACES) and the interoperability solution known as the Federal Bridge Certification Authority. The Steering Committee will work closely with Critical Infrastructure Protection experts to ensure public key technology solutions are in place to meet Government mandates like those identified in the Government Paperwork Elimination Act.

Personal Property Utilization and Donation Program

GSA is committed to satisfying the Federal Government's requirements for supplies, equipment, and services at the least cost to the taxpayer. The Personal Property Utilization and Donation program supports this commitment. This program makes the most of tax dollars invested in Government-owned personal property by helping avoid outlays for new purchases by transferring

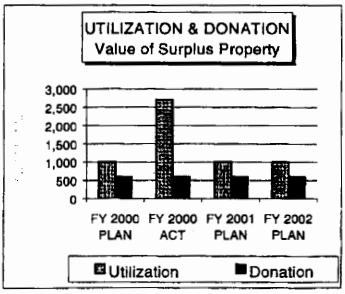
one agency's excess to another that can use it, and by donating surplus Federal property to states or localities, again providing taxpayer savings by avoiding new government procurements. In addition, FSS also assists in the implementation of the President's program to donate computers to schools.

FSS maintains the Federal Disposal System (FEDS) which maintains Government-wide inventory of excess and surplus personal property and processes transfers of property to Federal agencies and to State and local governments. FEDS is accessible nationwide through the Internet.

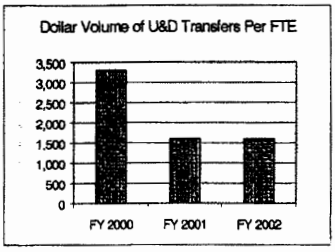
The Personal Property Utilization and Donation program is monitored on a continual basis using the following performance measures:

- New Expenditures Avoided
- Transfers per FTE
- Customer Satisfaction

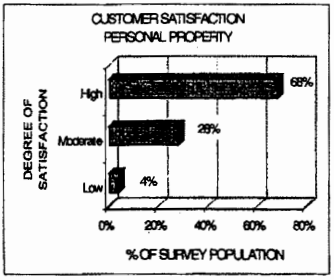
In fiscal year 2000, property reported as excess included unusual volumes of highly desirable property and computers after Y2K, enabling the utilization program to generate $2.7 billion in savings for agencies, which were able to reuse personal property no longer needed by other Federal agencies. Estimated savings for fiscal years 2001 and 2002 are $1.0 billion. During fiscal year 2000 the donation program gave $0.6 billion in surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Donations for fiscal years 2001 and 2002 are valued at $0.6 billion.



The consolidated business volume for the utilization and donation of excess and surplus personal property for fiscal year 2000 was $3.3 billion, with $1.6 billion projected for fiscal years 2001 and 2002 (see following chart). As a result of budget constraints and the expansion of authority to use disposal proceeds for property replacement (exchange sale), more agencies are disposing of the higher valued property through sales and utilizing the proceeds towards new procurements. These properties will not be going through the utilization and donation phase of the process. We anticipate that property of lesser value will continue to move through our disposal system and expect that the overall volume (number of lines of property) which impacts workload will only be slightly affected. The following chart reflects the dollar volume of utilization/donation transfers per FTE.



The property management program conducts biennial surveys of its customers to determine their level of satisfaction with FSS property utilization and donation programs. Data shown below is that of the latest customer satisfaction survey.



Management and Administration

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Offices of Congressional and Intergovernmental Affairs; (4) the Office of Communications; (5) administrative support of Congressional District and Senate State offices; (6) the Office of Emergency Preparedness; (7) the Indian Trust Accounting division; and (8) the GSA Board of Contract Appeals. Below are brief descriptions and accomplishments of some of these organizations.

Administrator and Regional Administrators

The Administrator and Regional Administrators of GSA are responsible for the execution of all functions assigned to GSA by the Federal Property and Administrative Services Act of 1949, as amended, and by other laws. These officials are responsible for planning, coordinating, and supervising assigned programs in accordance with Central Office goals, objectives, and policies.

Office of Congressional and Intergovernmental Affairs

The Office of Congressional and Intergovernmental Affairs acts as GSA's liaison with Congress. The Office coordinates meetings and testimony on Capitol Hill for the Administrator and other agency senior staff, helps congressional offices solve GSA related problems; coordinates responses to congressional inquiries; and supports the GSA legislative program through Congress.

Emergency Management

In fiscal year 2000, the Office coordinated GSA's provision of more than $6 million in services, supplies, equipment, and materials as part of the Federal response to 40 natural disasters.

Indian Trust Accounting

The division is responsible for providing accounting services to the Department of Justice on Indian Trust Funds and assisting in the Government's defense against Indian Tribal claims by providing accounting reports, other evidentiary materials, and expert witness testimony pertaining to accounting policies, practices, and procedures.

Office of Communications

The Office of Communications is GSA's communications, media relations, and marketing department, with primary responsibility for fashioning the agency's message and disseminating information to the press, the public, other Government offices and GSA employees.

Congressional Support

GSA provides support to 1,391 home-state offices for Senators and Members of Congress. This support includes office space, furniture and furnishings, property disposal, equipment and supplies, and storage and relocation services. GSA also provides Congressional Services Representatives in each GSA region as the contact point for all matters pertaining to Congressional, State, and district offices. The funds appropriated to this account reimburse the GSA Working Capital Fund for the support provided by the Congressional Services Representatives.

GSA Board of Contract Appeals

The GSA Board of Contract Appeals (GSBCA) was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between Government contractors and GSA. The GSBCA also hears and decides disputes between contractors and other Executive agencies, including the Department of Treasury, the Department of State, the Department of Commerce, and the Department of Education. Additionally, the GSBCA hears and decides claims involving transportation rate determinations, travel and relocation expense claims, and claims for the proceeds of the sale of property of certain federal civilian employees.

The GSBCA also provides alternative dispute resolution services to Executive agencies both in contract disputes that are the subject of a contracting officer's decision, and in other contract-related disputes.

BOARD OF CONTRACT APPEALS

Case Workload	FY 2000 Actuals	FY 2001 Current	FY 2002 Request	Percent Change
1. Appeals				
a. Cases received	96	120	120	0%
b. Cases closed	116	120	120	0%
c. Cases pending	166	166	166	0%
2. Transportation Rate				
a. Cases received	3	10	10	0%
b. Cases closed	8	10	10	0%
c. Cases pending	1	1	1	0%
3. Travel				
a. Cases received	40	40	40	0%
b. Cases closed	30	40	40	0%
c. Cases pending	15	15	15	0%
4. Relocation				
a. Cases received	131	130	130	0%
b. Cases closed	125	130	130	0%
c. Cases pending	53	53	53	0%
5. Other				
a. Cases received	25	25	25	0%
b. Cases closed	27	25	25	0%
c. Cases pending	10	10	10	0%

General Services Administration
GENERAL SUPPLY FUND

MISSION

The General Supply Fund (GSF) is a full-cost recovery, revolving fund that provides Federal agencies with services and supplies. These include a national supply distribution system, commercial products acquired directly from contractors at discount prices, professional services provided by major private sector firms, low cost vehicle acquisition and leasing, travel and transportation services that are deeply discounted, and the sale of surplus and excess federal personal property. In fiscal year 2000 the fastest growing area was the $15.1 billion Federal Supply Multiple Awards Schedules program, particularly services contracts. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of products and services.

The General Supply Fund consists of four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. With few exceptions, these business lines are non-mandatory and, operating expenses are recovered in the prices charged federal agencies.

THE BUDGET IN SUMMARY

Supply & Procurement

The Supply and Procurement business line offers Federal agencies a choice of more than 4 million commercial products and an extensive range of technology, financial, environmental, management, and administrative services. Customers can purchase directly from more than 8,700 contracts through Federal Supply Schedule contracts or shop using *GSA Advantage!™*, GSA's award winning electronic shopping service. *GSA Advantage!™* allows federal employees worldwide to compare prices, place orders, and make payments over the internet. Customers benefit from consolidated purchasing, contracting expertise, and compliance with federal procurement and socioeconomic policies.

Supply and Procurement performance goals focus on reducing operating costs; expanding the range of products and services offered; providing federal agencies sources which will further the Government's socioeconomic goals; increasing customer satisfaction; and making more products and services available through GSA's electronic shopping and ordering system *GSA Advantage! ™*.

The Supply and Procurement Business Line is changing. A portion of this business line is related to the unique needs of the full-service customer and will now be designated as the new Office of Supply. All other activities will be the responsibility of the Office of Commercial Acquisition.

In FY 2001 the implementation of the new Office of Supply will help FSS focus on innovation and increased efficiency in a new and distinct business line. Creating a separate Office of Supply and Office of Commercial Acquisition establishes distinct goals, responsibilities and resources under separate managers. The separation also allows for more focused use of e-business applications that address the differences between customer and industry partners under each business line.

The General Services Administration has completed a review of the financial condition of the Federal Supply Service's national Stock Program and has decided to consolidate distribution operations in two centers, located in Burlington, New Jersey and Stockton, California. This consolidation

will require closure of two Distribution Centers and four Forward Supply Points. Actual closures will not occur before October 1, 2001. Financial and employment data for the General Supply Fund for FY 2002 does not reflect the impact of the closures.

The Supply and Procurement business line projects its operating expenses for fiscal year 2002 to be $317.2 million which is an increase of $6.4 million from its fiscal year 2001 operating expenses of $310.8 million. Additionally, cost of goods is expected to decrease from $907.4 million in 2001 to $855.4 million in 2002.

Vehicle Acquisition and Leasing Services

The Office of Vehicle Acquisition and Leasing Services provides customers with one-stop shopping, whether they decide to have GSA purchase vehicles for them or to lease their vehicles from the GSA-managed fleet.

GSA is the federal Government's mandatory source for purchases of new non-tactical vehicles. Through consolidated buying and competitive purchasing, this business line offers the Government significant savings on vehicle purchases. Leasing through GSA is not mandatory. Agencies that lease through GSA are provided with full service management, including a fleet services card for fuel and repairs. When vehicles meet specific age and mileage criteria, they are retired from the GSA fleet and marketed to the public, and the proceeds are reinvested to sustain a modern, cost-effective fleet.

GSA works with customer agencies to encourage use of alternative fuel vehicles (AFVs). Federal agencies have the option of purchasing or leasing AFVs through GSA's Office of Vehicle Acquisition and Leasing Services. GSA has the largest Alternative-Fuel Fleet in the nation. GSA has purchased over 36,000 AFVs since fiscal year 1991 – 30,000 of them for the GSA Fleet. By doing so, we have furthered our customers' efforts to comply with alternative fuel mandates and helped to stimulate development of an infrastructure to support environmentally friendly alternatives to the use of fossil fuels.

The Office of Vehicle Acquisition and Leasing Services' performance goals are to continue the substantial savings achieved through volume buying; to provide further efficiencies by consolidating more vehicles into the GSA Fleet; to hold increases in mileage fees to the rate of inflation; to maintain a high customer-satisfaction level; and to support the Government's goals for use of alternative fuel vehicles.

This business line is funded through a portion of the price charged agencies for vehicles purchased and from monthly and per-mile fees for leases. Operating expenses for fiscal year 2002 are projected to decrease to $94.1 million from its fiscal year 2001projection of $115.0 million, with costs of goods/operations remaining constant at $1.2 billion.

Travel & Transportation

The Travel and Transportation business line helps control the costs of federal employee travel and transportation services. Travel services include negotiated airline contracts, travel agency services and travel charge card services. Transportation services include the shipment of parcels, freight and household goods.

In recent years, Federal travel and transportation budgets have been approximately $18 billion annually.

General Services Administration
GENERAL SUPPLY FUND

Reducing costs by consolidating contracts and achieving administrative savings, this business line competes successfully for federal business in its non-mandatory program areas as well as achieving significant savings for the Government in its mandatory Airline City Pairs program.

The Travel and Transportation performance goals focus on achieving significant savings on federal travel, reducing Government transportation costs, and increasing customer satisfaction.

For fiscal year 2002, expenses for the fully reimbursable travel and transportation services programs are projected at $7.5 million. Fiscal year 2001 expenses were projected at $6.0 million.

Personal Property Management

The General Supply Fund portion of this business line sells surplus government personal property whose value cannot be extended through reutilization or donation - seeking the maximum return for the taxpayer.

When requested, this business line handles the sale of seized and forfeited property for the U. S. Marshals Service. These services are non-mandatory, so agencies are free to sell surplus property themselves or have commercial firms do it for them. Personal Property Management takes a cost-recovery fee and returns the remaining proceeds to the U.S. Treasury or to the holding agency. Personal Property Management also inventories, stores, and occasionally sells gifts and decorations presented to federal employees by foreign governments.

Performance goals for fiscal year 2002 aim to control cost while maximizing proceeds from the sale of surplus property and increase customer satisfaction. Total expenses for this business line in fiscal year 2002 are anticipated at $16.1 million, of which $3.6 million is furniture reclamation. Personal property management's expenses in fiscal year 2001 were $15.3 million with furniture reclamation consisting of $3.1 million of that amount.

General Services Administration
GENERAL SUPPLY FUND

GENERAL SUPPLY FUND $(Thousands)				
	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 02/01 Change
Income	2,739,644	2,948,628	2,977,532	+28,904
Supply and Procurement	1,308,696	1,226,880	1,219,836	-7,044
Personal Property Management	12,204	15,471	17,205	+2,893
Travel and Transportation	6,341	7,300	7,534	+534
Vehicle Acquisition & Leasing	1,412,403	1,698,977	1,732,957	+33,980
Expense	2,588,428	2,798,652	2,803,778	+5,126
Supply and Procurement	1,269,273	1,203,748	1,172,634	-31,114
Personal Property Management	13,613	15,348	16,095	+747
Travel and Transportation	6,473	6,044	7,534	+1,490
Vehicle Acquisition & Leasing	1,299,069	1,573,512	1,607,515	+34,003
Profit (Loss)	151,216	149,976	173,754	+23,778
Less Reserve/ Requirements	121,199	107,205	138,814	+31,609
Net Profit (Loss)	30,017	42,771	34,940	-7,831
FASAB Compliance*	-25,109	-25,109	-25,109	+0
Final Adjusted Profit (Loss)	4,908	17,662	9,831	-7,831
Net Outlays	-41,689	0	0	+0
FTE	3,090	3,099	3,049	-50

* Includes projected levels of pension/post retirement benefit expenses in accordance with the Federal Accounting Standards Advisory Board (FASAB) No. 5. This is required for reporting purposes, even though individual Federal agencies are not required to pay the costs. The Office of Personnel Management pays these costs.

General Services Administration
GENERAL SUPPLY FUND

GENERAL SUPPLY FUND Explanation of Budget Changes Obligations ($Thousands)	
FY 2001 Program Level	**3,521,476**
Change in Capital Investment	+12,921
Pay Increase	+6,162
Business Volume Adjustments	+41,510
FY 2002 Budget Request	**3,582,069**

General Services Administration
GENERAL SUPPLY FUND

GENERAL SUPPLY FUND
Obligations by Object Class
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request
Personnel Compensation:			
11.1 Full-time permanent	156,383	162,169	168,331
11.3 Other than full-time permanent	10,505	10,715	10,875
11.5 Other personnel compensation	1,569	1,600	1,632
11.9 Total personnel compensation	168,457	174,484	180,838
12.1 Civilian personnel benefits	37,721	39,032	39,812
21.0 Travel and transportation of persons	5,250	6,224	6,348
21.0 Motor pool travel	600	612	624
22.0 Transportation of things	53,618	54,690	56,783
23.1 Rental payments to GSA	43,501	47,640	48,458
23.3 Communications, utilities, and misc. charges	32,109	32,451	34,100
24.0 Printing and reproduction	6,938	8,021	8,581
25.2 Other services	112,415	114,363	110,450
25.3 Purchases of gds/svcs from Gov't accts	50,903	51,921	52,959
26.0 Supplies and materials	2,338,815	2,346,012	2,384,169
31.0 Equipment	615,852	646,026	658,947
Total Obligations	3,466,179	3,521,476	3,582,069

General Services Administration
GENERAL SUPPLY FUND

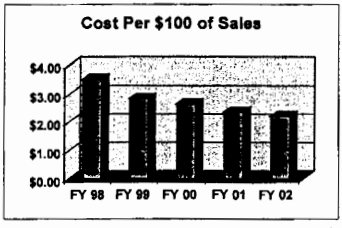
THE FY 2002 PERFORMANCE PLAN

The business lines under the General Supply Fund are committed to satisfying the Federal Government's requirements for products and services at the least cost to the taxpayer. In order to measure accomplishments toward meeting this challenge, performance goals and measures have been established. These goals and measures are reflected in this budget submission and the fiscal year 2002 performance plan.

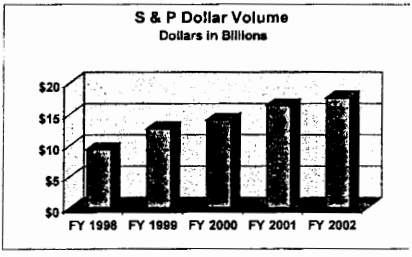
Supply and Procurement

This business line leverages federal purchasing power to deliver quality, service, savings and choice in commercial products and services - from computers to contracts for financial management services. Federal Supply Schedules and direct delivery methods of supply are included.

Performance Goal: Hold costs at current levels while expanding supply and procurement support to Federal agencies, thereby reducing the overall cost per $100 sales in all programs.



Performance Goal: Increase Federal agencies' use of GSA sources by providing additional products and services and by making it easier to access products and services.



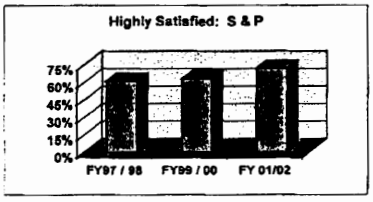
Performance Goal: Maintain the current proportion of Schedules contracts awarded to small businesses.

Performance Measure: Percent of Schedule contracts awarded to small business.

Baseline:	77%
FY 1999:	77%
FY 2000:	77%
FY 2001	77%
FY 2002	77%

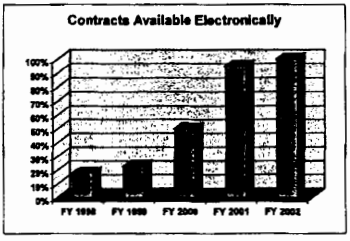
General Services Administration
GENERAL SUPPLY FUND

Performance Goal: Increase customer satisfaction with Supply and Procurement programs.



Note: FY 99-00 results exceeded our original target of 63% in the "highly satisfied" category by a considerable margin. We have retained the 72% "actual" as our FY 01-02 target.

Performance Goal: Increase the number of products and services available to Federal customers via electronic systems and Internet connectivity.



Vehicle Acquisition and Leasing Services

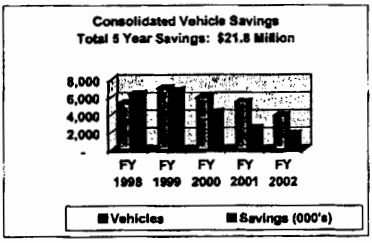
The GSA fleet management organization and GSA's vehicle acquisition center - merged to become a single business line in 1998. Furthering the one-stop shopping model, this business line makes it easier for customers to evaluate fleet management options and arrive at decisions responding to their needs.

Performance Goal: Achieve an average 20% savings over commercial "Black Book" prices for compact sedans.

Performance Measure: Percent saved compared to "Black Book" price.

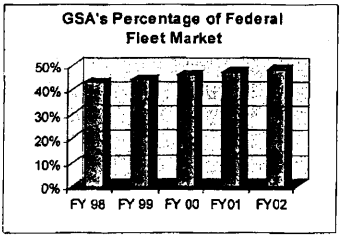
1998 Baseline	20%
1999 Actual	20%
2000 Actual	20%
2001 Target	20%
2002 Target	20%

Performance Goal: Achieve savings by consolidating additional vehicles into GSA's fleet.

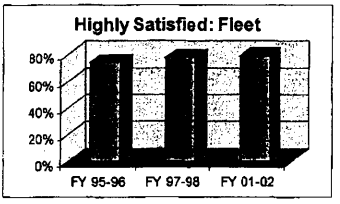


General Services Administration
GENERAL SUPPLY FUND

Performance Goal: Increase GSA's share of Federal fleet.



Performance Goal: Meet or exceed customer expectations.



Performance Measure: % of respondents giving a "highly satisfied" rating.
Note: The FY 99-00 survey was not conducted due to delays attributable to development of a satisfactory survey instrument for the integrated business line (Vehicle Acquisition and the GSA Fleet)- for which this would have been the first survey performed.

Performance Goal: Fill 100% of requests for Alternative Fuel Vehicles.

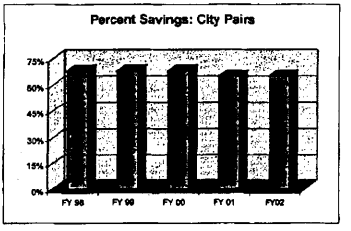
Performance Measure: Percentage of requests filled.

FY 1998 Baseline:	100%
FY 1999 Actual	100%
FY 2000 Actual	100%
FY 2001 Target	100%
FY 2002 Target	100%

Travel and Transportation

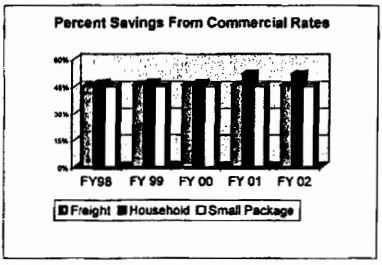
The business line controls and reduces Federal costs through its commercial travel and transportation services. Travel services include negotiated airline contracts, travel agency services, and travel charge card services. Transportation services include shipment of parcels, freight and household goods.

Performance Goal: Achieve significant savings on Federal travel as compared with commercial prices.

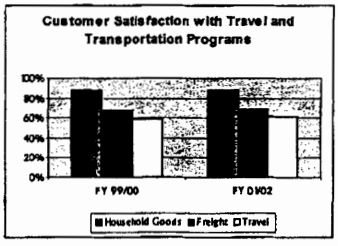


General Services Administration
GENERAL SUPPLY FUND

Performance Goal: Maintain savings of 45% to 52% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.



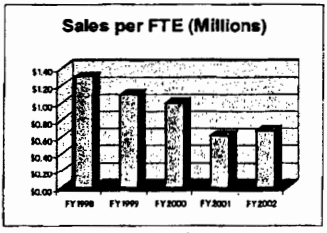
Performance Goal: Increase customer satisfaction with travel and transportation programs.



Personal Property Management.

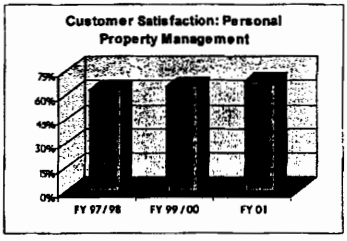
The General Supply Fund portion of this business line, sells surplus government personal property whose value cannot be extended through the reutilization or donation phase.

Performance Goal: Control costs while effectively performing sale services.



Note: The decrease in sales proceeds per FTE for fiscal year 2001 and 2002 is a direct result of the drop in dollar value of property moving through the system rather than workload.

Performance Goal: Increase customer satisfaction with Personal Property Management Services.



General Services Administration
INFORMATION TECHNOLOGY FUND

MISSION

The Federal Technology Service (FTS) is dedicated to providing information technology solutions and telecommunications services that deliver the best value and innovation to support our customers. FTS strives to meet federal customers' requirements in an effective and cost-efficient manner.

RESOURCES

FTS programs are financed by the Information Technology (IT) Fund. The Fund was authorized by the Paperwork Reduction Reauthorization Act of 1986 (Public Laws 99-500 and 99-591, section 821(a)(1)). This intra-governmental revolving fund provides information technology resources to Federal agencies on a fee-for-service basis. The Fund also provides for a capital reserve to finance investments and program costs which are one-time or non-recurring in nature, allowing for more stable rates for services, when expenses vary because of events such as a major procurement. The reserve also funds the development and start-up costs of new services to our customers, new program requirements, and new technologies and recompetition opportunities. The reserve requirements are developed annually by FTS and included in the IT Fund Cost and Capital Requirements Plan. This plan is submitted to OMB for review and approval pursuant to Section 110(a)(1) of the Federal Property and Administrative Services Act of 1949, as amended by Public Law 99-591. The rates charged agencies receiving information technology services are consistent with this plan. In addition, the Interagency Management Council (IMC), which consists of senior executive telecommunications officials from Federal agencies, serves as a Board of Directors for the development, coordination, and customer-driven oversight of the Federal telecommunications program.

FY 2002 BUDGET IN SUMMARY

The IT Fund finances, on a reimbursable basis, governmentwide information technology services through two business lines: **Network Services** and **Information Technology (IT) Solutions**. Resources supporting these business lines are based on rates charged Federal customers. In FY 2002, 97% of the total FTS reimbursements are projected to flow through to the private sector for payment of telecommunications and IT solutions services. The remaining 3% funds the reserve requirements and FTS internal operations.

The **Network Services** business line enables FTS to provide Federal customers with end-to-end telecommunications services including global voice, data, and video services supporting both local and long distance government telecommunications users. FTS also provides advanced telecommunications products and services through "innovative services" contracts. The "innovative services" contracts currently provide customers with a variety of fully competed contracts for wireless communications, technical management support services, international calling, wire and cable, satellite equipment and services, and Internet access.

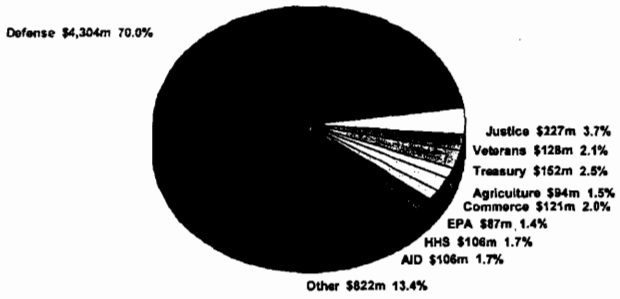
The **IT Solutions** business line helps agencies acquire, manage, integrate and use technology resources and protect the security of Federal information on-line.

The FY 2002 budget provides resources for the leadership, new technology, technical expertise and innovative programs that enable our customers, other Federal agencies, to achieve their planned results in the most efficient and productive way. A breakdown of our customer base is shown in Exhibit 1 on the next page.

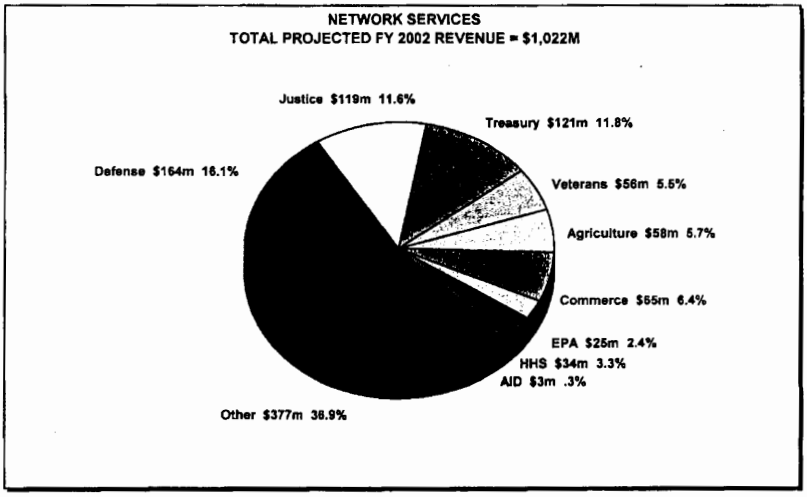
General Services Administration
INFORMATION TECHNOLOGY FUND

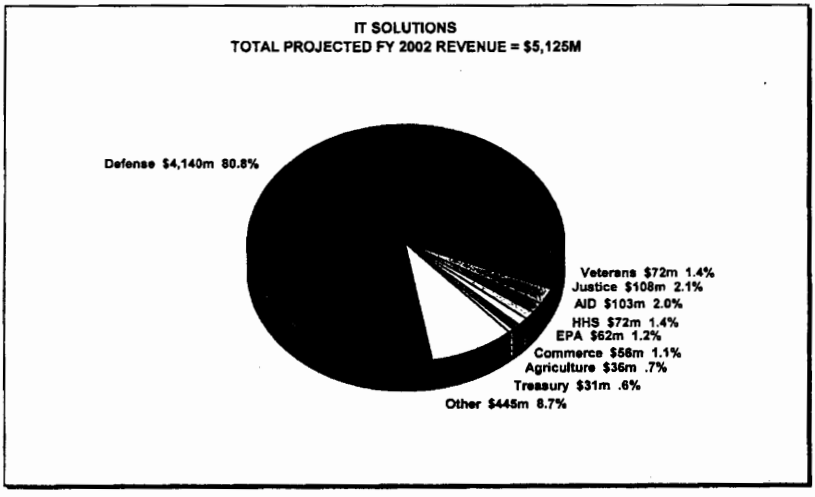
Exhibit 1. Major Customers of the Information Technology Fund

TOTAL PROJECTED FY 2002 REVENUE = $6,147M



General Services Administration
INFORMATION TECHNOLOGY FUND





General Services Administration
INFORMATION TECHNOLOGY FUND

INFORMATION TECHNOLOGY FUND
RESULTS OF OPERATIONS
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 02/01 Change
Total Revenue	5,062,979	5,679,689	6,208,864	529,175
Less: Intra-fund revenue 1/	(51,539)	(56,679)	(62,209)	(5,530)
Net Revenue	5,011,440	5,623,010	6,146,655	523,645
Total Expense	5,130,834	5,773,998	6,259,230	485,232
Less: Intra-fund expense 1/	(51,539)	(56,679)	(62,209)	(5,530)
Net Expense	5,079,295	5,717,319	6,197,021	479,702
Net Income from (Cost of) Operations	(67,855)	(94,309)	(50,366)	43,943
Pension funded by others 2/	12,641	12,641	12,641	0
Net Results of Operations	(55,214)	(81,668)	(37,725)	43,943
Net Results of Operations	(55,214)	(81,668)	(37,725)	43,943
Less expenses financed from accumulated operating results (retained earnings reserves)	67,232	87,288	45,227	(42,061)
Excess Revenue/(Expense) from Current Year Operations	12,018	5,620	7,502	1,882
Analysis of Net Results of Operations:				
Contributions to Program Reserves and Working Capital	35,692	5,620	7,502	1,882
Approved/Projected Uses of Reserves	(67,232)	(87,288)	(45,227)	42,061
Use of Working Capital Reserve (operations)	(23,674)	0	0	0
	(55,214)	(81,668)	(37,725)	43,943
Net Outlays	(37,024)	66,000	0	(66,000)
FTE:	1,393	1,430	1,472	42

1/ Under standard accounting practices, when services are provided to customers within the IT Fund, the effects of these transactions are eliminated, for consolidated purposes.

2/ Includes projected levels of pension and retirement benefit costs in accordance with Federal Accounting Standards Advisory Board (FASAB) Standard No. 5. This is required for reporting purposes, even though individual agencies are not required to pay these costs. These costs are paid by the Office of Personnel Management (OPM).

General Services Administration
INFORMATION TECHNOLOGY FUND

EXPLANATION OF ESTIMATES

The IT Fund FY 2002 revenue reflects an increase of over $529 million from FY 2001. The majority of this increase is in the IT Solutions business line where business continues to grow.

The total excess revenues from current operations are retained in the Fund to finance capital investments and program costs that are one-time or non-recurring in nature.

Operating expense and reserve funding levels are determined through the submission and approval process of planned cost and capital requirements to OMB by GSA annually.

This budget request also reflects a $418 million increase in obligations from FY 2001, as shown below. This change results primarily from increases in projected business volumes. Operating expenses will increase slightly due to pay raises and inflation. Obligations associated with the use of reserves will decrease because of FTS2001 transition related costs.

INFORMATION TECHNOLOGY FUND
Explanation of Budget Changes
Obligations
$(Thousands)

FY 2001 Current Level	**$5,925,822**
Pay Raise, January, 2001	8,787
Inflation	6,122
Increase in Business Volume	474,084
Change in Reserve Use	-71,108
FY 2002 Budget Request	**$6,343,707**

MAJOR ISSUE

With explosive business growth over the last several years, the IT Fund is experiencing a very low cash balance. This is in part the result of increased business volumes and the 30 to 60 day lag time between payments to contractors and cash receipts from customers. FTS has negotiated an agreement with its major customers so that they are billed through the On-Line Payment and Collection (OPAC) System.

In March 2000, GSA established an internal task force to identify problem areas and recommend solutions required to ensure an adequate cash balance. A significant step has been improved communications with FTS' largest customer, the Department of Defense (DOD). The team includes representation from DOD. The joint GSA/DOD solutions team is focusing on billing issues, improved communication, and a better understanding of each other's financial requirements. In addition, an agreement has been signed increasing the number of program billings to DOD processed under OPAC.

FTS has taken and is continuing to take aggressive action to maintain a healthy cash position. GSA is working with OMB, Treasury and customer agencies to improve cash and accounts receivables management.

General Services Administration
INFORMATION TECHNOLOGY FUND

INFORMATION TECHNOLOGY FUND Obligations by Object Class $(Thousands)				
		FY 2000 Actual	FY 2001 Current	FY 2002 Request
	Personnel Compensation:			
11.1	Full-time permanent	82,060	115,140	119,935
11.3	Other than full-time permanent	1,153	470	490
11.5	Other personnel compensation	16,257	2,498	2,595
11.9	**Total personnel compensation**	**99,470**	**118,108**	**123,020**
12.1	Civilian personnel benefits	21,293	26,600	30,475
13.0	Benefits for former personnel	1	0	0
21.0	Travel and transportation of persons	5,914	6,354	6,481
21.0	Motor pool travel	251	369	376
22.0	Transportation of things	649	1,035	1,056
23.1	Rental payments to GSA	12,276	13,116	14,947
23.3	Communications, utilities, and misc. charges	4,674	2,459	2,508
24.0	Printing and reproduction	771	703	718
25.2	Other services	5,021,457	5,609,675	6,006,210
25.3	Purchases of goods and services from Government accounts	121,454	137,946	148,486
26.0	Supplies and materials	3,708	1,843	1,880
31.0	Equipment	35,348	7,614	7,550
99.0	**Total Obligations**	**5,327,266**	**5,925,822**	**6,343,707**

BUSINESS LINES

FTS provides Federal customers with information technology, telecommunications products and services through two business lines: **Network Services** and **Information Technology Solutions.**

The Network Services business line offers Federal customers end-to-end telecommunications services. The major programs under the Network Services business line are the FTS2001 long distance program and the Local Telecommunications Services program.

The **FTS2001 program** provides long-distance telecommunications service that offers the Federal Government low-cost, state-of-the-art, integrated voice, data, and video telecommunications. The FTS2001 contracts awarded to Sprint and MCI WorldCom on December 1998 and January 1999, respectively, are estimated to be worth more than $2.6 billion over the eight-year contract period. FTS2001 replaces the two successful FTS2000 contracts and retains many of their key features, especially aggressive price competition. Through GSA negotiations over the past ten years, long distance telecommunications rates have decreased from a national average of 27 cents per minute in FY 1988 to 5.8 cents per minute under FTS2000. Under FTS2001, prices begin at about 4.5 cents per minute and drop to less than 1 cent per minute by the end of the contract. Because of these substantial price reductions, revenues for the long distance program are projected to decline from $684 million in FY 2000 to $621 million in FY 2001 and increase to $630 million in FY 2002.

FTS has established a Transition Coordination Center (TCC) that provides overall management, guidance, and technical support to Federal agencies and US Tribal Nations electing to transition current FTS2000 services to FTS2001 networks. Transition to FTS2001 began in June 1999 and was expected to be completed within eighteen months. However, the FTS2000 contracts required a six-month extension to June 2001 in order to fully complete the transition effort. By June 2001, all FTS2000/FTS2001 transition related work will be completed.

As reported in the January 2000 *GSA Report to Congress on the Cost Effectiveness of the FTS2000 Program* from FTS, FTS2000 prices are 15.9 percent lower in the aggregate for the Government's telecommunications requirements than the lowest commercial equivalent.

The largest FTS2000/FTS2001 service offering is switched voice service. As illustrated in Exhibit 2 below, FTS long-distance voice prices have been highly competitive with those in the commercial sector. In FY 1999, FTS2000 average cost per minute was 5.8 cents compared to the industry price of 10.2 cents. With FTS2001, cost per minute will continue to be below the industry average.

FTS2000/FTS2001 Voice Service Prices

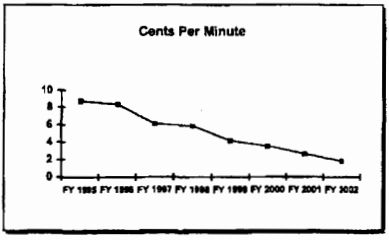


Exhibit 2. FTS2000/FTS2001 prices

The **Local Telecommunications Services** program provides local voice and data telecommunications to Federal agencies nationwide. In the wake of reforms initiated by the Telecommunications Act of 1996, FTS is pursuing lower prices for local service in major markets through its Metropolitan Area Acquisition (MAA) Program. The MAA program takes advantage of competition to achieve immediate, substantive, and sustained price reductions for local telecommunication services in metropolitan areas. After a forbearance

period of at least one year from an MAA award, the Government may execute an option to allow the FTS2001 vendors to offer optional local services. Additionally, after the minimum one year forbearance period, the Government may execute an option to allow winning MAA vendors in one city to offer local services in another MAA city.

Phase I of the MAA program was completed in FY 1999 and resulted in contracts for New York, Chicago, and San Francisco, with potential savings estimated at $300 million over current rates. Sixteen out of seventeen Phase 2 cities were completed in FY 2000 with the award of over 30 additional contracts to eight (8) industry partners. These contracts will provide expanded local telecommunications services to Buffalo, New York, Cincinnati, Ohio, Cleveland, Ohio, Los Angeles, California, Baltimore, Maryland, Atlanta, Georgia, Miami, Florida, Indianapolis, Indiana, St. Louis, Missouri, Minneapolis, Minnesota, Dallas, Texas, Denver, Colorado, Boston, Massachusetts, New Orleans, Louisiana, Boise, Idaho, and Albuquerque, New Mexico. Award for the remaining Phase 2 city, Philadelphia, Pennsylvania, was made in February 2001. It is estimated that the contracts awarded in the twenty MAA cities to date have the potential to save Federal government telecommunications users over $1 billion compared to current costs. Procurements for seven additional cities are expected in 2001 under Phase 3 of the program.

In FY 2000, FTS awarded the eight-year, $1.4 billion Washington Interagency Telecommunications System (WITS) 2001 contract to Verizon Communications (formerly Bell Atlantic Federal). This contract provides Federal agencies in the Washington, DC area with the broadest range of local telecommunications services and equipment ever combined in a single GSA contract vehicle. In addition to its broad scope, WITS2001 contract also offers flexibility to user agencies with web-based service offerings, flexible billing options and direct access by agencies to the contractor, WITS2001 allows agencies to tailor their use of the contract to meet their specific ordering and management practices, saves Federal customers the expense of contracting on their own, frees up resources to focus on other tasks.

A price management mechanism has been incorporated which insures that the contractor's prices to GSA remain at or below the best available prices in the marketplace. The WITS2001 acquisition will result in $300 million of savings over the current commercial prices. WITS2001 serves 30% of the Federal agencies in the Washington, DC metropolitan area. FTS expects to double its customer base under this contract within the next year because of the cost savings offered. Existing customers of GSA will experience price reductions of 30% and new customers can expect price reductions of 70% over the existing commercial price. Revenues for the Local Telecommunications Services program were $339 million in FY 2000 and are projected to be $394 million in FY 2001 and $400 million in FY 2002.

The Local Telecommunications Services program has undertaken a major initiative to reduce the average monthly line rate. Exhibit 3 shows the actual monthly line rate to date and the projected monthly line rate for FY 2001. The national average monthly line rate for FY 2001 is projected to be $17.99 which reflects an overall reduction of $10.71, or more than 37% from the FY 1994 average monthly line rate of $28.70. The FY 2001 projected rate does not include additional cost reductions expected to result from the recent MAA and WITS2001 awards.

Local Line Rate

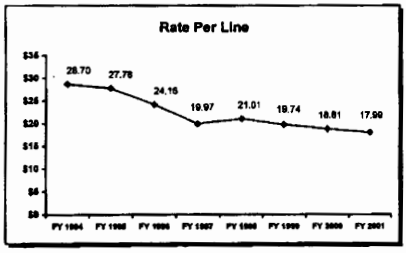


Exhibit 3. Local Line Cost

In FY 2002, FTS will continue to strive to reduce the average monthly line rate. FTS fully expects the rates to continue to decline as MAA contracts are implemented.

The **IT Solutions** business line within FTS provides all types of IT products and services, including security solutions, to its Federal clients through contracts with private sector firms. IT Solutions provides a variety of ways for agency customers to buy—through FTS contracts, through Federal Supply Service Schedules, and through the contracting offices of other Federal agencies with which IT Solutions developed strategic partnering arrangements. Customers can choose among numerous value-added services at various levels of support and cost.

All programs under the IT Solutions business line are non-mandatory and fully reimbursable. Exhibit 4 below, illustrates the increase in demand for IT Solutions services over the past few years.

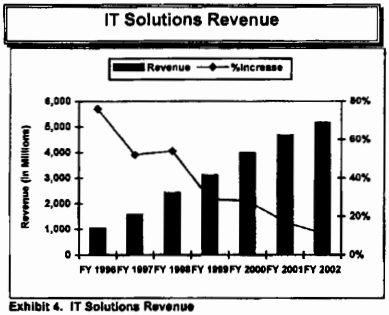


Exhibit 4. IT Solutions Revenue

IT Solutions strives to provide the same products and services or solutions with the same level of service at the same price to all clients. To achieve this goal, IT Solutions' concept of operations is based on distinct service delivery and solutions development "centers of expertise" which are designed to leverage existing skill sets and talents to best serve our customers. FTS customers benefit by gaining a broad range of industry partners and contracts options.

We currently have 15 Client Support Centers (CSCs) and four Solutions Development Centers (SDCs) to support FTS clients nationwide. In 11 regional locations, CSCs provide one-stop shopping service to clients in an assigned geographic location. There are also two national CSCs that serve clients requiring information security or large systems integration projects expertise. CSCs provide their clients access to all FTS products and services and offer a value-added acquisition and technical service to determine the best solution for the client's IT needs. SDCs develop, award, and administer master contracts for use by the CSCs.

The major programs in the IT Solutions business line are Regional IT Solutions including the Federal Acquisition Services for Technology (FAST) Program, the Federal Systems Integration and Management Center (FEDSIM), the Federal Computer Acquisition Center (FEDCAC), the Office of Innovative Business Solutions and the Center for Information Security Services.

Regional IT Solutions CSCs provide services that include systems definition and design, business and scientific software services, computer security studies and risk analyses, and access to all of FTS' products and services. The **FAST** program is a large part of the regional program designed to enable Federal agencies to quickly purchase commercial off-the shelf information technology software, equipment and non-complex services. It offers the Federal customer products and services, plus the "value-added" complement of contracting services support. FAST focuses on shortest time, lowest cost, and highest quality as a composite procurement approach. The program's success relies on quick contracting solutions, including 1) GSA's multiple-award schedules (MAS); 2) government-wide acquisition contracts (GWACS) for specialized buys; and 3) multiple award 8(a) contracts with small businesses. This procurement strategy also affords 8(a) firms an opportunity to develop new business. Regional ordering offices have increased 8(a) revenues in the past three years.

These are clear indications that more clients are being offered 8(a) services than ever before. In FY 2000, Regional IT Solutions introduced Buyers.gov, a web-based government business and auction exchange. Regional IT Solutions adapted existing commercial E-commerce software to Federal standards to introduce reverse auctioning and aggregation capabilities to the government IT community. Buyers.gov consists of Private Auction, eFAST, and Quick Quote. Private Auction provides reverse auctioning wherein Government agencies can drive prices for IT products and services to natural market levels (rather than drive them up through conventional auctioning). Private Auction allows for real time, dynamic price negotiations and facilitates the evaluation of price/performance tradeoffs. eFAST allows agencies to aggregate requirements online and achieve the benefits of volume purchasing (i.e., quantify discounts and unit price reductions) for commonly procured IT products. Quick Quote allows agencies to issue Requests for Quotations (RFQs) online and receive quotes from selected sources of supply in real time. Government users can even generate a list of required commodities through an electronic shopping cart and then transfer the entire cart to a private auction for procurement.

Regional IT Solutions FY 2000 revenues were over $2.9 billion, an increase of almost 38% over FY 1999. Continued growth is expected for FY 2001 and for FY 2002 at $3.4 billion and $3.8 billion, respectively. In FY 2000, twenty-one Federal agencies placed 600 task orders worth $250 million under the Applications 'n Support for Widely-diverse End User Requirements (ANSWER) contract. Only in its second year, ANSWER generated business of more than 300 percent over the initial fiscal year. ANSWER, awarded to ten prime contractors, has a ceiling value of $25 billion over a ten-year period. Through ANSWER, FTS provides clients stability and continuity in the face of today's highly volatile and rapidly changing technological environment. It provides services and support in requirements and design research, analysis and development, software maintenance, and facilities management including business, scientific, and engineering applications, and by providing the continuous technological upgrades so necessary in a technological environment.

In FY 2000, FTS completed the fourth and final award in a series of four major information technology support services contracts under the Millenia Lite program. The maximum dollar value for all contracts awarded under Millenia Lite is $20 billion. Millenia Lite is comprised of four functional areas including information technology planning, studies and assessment; high-end information technology services; mission support services; and legacy systems migration and new enterprise systems development

FEDSIM is a national CSC that assists agencies in acquiring and using information systems and information technology, including hardware, software, maintenance, training, and analyst support. FEDSIM focuses on large, complex systems integration efforts. FY 2000 revenues were $918 million and are expected to grow to over $1 billion in both FY 2001 and FY 2002. FEDSIM continued its support to the small business community by obligating almost $159 million in contracts to small business in FY 2000.

FEDCAC is an SDC which delivers full-service management of computer acquisitions worth more than $100 million and conducts full and open competitions for contracts required by FTS customer support centers nationwide. FEDCAC awarded the Millennia contract which resulted in a substantial increase in FTS revenues. Millennia, awarded to 11 prime contractors, supports very large systems integration projects and has a ceiling value of $25 billion over a base period of five years. Since its award in May 1999, there has been an enormous interest in this contract. The first task order under this contract was for $22 million and was awarded by FEDSIM in August 1999. In FY 2000, Millenia enjoyed significant success. Seventeen task orders were issued with a total estimated value of $1.3 billion. Of this amount, nearly $65 million was obligated in FY 2000. The largest award was in excess of $228 million and the average task order awarded was $78.5 million. Additionally, FEDCAC continues to award new task orders on the Virtual Data Center Services contract, which provides data processing outsourcing services to Federal agencies, and offers a quick, low-cost alternative for obtaining

commercial data processing services. FY 2000 revenues were $39 million, and are projected to be $39 million in FY 2001 and $43 million in FY 2002.

With GSA's Seat Management Program, the government can acquire desktop computing as a totally integrated "information utility" that includes general purpose desktop computers, servers and associated peripherals, local and wide area capabilities, help desk services, design and installation services, maintenance and training. The Seat Management Program incorporates commercial practices into the Federal government by allowing Federal managers to outsource desktop services more effectively than before and to custom-build "seats" to meet their particular information technology environment.

In FY 1999, GSA awarded the first task order under its Government-wide Seat Management Services contract at an evaluated price of approximately $114 million over ten years. This task order provides 2,500 employees in the GSA headquarters building in the District of Columbia and in FTS offices located in Virginia and Massachusetts with comprehensive desk top computing services. Since this first award, FTS has successfully awarded additional tasks under the Seat Management Services contract. In June 1999, a task order for $88 million was awarded for 1,600 seats at the Treasury Department, followed by $50.9 million for 800 seats at the Housing and Urban Development's Inspector General's Office. In FY 2000, there have been four awards (Peace Corp is for 5 years, the remainder are for 10 years): Peace Corp for 885 seats at $16.9 million, Army Center for Substance Abuse Program for 40 seats at $6.5 million, DC Housing Authority for 400 seats at $26 million, Department of State, Foreign Building Operations for 1,200 seats at $49 million.

The **Office of Innovative Business Solutions** is a CSC which develops and deploys innovative new service areas that incorporate the most current technologies and approaches to solving Federal IT problems. It consists of the GSA IT Acquisition Services Center, the Financial Management Systems Support Center (FMSSC), the Federal Learning Technology Center (FedLearn), the Center for IT Outsourcing, and the Center for Smart Card Solutions. Combined revenues for FY 2000 were $18 million and are expected to grow to $81 million in FY 2001 and to $91 million in FY 2002. This significant growth from FY 2000 is primarily attributed to the Smart Card and FedLearn programs which begin full operation in FY 2001.

The *GSA IT Acquisition Services Center* provides IT solutions to GSA itself. The Center's IT Solutions Team provides GSA rapid access to all FTS contractual vehicles (including Seat Management), to the Federal Supply Service's (FSS) Schedules, and to other Government-wide acquisition vehicles (GWACs). The Center creates new contractual vehicles to service GSA when required. The Center is also available to serve all GSA regions.

The Center provides IT solutions and acquisition support during all procurement phases. Before issuing task orders or awarding contracts, the Center offers pre-procurement planning services that include work product specification and development of statements of work. Teams of computer specialists work hand-in-hand with contracting officers to provide specialized project management services and post-award contract administration.

The Center administers the GSA Services (GSAS) contract with the Unisys Corporation. This GSA-dedicated contract has been active for the past six years as a source for major IT systems, engineering services, and network and desktop products.

The *Financial Management System Services Center* (FMSSC) assists Federal agencies in evaluating, designing, and implementing financial and administrative systems. FMSSC works with agencies to identify problems, develop alternatives, define systems requirements and develop procurement strategies to satisfy those requirements. Using Federal Supply Service (FSS) Schedules and other Federal procurement vehicles, FMSSC purchases core accounting, financial, and administrative systems for client agencies. FMSSC also provides project management support for specialized financial systems.

FMSSC implemented the new FTS Enterprise Resource Planning (ERP) initiative to stimulate Federal agency use of ERP systems. ERP systems provide cost-effective data warehousing, data mining, and executive-level information. In FY 2000, FMSSC awarded over $165 million in contracts for full ERP systems, individual core accounting systems, and other financial and administrative management systems.

The *Federal Learning Technology Center* (FedLearn) is a non-mandatory, fully reimbursable, information technology services program that provides IT-based solutions to traditional training issues encountered by Federal agency clients worldwide. FedLearn specializes in delivering total, turnkey solutions for technology-enhanced learning, including distance learning, computer-based training, student management systems, courseware delivery systems, and knowledge management. FedLearn assists agencies with any or all of the life cycle support necessary to acquire, design, develop, implement, and manage these learning tools. FedLearn teams with private sector contractors to meet the training needs of all FedLearn clients.

The *Center for IT Outsourcing* provides outsourcing solutions for the information technology needs of Federal agencies. The Center assists agencies with acquisition services, project and financial management, independent verification and validation and research and analysis capabilities with regard to an agency's computing environment. The Center will also support outsourcing for IT services such as Data Center operations and maintenance, and Application services. The Center focuses on performance-based contracting using FTS contract vehicles as well as other Government-wide vehicles.

The *Center for Smart Card Solutions* offers a full range of smart card services. Smart cards offer a mobile computing platform for identification and authentication as well as processing repetitive administrative functions. In FY2000, the Center awarded a Government-wide "Common Access Identification" Smart Card contract for use by Federal agencies. One major achievement of the contract is a modification to its Smart Card specifications on an open interoperability standard across all platforms. This contract prescribes government-wide interoperability technical standards, which were developed by GSA, the five prime vendors and other Federal agencies, including interface specifications, conformance testing requirements, and data elements of the contract. It is anticipated that revisions to these standards will be on-going as improvements and developments in Smart Card technology occur. This is the first time that interoperability standards have been established in the Smart Card industry. These standards will promote the implementation of Smart Card usage in government and in this country. The Center for Smart Card Solutions is working with the National Institute for Standards and Technology (NIST) to test the cards and readers to ensure that vendor hardware are compatible and in accordance with the interoperability specifications. The Center is currently working to offer services for the reduction of paper-based administrative systems.

The Center for Smart Card Solutions is currently working with the Veterans Affairs (VA) to develop task order requirements for a Smart Card solution worth approximately $4 million and with the Department of Defense on a major card procurement worth $5.5 million in FY 2000. The Center expects to issue approximately 5 task order awards totaling $15 million in FY 2001.

In its continuing effort to provide its customers innovative, value-added information security solutions while expanding its leadership role in government-wide security initiatives, FTS realigned its Office of Information Security (OIS) into two distinct organizations -- the Center for Information Security Services and the Office of Information Assurance and Critical Infrastructure Protection.

The Center for Information Security Services (CISS) is a national CSC which provides information systems security services to U.S. Government departments and agencies. The CISS employs a staff of government information systems security professionals, offering its customers vulnerability assessments, network engineering, risk analysis and security planning,

and other technical services on a fee-for-service basis. FY 2000 revenues were $97 million and growing to $127 million in FY 2001 and $140 million in FY 2002.

To strengthen their information assurance service offering, the CISS developed the Safeguard Program to assist Federal agencies in meeting the requirements of Presidential Decision Directive 63, which calls for a national effort to strengthen the nation's defenses against emerging threats to our critical information systems. FTS has entered into Blanket Purchase Agreements (BPAs) with 27 private industry leaders in the field of information assurance and critical infrastructure protection. The BPAs are open to all Federal agencies and offer agencies government and industry value-added, end-to-end information assurance solutions.

The Access Certificates for Electronic Services (ACES) program is an initiative jointly developed and managed by FTS and GSA's Office of Governmentwide Policy. The ACES contract is a digital signature service offering based on public key infrastructure (PKI) technology and will authenticate individuals and businesses wishing to access Government information and services via the internet. The program can assist agencies in meeting the requirements of the Government Paperwork Elimination Act, provides for a government-wide PKI capability, and reduces costs for electronic government initiatives by aggregating government requirements. The Electronic Signature Act using an ACES smart card was enacted.

Funded under GSA's Policy and Operations Account, the Office of Information Assurance and Critical Infrastructure Protection will focus on critical infrastructure protection issues from a broader government-wide perspective. They will continue their leadership role to the government's civilian agencies in Federal PKI initiatives, including chairing the interagency Federal PKI Steering Committee, and continue to provide cyber-attack incident warning and response services through the Federal Computer Incident Response Center (FedCIRC).

THE FY 2002 PERFORMANCE PLAN

The FTS FY 2002 Performance Plan concentrates on nine basic performance measures that support the FTS mission and vision. These measures are directly linked to GSA's Strategic Goals to "Promote Responsible Asset Management, Compete Effectively for the Federal Market, Excel at Customer Service, Meet Federal Social and Environmental Objectives, and Anticipate Future Workforce Needs."

To ensure that FTS is positioned to sustain and enhance its contributions to the Federal community, FTS has three overarching strategies. These strategies are integrated into the business lines. The strategies are as follows:

• FTS will focus on being ***customer-centric***. This strategy involves providing enterprise solutions and tailored levels of service to meet the IT and network needs of customers. What does this mean to our customer? This means that FTS brings the skills and talents necessary for executive management and acquisition expertise so inherent to successful project management. Designing, engineering and implementing contracts support technology challenges from the diverse specialties of agriculture to defense, from environment to medicine, and from nuclear energy to social security is what FTS addresses. FTS offers customers a full range of contracting vehicles, comprehensive service offerings, and one-stop shopping. FTS provides fully competed contracts, competitive pricing, and problem resolution. FTS' strategy also focuses on understanding customers' business needs, helping them find the best solutions so that they can better serve their constituencies, and delivering superior customer service. A Customer Action Team (CAT) initiative has been established consisting of communities within FTS who are working together to support the mission of nine specific customers: the Internal Revenue Service (IRS), the Environmental Protection Agency (EPA), the Corps of Engineers (COE), the Defense Finance and Accounting Service (DFAS), Native American Tribal Nations, the Department

of Energy (DOE), the Defense Information Systems Agency (DISA), the Immigration and Naturalization Service (INS), and the Army Materiel Command. This proactive approach will allow FTS to gather customer information and use it to provide them a customized package of products and services. CATs cut across FTS business lines to bring Network Services and IT Solutions together to meet customer needs with the total FTS package.

• FTS will focus on being ***employee-centric***, recognizing that employees are its most vital asset. FTS employees are trained in the acquisition, telecommunications, and IT fields, as well as other professional disciplines, and they are a critical link in FTS' endeavors to achieve superior customer satisfaction and business results. To foster a culture where all employees will succeed and are well respected, FTS is implementing initiatives to increase communication, foster employee development and recognition, and provide technology so that our workforce excels at customer service and achieves business success. Some of these initiatives include:

- ➡ Communicate FTS Core Values to our employees. Our business values are as follows: Customer Service Focus, Honest Broker, Excellence, Entrepreneurship, Employee Focus, and Teamwork and Partnership. Our individual values are Fairness, Integrity, Trust, Respect, and Professionalism. FTS Core Values communicate to our employees what is important to leadership and help to form our identity as an organization. Our values form a foundation that enables us to make both business and individual decisions.

- ➡ Continue to pursue cross-functional Internal Communications Team initiatives that are focused on improving communications.

- ➡ Identify core competencies for each profession, create individual development plans, and identify and implement developmental work opportunities.

• FTS will maintain successful ***relationships with its stakeholders***, i.e., Congress, OMB, the IMC, and industry partners. FTS continues its efforts to keep Congress and OMB informed of its initiatives and critical related issues. This continuing dialogue also helps identify cross-cutting technology issues that affect all agencies and departments and provides an informed network to coordinate and resolve them.

FTS goals and measures cover the areas of market share, finance, cost control, customer satisfaction, employee growth and development, stakeholder relations, acquisition cycle times, and new and enhanced offerings, as well as network service costs. In summary, the goals and measures provide a balanced approach and ensure a results-oriented framework for implementing programs and assessing the organization.

GSA Goal – Promote Responsible Asset Management

Maintain an employee-centric environment where employees thrive.

FTS works with employees to ensure that they have an environment that is worker-friendly and that they have the tools, technical skills, and supporting infrastructure to do their jobs. This enables employees to improve their performance and achieve the intended business results. Our Commissioner chartered a cross-functional Internal Communications Team focused on improving internal communications. The team has already established a corporate FTS New Employee Orientation Program with materials, roles, and responsibilities defined so that organizations across FTS can be more effective in training new employees about our programs, products, services, vision, goals and priorities.

GSA Goal - Compete Effectively for the Federal Market

Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices.

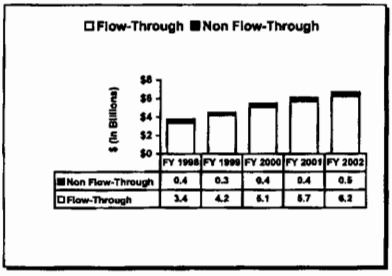
Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and effect the greatest advantage to the Government.

Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices

Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing the average monthly local line rate.

Financial management is an essential performance measure of the success of our organization. Sound financial management practices permit management to effectively analyze programs, and ensure a system of accountability that focuses the organization on sound business decisions. Since 1997, the revenue that flows through the IT Fund has grown over 100%. FTS is committed to retaining current customers and adding new customers in the future. Exhibit 5 below illustrates the projected future growth of FTS business. The non flow-through business volumes represent payments made directly to the vendor by the customer agencies.

FTS Business Volume



	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
■Non Flow-Through	0.4	0.3	0.4	0.4	0.5
□Flow-Through	3.4	4.2	5.1	5.7	6.2

Exhibit 6. FTS Business Volume

All IT Fund programs continue to be non-mandatory in FY 2002. It is important that FTS keep its existing customers and cultivate new ones in this environment. In order to do so, FTS will be a quality provider of technology services at competitive prices to help agencies achieve significant IT savings. It is also increasingly important for FTS to collaborate with the other GSA services, the Public Building Service, and the Federal Supply Service to provide Government agencies a total solutions source, the best value at the best price using the common face of GSA for all types of services. FTS will benefit from the marketing of an overall GSA image as the place where agencies can come for a complete GSA package including technology services.

FTS provides the Government with an economical and efficient system for the procurement of IT and telecommunications services by identifying and aggregating Federal requirements to offer contracts that yield substantial cost savings and value. From enabling Y2K compliance to making Government listings in public telephone directories more user-friendly, FTS provides services to assist in developing the necessary framework to support the Government information infrastructure, and end-to-end security. In addition, FTS tests new acquisition and service delivery concepts, such as performance based contract vehicles.

FTS revenues have grown from approximately $1.5 billion in FY 1995 to over $5 billion in FY 2000, and are expected to exceed $6 billion in FY 2002. Most of this increase is in the IT Solutions area, where there is an increasing demand for FTS products and services. Other Government agencies will be able to devote more resources directly to mission and program work and less to contracting activities by using FTS to develop tailored contracts and procurement vehicles. Centralizing some administrative functions for the Federal government should lead to greater efficiency and an overall increase in savings for the taxpayer. FTS takes advantage of economies of scale in procuring services for the Federal market. Exhibit 6 on the next page illustrates FTS' current share of the Federal IT market and our future goal.

FTS Market Share

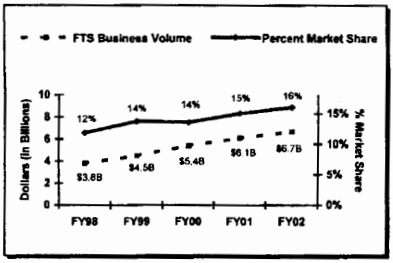


Exhibit 6. FTS Market Share

GSA Goal - Excel at Customer Service

Be customer centric - increase customer satisfaction with FTS representatives and products/services.

Be customer centric - reduce acquisition cycle times.

FTS obtains information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. FTS uses this and other customer information in planning and improvement efforts. The current survey effort consists of surveys that are specifically tailored to our IT Solutions and Network Services business.

For FTS customers, the speed with which we can deliver contract services is as highly valued as our competitive prices. FTS has aggressively implemented acquisition reform and is constantly looking for better ways to expedite IT and telecommunications acquisitions to meet the new and emerging needs of customers. Recognizing the importance of timeliness, FTS is committed to reducing the time it takes to issue task and delivery orders.

FTS strives to be an honest broker by collaborating with the government and contractor community to find the best way to meet customer needs quickly and obtain the best value. FTS provides clients stability and continuity in the face of today's highly volatile and rapidly changing technological environment. FTS does this by providing services and support for almost every conceivable IT requirement and by providing for the nearly continuous technological refreshment so necessary in a technological environment.

GSA Goal – Meet Federal Social and Environmental Objectives

Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts.

By making awards to small businesses, FTS assists our Federal agency customers by helping them to achieve small business goals.

GSA Goal - Anticipate Future Workforce Needs

Increase the number of industry partnerships by making available many sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

Whether the requirement is for a new system to support the deployment of ground troops, or for a major enhancement to a modeling construct that predicts aberrant weather conditions, or as a decade long project to track the medical implications of a new virus, FTS is postured to provide the ultimate in customized technological support and solutions.

In order to respond to a whole host of customer requirements and needs, FTS has committed to developing industry partnerships so that our customers have access to a multitude of sources for leading-edge technology and streamlined and innovative acquisition support. FTS will identify new technology service offerings and search for industry partners to meet all the needs of our customers and meet the needs of the mobile Federal workforce. We will also work with other GSA organizations on integrated projects that have a technology component.

General Services Administration
WORKING CAPITAL FUND

MISSION

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that economically finances administrative support services to GSA and other Federal organizations.

THE BUDGET IN SUMMARY

The total Working Capital Fund program level for fiscal year 2002 is estimated to be $302 million with 1,350 full-time equivalent (FTE) positions. The following describes some of the specific services provided through the WCF.

Centralized Administrative Support

Centralized Administrative Support functions represent the largest portion of the WCF. These services are provided to internal GSA customers, and include agency-wide functions such as finance, budget and accounting support, information technology, personnel administration, facilities management, acquisition policy, and legal services. The centralizing of administrative support functions enables us to achieve economies of scale, thereby reducing costs and increasing operational efficiencies, and allows GSA's program areas to focus on and accomplish their goals. These services are provided for GSA Headquarters and the 11 GSA Regional Offices.

Chief Financial Officer

A large part of the Centralized Administrative Support activities of the WCF is managed by the Office of the Chief Financial Officer (CFO). This organization is responsible for providing accounting, budget, financial management, financial systems support and oversight, and audit follow-up and evaluation. The Office of the CFO also provides agency direction and coordination for GSA's strategic planning and performance measurement activities. The CFO produces the agency's comprehensive annual reports and audited financial statements. GSA's audited financial statements have earned unqualified opinions each year (for each of the past thirteen years), a standard unmatched by any other large Federal agency.

Chief Information Officer

The Office of the Chief Information Officer (CIO) is responsible for applying state-of-the-art information technology to achieve GSA's business goals and to support agency programs. The CIO is the principal adviser to the GSA Administrator and to all GSA offices on information technology.

The CIO seeks to ensure the best possible return on GSA's technology investments by working with the agency's top leadership through the Business Technology Council. This group of high-level GSA executives serves as a guide for GSA's information technology (IT), capital planning and investment process. This process strengthens the link between capital planning, IT investment and the agency budget process as well as providing a mechanism for reporting on IT activity agencywide.

Chief People Officer

The Office of the Chief People Officer was created in fiscal year 1998 to emphasize the importance of employees to the agency's success. This office provides personnel and labor-relations services, employee development and incentive programs, administrative support and facilities management. The Chief People Officer also manages the agency's intern training programs.

General Services Administration
WORKING CAPITAL FUND

General Counsel

The Office of General Counsel provides legal support to GSA's programs in areas such as contracting, information technology, policy, travel and transportation, real estate, construction, leasing, environmental issues, litigation, personnel and labor relations, equal employment opportunity, appropriations, finance, the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act. The Office of General Counsel also supports GSA's responses to Congressional inquiries, develops and manages GSA's ethics program, and supports the agency's alternative dispute resolution efforts.

Other Centralized Administrative Support Activities

The **Office of Enterprise Development** (OED) has nationwide responsibility for GSA's small business program. OED focuses on programs, policy and outreach to the small business community and is GSA's advocate for today's small businesses. The mission of the Office of Enterprise Development is to promote and facilitate programs and activities that support an environment that provides "Access to Opportunity" to small, small disadvantaged, women-owned, HUBZone certified, and service-disabled veteran-owned businesses in GSA contracting nationwide. This office is the lead office in a nationwide network of regional Small Business Centers (SBC). The SBCs are a resource aid for small businesses seeking contracting opportunities with the agency. The SBCs provide information, assistance, and counseling to private sector concerns seeking to do business with the Government.

GSA's **Regional Acquisition Management (RAM)** responsibilities include ensuring compliance with applicable statutes, regulations and directives related to GSA's contract management activities.

The **Office of Civil Rights (OCR)** develops, implements, monitors, and evaluates GSA's agency-wide equal employment opportunity program (EEO) that creates a work environment free from discrimination.

OCR also develops, implements, and evaluates the agency's Nondiscrimination in Federal Surplus Property Program (Title VI) ensuring compliance with Federal nondiscrimination laws and agency regulations.

The **Office of Acquisition Policy's** Office of Governmentwide Policy has agency-wide responsibility for planning, directing, and controlling functions that affect GSA contracting activities. It is responsible for establishing and maintaining GSA acquisition policies, regulations, and procedures through issuance of the General Service Acquisition manual and other policy documents. It establishes and monitors performance measures for GSA's acquisition system; establishes and administers acquisition quality workforce programs, such as the Contracting Officer Warrant Program and 1102 Occupational Certification Program; and determines non-federal entities' eligibility to use GSA sources of supply.

Other Reimbursable

These activities provide administrative services for non-GSA clients similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

Other Reimbursable activities include the financial transactions for: (1) administrative support for the Inspector General Criminal Investigators Academy provided by the GSA

General Services Administration
WORKING CAPITAL FUND

Inspector General; (2) GSA Centralized Charges; (3) cost of common information technology infrastructure; and (4) administrative support for the Joint Financial Management Improvement Program (JFMIP).

HIGHLIGHTS

Pegasys: The Pegasys project will replace GSA's old mainframe accounting system, the National Electronic Accounting and Reporting (NEAR) system with an agencywide financial management system. In May 1998, GSA made an award to American Management Systems, Inc. (AMS) to procure their client-server financial management software package, Momentum ™ Financials. The requirements to be satisfied by Momentum have been divided into 2 phases for implementation.

The first phase of implementing Momentum provides funds management capabilities agencywide for all GSA Services and Staff Offices. The budget execution, purchasing, and project cost accounting modules of Momentum were implemented in June 2000, for most of GSA's Services. Since then, GSA has established a credit card pilot, and will fully implement the credit card planning modules in early 2001.

The second phase of implementing Momentum, which is scheduled to begin in late FY 2001 and continue into FY 2002, will replace the accounts payable and general ledger processes of the existing mainframe system. These processes will be implemented in Pegasys and integrated with funds management. The general ledger functions will enable Pegasys to become the agency's official financial reporting system and allow GSA to migrate to the U.S. Standard General Ledger (SGL). The second phase is targeted for full implementation by October 2002.

Electronic Processing: GSA continues to emphasize Electronic Commerce in its billing and payment functions. In fiscal year 2000, we disbursed $12.6 billion, of which 83% was paid electronically. This represents 71% of all invoices paid and is a 21% increase from fiscal year 1999. Additionally, the number of invoices GSA received electronically increased from 9% to 12% in fiscal year 2000.

Payroll System: In fiscal year 2000, GSA provided payroll services for an average of 14,256 GSA employees and 9,794 employees of client agencies at a production support ratio of 776 people payrolled per FTE. The Direct Deposit Program for employee payroll continues to be strongly supported. Approximately 98% of GSA's employees are paid by electronic funds transfer (EFT). Our goal is 100% participation.

GSA Intranet: The GSA Chief Information Officer provides ongoing management for *Insite*, GSA's internal online communications system and gateway to the Internet. *Insite* offers GSA employees daily updates on issues and events, press releases, a telephone directory, document library, and information on employee benefits and retirement systems, travel and safety, as well as online access to financial reports and data. This Intranet continues to function as the backbone of our business and information operation.

Office of the Chief People Officer: The development and implementation of the Comprehensive Human Resources Integrated System (CHRIS) was completed August 16, 2000. CHRIS is a fully integrated human resources system, which includes an interface with the Office of Finance payroll system that provides up-to-date information on personnel matters.

General Services Administration
WORKING CAPITAL FUND

The Office of Enterprise Development: In fiscal year 2000, GSA's contracts with small businesses totaled more than $3 billion. This amount includes $324 million for women-owned small businesses and more than $1.4 billion for minority-owned small businesses.

$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 2002/2001 Change
Revenue				
Operating Programs:				
Administrative Support	$144,206	$151,261	$156,583	+$5,322
Other Reimbursable	93,085	138,000	140,657	+2,657
Subtotal	$237,291	$289,261	$297,240	+$7,979
Obligations				
Operating Programs:				
Administrative Support	$139,135	$151,261	$156,583	+$5,322
Other Reimbursable	99,075	138,000	140,657	+2,657
Subtotal	$238,210	$289,261	$297,240	+$7,979
Major Equipment Acquisition and Development	13,846	3,500	4,900	+$1,400
Total Obligations	$252,056	$292,761	$302,140	+$9,379
Net Outlays	4,606	0	0	-----
Total Employment	1,340	1,366	1,350	-16

EXPLANATION OF ESTIMATES

The FY 2002 operating program level provides for increases of: (1) $4,565 thousand for increased salary costs; (2) $3,414 thousand for the increased cost of goods and services; and (3) an increase of $1,400 thousand in the Major Equipment Acquisition Development Program. These changes result in a total increase of $9,379 thousand over fiscal year 2001.

General Services Administration
WORKING CAPITAL FUND

Explanation of Budget Changes $(Thousands) Obligations	
FY 2001 Current Level	**$292,761**
Increased Salary Costs	+4,565
Increased Cost of Goods and Services	+3,414
Increase in Major Equipment Acquisition and Development Program Level	+1,400
FY 2002 Budget Request	**$302,140**

WORKLOAD/PERFORMANCE MEASURES

Workload measures are provided for the Offices of the Chief People Officer and the Office of the Chief Financial Officer. GSA provides support services to members of Congress for their State and District offices.

The support services provided for members of Congress continuously fluctuates and is dependent upon various factors, e.g., election results, office space and location, constituent activity, etc.

Centralized Administrative Support

Administrative Programs and Support	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 2002/2001 Change
a. Congressional offices supported	1,391	1,400	1,400	0
b. FOIA requests processed	1,545	1,700	1,700	0

General Services Administration
WORKING CAPITAL FUND

Performance Measures for GSA Staff Offices

	FY 2000 Actual	FY2001 Target	FY2002 Target
CFO			
Percentage of invoices paid electronically	71%	76%	80%
Percentage of electronic invoice received	12%	20%	25%
Increase the percentage of invoices collected through the On-Line Payment and Collection (OPAC) System.[1]	85%	88%	89%
CIO			
The number of high risk audit action items that are completed successfully within the 30-day time standard.	N/A	100%	100%
The percentage of IT investment projects that are within the planned cost and schedule requirements and the percentage that exceed the planned cost and schedule by 10%.	N/A	100%	100%
Percentage of customers who rate the level of service and support provided by the Office of the CIO as highly effective.	N/A	85%	95%
CPO			
Overall customer satisfaction rating with the recruitment process. (On a 5.0 scale)	N/A	3.25	3.50
Average number of days from the HRO receipt of request for personnel action to referral.	N/A	120 days	90 days
Increase usage of Online University.	N/A	15%	20%

1. OPAC becomes the Intra-Governmental Payment and Collection (IPAC) System in mid-calendar year 2001.

General Services Administration
WORKING CAPITAL FUND

WORKING CAPITAL FUND
Obligations by Object Class
$(Thousands)

		FY 2000 Actual	FY 2001 Current	FY 2002 Request
	Personnel Compensation:			
11.1	Full-time permanent	$72,378	$79,280	$82,550
11.3	Other than full-time permanent	957	1,126	1,172
11.5	Other personnel compensation	10,110	12,420	12,932
11.9	Total personnel compensation	$83,445	$92,826	$96,654
12.1	Civilian personnel benefits	31,972	34,860	35,560
13.0	Benefits for former personnel	271	885	992
21.0	Travel and transportation of persons	2,806	3,447	3,687
21.0	Motor Pool	21	50	75
22.0	Transportation of things	257	1,984	2,024
23.1	Rental payments to GSA	12,042	13,187	14,302
23.3	Communications, utilities, and misc. charges	26,125	27,702	28,256
24.0	Printing and reproduction	2,419	4,839	5,026
25.2	Other services	75,377	80,368	81,675
25.3	Purchase of goods & services	11,010	22,512	23,162
26.0	Supplies and materials	1,217	2,839	3,096
31.0	Equipment	5,094	7,262	7,701
99.9	Total obligations	$252,056	$292,761	$302,140

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

BACKGROUND

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745, as amended. The annual pension and cost of franking privileges for the widow of former President Johnson are also funded in this appropriation.

THE BUDGET IN SUMMARY

The FY 2002 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The FY 2002 request includes an increase for the full year cost for former President Clinton, and the increased cost of pensions, rent, and equipment for Former Presidents Ford, Reagan, and Bush.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 01 - FY 02 Change
Former Presidents	$2,083	$2,511	$3,376	$865
Total Budget Authority	$2,083	$2,511	$3,376	$865
Net Outlays	$2,000	$2,511	$3,376	$865

EXPLANATION OF ESTIMATES

The FY 2002 Budget increase of $865 thousand includes $737 thousand for the full year cost for Former President Clinton. In addition, it includes a combined increase of $128 thousand over the amounts requested for FY 2001, consisting of: (1) $22 thousand for Former President Ford, providing $9 thousand for increased pension costs, $11 thousand for increased rent, and a net increase of $2 thousand in other non-personnel costs; (2) $52 thousand for Former President Reagan, providing $9 thousand for increased pension costs and $72 thousand for increased rent offset by a net decrease of $29 thousand in other non-personnel costs; and (3) $54 thousand for Former President Bush, providing $9 thousand for increased pension costs, $22 thousand for increased rent, $20 thousand for replacement of automated data processing equipment and a net increase of $3 thousand for other non-personnel costs.

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS Explanation of Budget Changes $(Thousands)	
FY 2001 Current Level	**$2,517**
Less .22% Rescission	-$6
Adjusted FY 2001 Level	**$2,511**
Full year cost for Former President Clinton's office & staff	$385
Rent Increase for Former President Clinton	$297
Rent Increase for Other former Presidents	$73
FY 2002 Pension Increase	$82
ADP Equipment Upgrade for Former President Bush	$20
Increase in cost of goods and services	$8
FY 2002 Budget Request	**$3,376**

ALLOWANCES AND OFFICE STAFF, FORMER PRESIDENTS
Obligations by Object Class
$(Thousands)

		FY 2000 Actual	FY 2001 Current	FY 2002 Request
11.8	Special personnel service payments	380	414	534
11.9	Total personnel compensation	380	414	534
12.1	Civilian personnel benefits	86	104	149
13.0	Benefits for former personnel	644	773	850
21.0	Travel and transportation of persons	90	128	182
23.1	Rental payments to GSA	595	747	1,092
23.3	Communications, utilities, and misc.	111	131	177
24.0	Printing and reproduction	21	28	44
25.2	Other services	53	116	190
26.0	Supplies and materials	55	48	70
31.0	Equipment	48	22	88
99.9	Total Obligations	2,083	2,511	3,376

GENERAL SERVICES ADMINISTRATION

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

	FY 2002 REQUEST FORMER PRESIDENTS $(000)						
	FORD	CARTER	REAGAN	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation	96	96	96	96	150	0	534
Personnel Benefits	24	6	24	35	60	0	149
Benefits for Former Personnel:							
Pensions	166	166	166	166	166	20	850
Travel	50	2	16	57	57	0	182
Rental Payments to GSA	110	102	357	169	354	0	1,092
Communications, Utilities and Miscellaneous charges							
Telephone	21	25	15	14	28	0	103
Postage	6	20	10	14	22	2	74
Printing	0	5	12	12	15	0	44
Other Services	11	71	15	13	80	0	190
Supplies & Materials	9	6	20	11	24	0	70
Equipment	4	9	3	36	36	0	88
Total Obligations	**497**	**508**	**734**	**623**	**992**	**22**	**3,376**

General Services Administration
OFFICE OF INSPECTOR GENERAL

This budget submission contains a section which highlights the key factors affecting the Office of Inspector General's FY 2002 budget request. This section describes our major initiatives and related resource requirements. See page IG-3.

MISSION

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting fraud, waste, and mismanagement in GSA's programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the:

Office of Audits - A multidisciplinary staff of financial and technical experts who provide audit coverage of GSA's internal operations and external contractors;

Office of Investigations - An investigative unit that manages a nationwide program to detect and prevent illegal and improper activities involving GSA programs, operations, and personnel.

Office of Counsel to the IG - An in-house legal staff that provides advice and assistance to all OIG components, represents the OIG in connection with audits and investigations, and in litigation arising out of or affecting OIG operations, and handles legislative matters.

Office of Administration
A multidisciplinary staff which provides budget, personnel, computer, and other support services; and the Internal Evaluation Staff that directs an in-house assessment program including field office appraisals and is responsible for internal affairs reviews of OIG operations.

Through its programs and operations, the OIG supports GSA's overall mission to improve the effectiveness of the Federal Government by creating a high quality work environment for its employees.

The commitment by both the President and the Congress to achieve a more effective and cost efficient Government brings with it significant transformations in how most federal agencies operate. GSA is no exception. Certainly, GSA will continue to oversee the management of the Federal Government's buildings; regulate the acquisition, use, and disposition of property; and coordinate Federal telecommunications. However, the nature of GSA's oversight, regulatory, and coordination roles has been and will continue to be evaluated and analyzed. Confronting GSA will be reform efforts seeking innovative approaches to accomplishing its mission. These efforts will include laws, policies, and regulations that propose to substantially reform its existing activities and streamline the work processes to provide better services and product delivery and reduce the complexity of GSA's oversight mechanisms.

The OIG's mission provides it with a unique ability to objectively evaluate Agency operations, and assist GSA in incorporating the results of those evaluations into GSA's policy making processes. We will increasingly focus our efforts on assisting the Agency in adopting business-like practices, streamlining its organizations, cutting overhead and unnecessary costs, and reengineering its work processes to deliver quality goods and services to its customers. The OIG will also

assist the Agency by identifying and mitigating vulnerabilities, particularly those resulting from changes in GSA's methods of doing business and from changing legal and administrative requirements in an effort to maximize support provided to GSA as it continues to transform.

Specifically, the OIG has identified three strategic goals aimed at aligning our activities so that they are consistent with GSA's strategic goals and business objectives.

Strategic Goal No. 1 - Identify opportunities for increased economy and efficiency in Agency operations; assist Agency management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Strategic Goal No. 2 - Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing, and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements.

Strategic Goal No. 3. – Improve the delivery of the OIG work product.

During FY 2001, the OIG will be reviewing our strategic goals and related performance measures to better align our activities with the Agency and to enhance our performance reporting.

ACTIVITIES

The OIG will accomplish its mission by several methods:

1) Conducting independent audits of GSA's programs and internal operations to identify opportunities for improvement;

2) Conducting independent audits of GSA's contractors to ensure GSA and the Federal customer are getting the best value for the taxpayers' dollar;

3) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;

4) Working with GSA management to identify and implement operational improvements to GSA's internal management processes and to develop entrepreneurial and competitive business practices designed to increase the quality and timeliness of GSA's services;

5) Working with GSA management and employees to ensure that appropriate internal controls and measures are in place to help optimize the performance of GSA's mission; and

6) Working with GSA managers and employees to increase their knowledge and awareness of fraud to help reduce and prevent its occurrence in GSA's programs and operations.

General Services Administration
OFFICE OF INSPECTOR GENERAL

BUDGET IN SUMMARY

In FY 2002, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. During FY 2002, we will continue to commit substantial resources to program evaluation reviews of GSA's major operations, including policy activities Government-wide. We will also focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, contracting, property disposal, leasing activities, and identifying program vulnerabilities. The Office of Inspector General requests a $36,025 thousand direct appropriation supporting 297 FTE's for FY 2002. This request includes funding for the mandated availability pay requirement for criminal investigators.

Approximately 91% of the OIG's staff resources will be devoted directly to our audit and investigative efforts: 63% to our audit program; 25% to our investigative efforts; and 3% to the Counsel to the Inspector General for direct support of both audits and investigations. The remaining resources are for overall administrative, personnel, and information technology systems support.

The OIG will continue to seek better ways to provide a high level of service to GSA by identifying and implementing internal steps to improve, eliminate, and reduce our administrative requirements; working smarter through quality management initiatives; and focusing on customer service and satisfaction.

KEY FACTORS AFFECTING THE OFFICE OF INSPECTOR GENERAL'S FY 2002 BUDGET REQUEST

BACKGROUND

Beginning in FY 1995, the Office of Inspector General launched a major reengineering effort designed to broaden the audit and investigative services we provide to our clients, add value to our customers, and enhance our own organizational efficiency. Federal downsizing and consolidations, the changing environment in Government, and rapid technological advances prompted our efforts. While not losing sight of our primary mission of protecting against waste, fraud, and abuse, we changed the culture of our organization so we could do more with less. As a result, we evolved from a predominantly compliance and reactive type of organization to one that addresses systemic issues, performs broader scope GSA program and information systems reviews, provides advice and assistance to management, and focuses on high impact investigative cases. Our focus is to be an agent of positive change and help GSA achieve its goals.

Our long-term approach involves many integrated initiatives. Some of these initiatives include reinventing our methodologies for performing programmatic and other types of reviews and investigations, implementing the team concept for performing our reviews, and expanding the types of services we offer our customers. We are also improving our technical capabilities. We have established a systems audit staff, implemented better strategic and audit planning, improved communications within our own organization and with managment, and implemented many other initiatives to improve our operations.

Our actions have produced positive results within a short period of time. For example, our Reports to the Congress for the past several years have documented many positive changes identified by our audits and implemented by the Agency; customer surveys show that our products and services meet management's needs and add value; and the requests for audit services from management, the Congress, and OMB are on the rise. Our audit and investigative efforts have resulted in identifying and mitigating numerous systemic problems and fraud schemes involving GSA's programs and operations. The benefits from our initiatives will continue to grow.

Additionally, the internal cultural changes have helped create positive benefits for our staff. The most recent GSA culture survey asked employees to rate their organization on issues such as Well Being, Work Performance, Work Satisfaction, Communication, Teamwork, Performance Measurement, Technology, etc. The survey showed that our office made significant improvement in all measured categories when compared to a previous survey. The OIG has consistently received high ratings when compared to all other GSA components.

Following are highlights of our office's initiatives and performance measures with related budgetary requirements. We have also delineated some of the impediments that hinder our mission accomplishments and their budget (resource) implications.

INITIATIVES AND RESOURCE DEMANDS

Office of Audits.

The OIG's shift in focus, away from auditing strictly to assess the Agency's compliance with rules and regulations, to undertaking work that assists GSA in better performing its mission and achieving its specific goals, has required a very different approach in the way we do business. Since the mid-to-late 1990s, we have been providing a broader array of services to management. We are continuing to improve, and in some cases, expand upon these services.

1. **Program Reviews** – Over the past several years, our office has significantly changed and expanded the scope and methodology of these broad-based reviews. Program reviews produce formal audit reports that provide GSA management with an independent assessment of whether or how well a program is meeting its mission and identify specific areas where program outcomes can be improved. These reviews are now a staple of our organization. Because they help management "see the forest" our reports are a primary vehicle for influencing positive change in GSA's programs and operations. We will continue to direct more resources to this area.

2. **Consulting Services** – The OIG plays a unique and critical role in providing GSA and the Congress with independent analyses of various reform initiatives. This activity provides managers with a ready source of professional services to help address specific issues, conduct research, or perform options analysis. These services are performed with a quick response and are advisory in nature. We have been increasingly called upon to serve as consultants through our advisory and best practice reviews, task force participation, and benchmarking studies. Benchmarking and best practice reviews collect information on what the private sector and other Government organizations consider best practices to help GSA gauge how well it is performing similar services or functions, and to identify opportunities for improvement. We fully expect this valuable service will continue at current

and/or enhanced levels for the long term.

3. **Information Technology and Systems Reviews** – The Office of Audits faces new challenges in the 21st century in the information technology (IT) area. In FY 1998 we accepted these challenges by creating an Information Systems Audit Office with an initial staff of 6 FTE. The mission of this organization was to identify the IT workload in GSA, establish an OIG presence in this critical and growing area, and develop the technical expertise to perform these complex reviews. Since 1998 we have expanded our capabilities to where our FY 2001 plan dedicated 13.2 FTE to performing IT and systems review work. Recent information indicates that our capabilities in IT and systems need to continue to grow. GSA has a huge information technology universe with over 80 major automated information systems, many smaller systems, and hundreds of local area networks. Our IT audit universe must apply more resources to system development efforts in GSA and important security issues associated with operating GSA systems and networks, and with using the Internet and Intranet. In addition, we must address local, long distance, voice, data, and other issues associated with telecommunications. We intend to expand our systems audit group by over 40% by FY 2004 in order to have the staff capable of performing the necessary reviews. Similarly, the fundamental changes that information technology has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort.

4. **Financial and Regulatory Requirements** - The passage of the CFO Act in 1990 has had a significant impact on our operations. Even before passage of the Act, the OIG contracted out the audit of GSA's financial statements to a public accounting firm in order to minimize its impact on existing resources and to acquire the technical expertise to perform the audit. Accordingly, we only needed a small number of financial auditors to oversee the work performed under the contract. However, the time, effort, and expertise required to administer the audit of the financial statements has grown substantially: new legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the Governmentwide consolidated financial statements has increased. There is also a need for the OIG to assume at least partial responsibility for performing segments of the annual financial statement audit. In addition, there are new and increasing requirements imposed on our office as a result of GPRA and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. We intend, as with the systems group, to enlarge our financial audit group (by shifting existing resources) in the next several years to keep up with the increasing demands. As in the information technology area, we must expand our financial and technical systems training for existing and new staff to accomplish our goals.

Office of Investigations

The Office of Investigations is responsible for the conduct of criminal, civil, and administrative investigations nationwide. It is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to

GSA, the Department of Justice, United States Attorneys' offices throughout the country, and to other Federal and state agencies. The Office of Investigations will continue to enhance its ability to react to changing crime patterns that threaten GSA programs and operations by such innovative techniques and initiatives as those described below.

1. **Investigative Techniques** - The OIG has been steadily increasing its use of enhanced investigative techniques - body-wires, electronic monitors, and covert video surveillance - in our investigations. Our enhanced ability to present prosecutors, courts, and defendants with audio and videotapes of violations has led to more pleas and cooperation in many instances. Examples are the increasing number of cases where defendants have been willing to provide evidence and implicate codefendants in bribery cases since we began enhancing our use of such techniques. Our expertise in the use of such electronic surveillance has led to our participation and leadership in multi-agency investigations involving the FBI, Secret Service, Postal Service, and Department of Defense among others. This success creates new resource demands, physical and monetary, because of the added costs of specialized equipment and training, as more agencies request our assistance in cooperative investigations. While this success in our investigations of violations of GSA contract and other program activities creates new resource demands, it has returned very real dividends in the identification of public corruption schemes crossing Agency and Federal-state jurisdictional lines costing taxpayers millions of dollars.

2. **Seizure of Computer Evidence** -The Government's increased dependence on computers has created a new challenge to law enforcement. Seizing computerized evidence is a complex and specialized endeavor. It requires extensive training and expensive equipment in a constantly changing environment. The Office of Investigations has seen a dramatic rise in the need for trained computer evidence recovery specialists. Previously, we relied on other agencies to perform this function. However, because of the increasing demand for this ability and the need for immediate access to such resources to recover evidence of contract fraud, bribery, and extortion, we have had to develop our own capabilities. Accordingly, we have launched an effort to train a core group of Seized Computer Evidence Recovery Specialists within our Office of Investigations. To date, we have three trained specialists and anticipate training five additional agents.

3. **Sourcing** - We are constantly engaged in identifying areas of vulnerability to fraud within GSA programs and operations. These efforts include organizing meetings with our law enforcement counterparts, as well as with Agency and industry representatives. We proactively review GSA programs and contracts for vulnerabilities or indications of fraud. Currently, 7.5% of our resources are expended in this area. At this time, we have targeted electronic fraud and computer related crimes such as computer intrusion, telecommunication fraud, and credit card fraud. We are working closely with GSA management, industry representatives, and other Federal agencies to meet these needs.

4. **Electronic Crimes** - Fraud is more frequently being perpetrated via the use of computers. The Office of Investigations has seen a rise in our investigations of

telecommunications fraud utilizing computers and access devices. We are currently involved in cooperative investigations with the Secret Service and the telecommunications industry involving fraudulent access to Government communications systems, including investigations of hackers gaining access to key telecommunications switches. GSA and industry are moving further into the arena of computerized contract awards using electronic signatures and the Internet. As GSA moves closer to its goal of electronic commerce via the Internet, more crimes will be perpetrated via this medium. We anticipate there will be increased incidents of electronic forgeries and fraudulent data submissions from vendors. Computer manipulation of sales data will be an issue as many GSA contracts involve rebates or industrial funding fees. Credit card frauds are being perpetrated through the use of computers and computerized databases. We are currently involved in investigations involving fraudulent use of Government issued credit cards and calling cards. We continue to work closely with other agencies and the industry in these investigations.

TRADITIONAL SERVICES

The Office of Inspector General will continue to provide GSA and the Congress with its traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-billion dollar contract program.

1. **Management Control Reviews** - The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls with program personnel throughout the Agency.

2. **Contract Auditing** - As a major procurement Agency within the Federal Government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will audit vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements. Even though the number of contract actions is decreasing as GSA moves to implement new initiatives such as extending contracts for longer periods, the dollar volume of GSA's contract program is increasing. We anticipate that for FY 2002, our monetary recoveries will remain consistent with FY 1999 - FY 2001 levels - $150 – 200 million in recoveries and avoidances.

IMPEDIMENTS TO MISSION ACCOMPLISHMENT

1. **Staff Development and Training** – From FY 1992 to FY 1999, the OIG lost almost 33% of its staff resources due to downsizing and budgetary limitations. During this period, we were forced to reconsider how we do business, re-focus and re-tool our operations, and try to do more with less. We operated in a virtual hiring freeze environment. However, that gap in regular hiring plus the increased demand for computer knowledge, financial management and accounting skills described above, and the

need for specialized investigator skills has created a pressing need for significant staff development and training.

Office of Audits - We have an urgent need to expand our technological and financial audit capabilities. In addition, we are faced with an aging work force. Over 50% percent of our senior level directors and managers and a growing number of auditors and analysts are either eligible or will be eligible to retire in the next several years. To address this issue we started hiring at the entry level, with some supplemental hiring at the journeyman and supervisory levels. We are experiencing significant difficulty in hiring at both levels because of the current job market for people with strong computer science, information systems, and accounting skills; the added requirements imposed on accountants by the American Institute of Certified Public Accountants (AICPA); and the increasing salary demands of people with the needed skills. This forced us to revise our approach. While we continue seeking to hire accountants, computer science, and information systems majors for certain critical needs, we are now hiring most of our audit staff with degrees in general business or liberal studies. However, this has required supplementing their skills with technical training in addition to the entry-level training needed to develop a journeyman auditor. Furthermore, due to our aging work force, we have started providing more supervisory training for our journeyman staff in anticipation of senior staff losses over the next several years. Accordingly, we more than doubled our classroom training allocation for FY 2000 to cover technical, developmental, and supervisory training; and our "on-the-job training" costs continue to grow as we hire more new staff.

Office of Investigations - The Office of Investigations has successfully managed a major reduction in its FTE level - from 113 employees in 1992 to a current staffing of 76 - through reorganization from district offices to zonal offices, and reducing the number of managers and central office employees. This resulted in management and support FTE's being reallocated to special agent positions in the field offices. However, because of mandatory retirements and staff reductions that came almost exclusively from our senior levels, we have been left with a very young and comparatively inexperienced investigative workforce. For example, fifty percent (50%) of our special agents have been in their positions less than two years. There is a need to devote considerable resources to quickly developing these agents.
Additionally, the dramatic increase in the need for agents specifically trained in the seizure and collection of evidence from computer systems has made it necessary to initiate the Seized Computer Evidence Recovery Specialist (SCERS) training program. We have also seen a rise in the need for our agents to assume undercover roles to perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. To meet this need, we are creating an undercover training program.

2. **Travel Costs** - The downsizing and reorganization we have undergone the past few years has resulted in additional travel to ensure proper audit and investigative coverage. We perform national

program reviews and other audits, as well as nationwide investigations, using teams staffed with auditors and investigators from various parts of the country. This inter-regional team approach is necessary to sufficiently staff, train, and provide expertise on our more complex and large projects. The team approach and the need to perform our contract and other work effectively by going to where the work is, has caused a significant increase in our job-related travel. In addition, the inflationary spiral of increased hotel and per diem rates, plus the recent practice of travel agencies adding surcharges ranging up to 10% will continue to cause a significant increase in our travel costs.

3. **Other Support Costs**

Computer Infrastructure Support Costs GSA's increased use of the Internet for its daily business transactions and systems applications have resulted in a 200% increase in common information technology infrastructure traffic. This, in turn has resulted in increases in Local and Wide Area Networks, electronic messaging, maintenance and equipment charges, as well as increases in systems software support and site licensing fees. As an example of the budgetary impact from these increases, from FY 2001 to FY 2002, GSA has determined the OIG's share of the FY 2002 increase for common information technology Infrastructure support and WEB Redesign costs to be $453 thousand over what we currently have in our budget for this purpose. Because of the timing of these increases, GSA held our actual FY 2001 allocation to the FY 2000 level. However, for FY 2002 GSA is allocating a pro rata share of the agency-wide costs to us.

Staff Relocations – Because of the loss of experienced audit and investigative staff due to retirements and general attrition, we have had to relocate various staff members to different geographic locations. We anticipate additional relocations resulting from the anticipated future loss of our senior level and managerial staff members.

SELECTED OIG PERFORMANCE MEASURES AND GOALS

Following are selected OIG performance measures and goals for the initiatives described above and for the related demand and shift in resource allocations.

Allocation of OIG resources

Allocation of resources to OIG Major components						
	$000	FY2000 FTE	$000	FY2001 FTE	$000	FY2002 FTE
Audits	18,098	171	20,983	183	22,695	183
Investigations	9,260	70	8,810	74	8,647	74
Counsel of the IG Internal Evaluation Administration (Office of the IG)	5,495	40	4,651	40	4,683	40
Totals	32,853	281	34,444	297	36,025	297

Refocus the allocation of Office of Audit resources from contract audit issues to more internal GSA program and operational issues. *(Strategic Goals 1 and 2)*

Increase the percentage of resources devoted to internal reviews to 77% by 2004								
	FY 1995 Baseline		FY 2000		FY 2001		FY 2002	
	%	($Mil)	%	($Mil)	%	($Mil)	%	($Mil)
Contract Audits	50%	$10.2	30%	$6.1	23%	$4.9	23%	$5.0
Internal Audits	50%	$10.2	70%	$14.1	77%	$16.3	77%	$16.8

General Services Administration
OFFICE OF INSPECTOR GENERAL

Shift internal audit resources from reviews that focused on compliance with regulations to reviews that focus on assisting GSA achieve its program goals. *(Strategic Goals 1 and 2)*

Increase the percentage of resource devoted to non-compliance internal reviews to 80 percent by 2004.

	FY 1995 Baseline		FY 2000		FY 2001		FY 2002	
	%	($Mil)	%	($Mil)	%	($Mil)	%	($Mil)
Program	40%	$4.1	44%	$6.8	42%	$7.0	41%	$6.9
Consulting	N/A*		12%	$1.8	11%	$1.9	12%	$2.0
IT Systems	N/A*		12%	$1.8	19%	$3.1	14%	$2.4
Financial	9%	$ .9	9%	$1.4	9%	$1.5	11%	$1.8
Subtotal Non-compliance	49%	$5.0	77%	$11.8	81%	$13.5	78%	$13.1
Compliance	51%	$5.2	23%	$3.5	19%	$3.2	22%	$3.6
*Did not exist in FY 1995								

Shift OIG investigative resources to high impact cases. (*Strategic Goal #2*)

The Office of Investigations will direct its investigative resources to issues having the most potential identifiable impact on the efficiency, effectiveness, and integrity of GSA programs and operations. Approximately 80% of our resources will be directed to high impact or Class A investigations which include monetary losses over $250 thousand, suspensions involving contracts over $250 thousand, health and safety issues, employee corruption, and integrity issues involving GS-15 or above. Class B and C investigations are criminal/civil investigations involving the integrity of GSA functions, which do not meet the thresholds defined above.

	FY 2000		FY 2001		FY 2002	
Class A	$4.2 Mil	81%	$4.3 Mil	80%	$4.3 Mil	80%
Class B & C	$1.0 Mil	19%	$1.1 Mil	20%	$1.1 Mil	20%

General Services Administration
OFFICE OF INSPECTOR GENERAL

Increase the percentage of audits that have a positive impact on GSA operations by identifying appropriate management improvements to insure GSA meets its strategic goals and its programs provide optimum value to the American taxpayer. *(Strategic Goal 1)*

Increase the percentage of audits having a positive impact on GSA operations to 70% by 2004.			
	FY 2000	FY 2001	FY 2002
Percent of Audits	60%	61%	64%
Cost of Audits	$10.1 Mil	$11.1 Mil	$12.0 Mil

Increase the percent of audit reports issued that have a positive impact on protecting the integrity of GSA programs during a period of changing vulnerabilities and changes in Government. *(Strategic Goal 2)*

Increase the percentage of audits having a positive impact on protecting integrity to 60% by 2004.			
	FY 2000	FY 2001	FY 2002
Percent of Audits	49%	49%	57%
Cost of Audits	$9.3 Mil	$9.3 Mil	$9.2 Mil

Improve the quality of our audit products and services, and ensure that they add value to GSA's ability to become a more competitive, effective, and customer responsive organization. *(Strategic Goals 3)*

Improve the assessments from our customer surveys of the overall quality of our reports so that they reach a level of 4.5 on a scale of 1 to 5 for both contract and internal audits by 2004.				
	FY 1996 Baseline	FY 2000	FY 2001	FY 2002
Contract Audits	3.7	4.4	4.5	4.5
Internal Audits	3.4	4.3	4.4	4.4

Training - Train the audit staff and develop the expertise needed to perform the types of reviews that best serve our clients' needs and allow us to meet our mandated requirements. *(Strategic Goals - All)*

Increase the percentage of resources devoted to both on-the-job and formal classroom training.			
	FY 2000	FY 2001	FY 2002
Training Allocation	$1.2 Mil	$2.1 Mil	$3.1 Mil
Percent of Budget	6%	9.7%	9.7%

General Services Administration
OFFICE OF INSPECTOR GENERAL

Training - Train inexperienced investigators and develop computer seizure (SCERS) and undercover training. *(Strategic Goals – All)*

As a result of the continuing renewal of the Office of Investigations we are training a work force consisting of over 60% inexperienced investigators. To provide the quality product we demand, we will invest approximately 10% of our investigative resources to training per year. This training includes formal investigative, defensive, and other training related to the performance of our duties. (Dollars in thousands)

	FY 2000	FY 2001	FY 2002
Training Allocation	$700	$2,100	$2,100
Percent of Budget	8%	9.7%	9.7%

Travel - Ensure that the OIG has sufficient travel money available to perform all necessary audit and investigative work and to attend the necessary training to develop our staff. *(Strategic Goals – All)*

Increase the amount of Audit and Investigative resources available for necessary travel (operational needs, training, etc.). (Dollars in thousands)

	FY 2000	FY 2001	FY 2002
Office of Audits	$1,000	$1,100	$1,100
Percent of Budget	5.2%	5.2%	5.2%
Office of Investigations	$265	$300	$325
Percent of Budget	3.2%	3.5%	3.75%

General Services Administration
OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 01/02 Change
Direct Program:	32,853	34,444	36,025	1,581
Reimbursable Program:	11	150	150	0
Total Direct & Reimbursable	32,864	34,594	36,175	1,581
Net Outlays	***33,438***	***34,348***	***35,780***	**1,432**
Employment (FTE)	*281*	297	297	0

EXPLANATION OF ESTIMATE

Additional funding is requested for fiscal year 2002 to cover pay raises and IT infrastructure increased costs.

OFFICE OF INSPECTOR GENERAL Explanation of Budget Authority Changes in Priority Order $(Thousands)	
FY 2001 Current Level	**$34,444**
Pay Raise	1,128
Common Information Technology Infrastructure Cost Increases	453
FY 2002 Budget Request	**$36,025**

General Services Administration
OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL Obligations by Object Class $(Thousands)	FY 2000 Actual	FY 2001 Program	FY 2002 Request
11.0 Personnel Compensation:			
11.1 Full-time permanent	18,266	18,715	19,611
11.3 Other than full-time permanent	250	256	275
11.5 Other personnel compensation	1,439	1,474	1,378
11.9 Total personnel compensation	19,955	20,445	21,264
12.1 Personnel benefits	4,521	4,600	4,670
13.0 Benefits for former personnel	0	50	50
21.0 Travel and transportation (direct)	1,175	1,440	1,600
21.0 Travel and transportation (motor pool)	85	85	87
22.0 Transportation of things	51	60	60
23.1 Rental payments to GSA	2,544	2,732	2,800
23.3 Communications, utilities, misc. charges	338	370	300
24.0 Printing and reproduction	99	90	90
25.2 Other services	949	1,100	1,189
25.3 Purchase of goods & services from Government Accounts	2,615	2,957	3,410
26.0 Supplies and materials	251	220	205
31.0 Equipment	270	295	300
99.0 Subtotal Direct Obligations	32,853	34,444	36,025
99.0 Reimbursable	11	150	150
99.9 Total Obligations	32,864	34,594	36,175

General Services Administration
OFFICE OF INSPECTOR GENERAL

THE FY 2002 PERFORMANCE PLAN

The OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the Agency. Moreover, the OIG will identify and assist GSA in mitigating emerging vulnerabilities in an effort to maximize the support it provides to GSA management in this time of reform.

During FY 2001, the OIG will reassess its current strategic plan to better reflect the activities we have taken to improve our efforts to help GSA better manage its programs and operations. For example, we are revising our strategic goals to more fully integrate our efforts to improve human resource management. Additionally, changes will be made to our performance measures to more effectively demonstrate the OIG's impact on GSA operations.

Strategic Goal No. 1

Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Discussion

Among the more salient contributions that the OIG can make to the management of GSA is the identification of areas in which focused management reforms would produce greater efficiencies for GSA and substantial savings for the American taxpayers. GSA, like most Federal organizations, developed its organizational structures, business practices, and work systems and procedures many years ago in an environment far different from that of today. The infrastructure of GSA, developed in an era that placed a high value on uniform standards and control mechanisms, must give way to new approaches that will result in greater efficiencies, coordinated service delivery, and a changed perception among both the public and private sector customers working with GSA. A prime example of these new approaches is GSA's Office Of Governmentwide Policy which provides other agencies leadership to develop and oversee the implementation of polices designed to achieve the most cost effective solutions for the delivery of administrative services, while reducing regulations and empowering employees. The OIG, in its conduct of audits and investigations, has a particular role to play in assisting GSA with this transformation. The OIG mission provides it with a unique capacity to evaluate GSA operations with the purpose of systematically placing the results of those evaluations into the policy-making process of the organization.

Anticipated Results

This strategic goal anticipates that the changing focus of OIG operations will accelerate over the next 5 years resulting in a greater number of 1) proactive evaluations of GSA programs, its management structure, and its administrative systems; 2) a greater degree of cooperation with GSA management in identifying areas for in-depth review; 3) a greater number of recommendations accepted and implemented by GSA management; and 4) a substantial amount of savings resulting from this initiative.

OIG managers have identified a number of mission critical program areas and general administrative support issues, which should receive priority attention over the next 5 years.

Enhancing the availability and delivery of commercial products and services is mission critical to the Federal Supply Service for it to maintain its competitiveness and overall customer satisfaction. Methods of delivery, product mix, and management systems all influence the overall success of FSS. The OIG will work with FSS to enhance its current operations.

Increasing competitive pressures will force the Public Building Service to perform its asset management function in a less costly manner while producing "best value" for its customers. For example, while GSA is meeting or exceeding commercial building practices, federal clients will demand shortened time frames for lease execution while at the same time demanding quality space at reasonable prices. The OIG will undertake initiatives in this important GSA program to help enhance overall operating efficiencies, contribute to customer satisfaction, and to evaluate whether proper stewardship of resources exists and whether resources are being used in productive and efficient ways.

GSA can help customers realize increased operational efficiencies and better information management by improving its delivery of high quality, competitively priced information technology products, services and management information systems. Substantial savings and increased efficiencies can result from providing its internal and other Federal clients with the best, most effective technological equipment and systems available. With respect to GSA-wide information systems in particular, the OIG hopes to encourage GSA management to develop and implement procedures that produce a more integrated approach to management information, focusing on understanding long-term information requirements, eliminating redundancy, and improving the overall quality of information technology systems

The GSA's Office of Governmentwide Policy will play an increasingly important role in the Federal Government's efforts to increase operational efficiency, further streamline processes, and adopt private sector practices in carrying out its administrative support activities. GSA has a responsibility to provide guidance, information, and coordination to make Governmentwide administrative processes more efficient and effective by developing, identifying, and disseminating policies and best practices in information technology, asset management, travel and transportation, electronic commerce, and acquisition. The OIG will share its knowledge, expertise, and experience in these various areas to assist GSA in meeting its central management responsibilities.

During FY 2002, the OIG will devote approximately $13.0 million of its requested resources to accomplish the planned outcomes related to this strategic goal.

Anticipated 5-Year Outcomes

1. FSS- Improved timeliness, enhanced delivery methods, and increased value to the customer while continuing to provide for the availability of commercial products and services to Federal clients.

2. PBS Asset Management – Promotion of responsible real property asset management through conserving Government resources and sound investment and the provision of high quality work environment for Federal clients.

3. FTS/Technology – Improved delivery, while maintaining competitive prices, of state-of-the-art products and services to meet the information technology, net-

work, and telecommunications needs of its customers.

4. Internal GSA Management Information Systems - Increased program efficiency and security, and enhanced decision-making capabilities through better use of technology solutions, reliable program data, and performance measures that evaluate success.

5. Policy and Administration

   a. GSA Internal – Improved management policies to ensure the best use of resources to enable GSA to become a high quality provider of supplies and services.

   b. Governmentwide Policy – Strengthened guidance to lead to improved critical decision-making regarding information technology, real property, personal property, and acquisition throughout the Federal government.

Strategic Goal No. 2

Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing, and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the GSA's methods of doing business and from changing legal and administrative requirements.

Discussion

One of the OIG's paramount responsibilities is combating and preventing waste and criminal and civil wrongdoing in GSA programs and operations. This initiative represents the OIG's commitment to develop programs and deploy resources so as to detect and prevent waste, fraud, and other wrongdoing in areas that we have determined to be most susceptible. While these have long been among the OIG's highest priorities, recent events have given them special importance.

Without questioning the benefit of introducing more efficient processes in the Federal Government, OIG managers are also concerned that in some cases the introduction of less comprehensive oversight procedures may bring both decreased management attention to potential waste and fraud within their operations and an increased opportunity for individuals to engage in illegal and improper activities. GSA's evolving work environment calls for fewer supervisors, more decentralization of authority, and more empowerment of the individual. As this new environment begins taking hold throughout GSA, the OIG emerges as the primary entity within the agency to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud.

The OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with the rapidly changing environment. By coordinating efforts throughout the organization, the OIG, over the next 5 years, will focus its expertise in audits and investigations on those areas in which increased vulnerability to waste, fraud, or other wrongdoing may be anticipated. The net effect of this strategic goal is to identify vulnerabilities, increase the awareness of GSA managers regarding the prevention of fraud and waste, improve the detection of and response to corruption, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond

that which would be expected if this initiative were not undertaken.

We will focus particular attention on identifying internal control weaknesses and other systemic problems that may emerge and on mitigating any unintended adverse side effects of implementing Government reforms.

Anticipated Results

The OIG foresees vulnerabilities emerging in several key areas of GSA operations. Changing external requirements will accelerate reengineering efforts and will undoubtedly have a significant effect on operations. The net effect of current acquisition reforms will be to reduce oversight mechanisms and other safeguards built into the procurement process. The expectation is that reduced oversight will promote the evolution of a more cost-effective pricing mechanism -- an expectation based on the assumption that business practices remain fair and equitable. Yet past experience suggests that when the guard is down, Government exposure to fraud and abuse may increase. The OIG will position itself to provide an effective response to changing practices that may impact GSA programs and operations.

Similarly, the dramatically escalating use of technology for the conduct of GSA business brings with it the potential for new kinds of fraud and other wrongdoing in virtually all areas of GSA operations. Since technological advances are certain to transform most of the GSA management and administrative practices over the next 5 years, the OIG will have to develop the capacity to counter the emerging vulnerabilities in this area with sound programs and a technically accomplished staff.

In the area of Federal building construction and leasing activities, hundreds of millions of dollars may be increasingly vulnerable as internal oversight of these functions are reduced and increasing reliance is placed on private sector mechanisms to provide stewardship of Federal funds. The OIG will structure its oversight programs to address the new business environment.

As credit card use for Government purchases becomes more commonplace, the need for GSA-wide oversight and controls has become increasingly evident. The savings associated with this vastly improved and efficient purchasing mechanism are directly related to the extent to which the use and accounting for credit card purchases are controlled. The OIG will place greater emphasis on systems controls to ensure the overall safeguarding of Government assets.

Finally, the OIG has a special responsibility to ensure that, in an era of rapid reform, the reform process itself does not prove to be dysfunctional; and that reforms, both administrative and legal, do not present unintended increased opportunities for individuals to engage in illegal and improper activities. We believe it is important to determine whether a reform or change initiative increases vulnerabilities and by doing so permits an evaluation of the costs vs. benefits of the reform and, if possible, amelioration of the new vulnerabilities.

During FY 2002, the OIG plans to devote approximately $19.0 million of its requested resources to accomplish strategic goal #2.

Anticipated 5-Year Outcomes

The OIG's activities (audit reports, management/consulting reviews, investigations, and other programmatic evaluations) will have an identifiable and positive impact on

GSA's programs and operations in the following areas:

1. Commercial item acquisition – ensure programs, reforms and changing practices provide for the appropriate use of Federal funds.

2. Information systems and emerging technology – ensure that reasonable controls are in place to protect and support a secure Government information infrastructure.

3. Award and administration of outsourced GSA activities – establish and maintain effective controls to ensure contract integrity and performance in business partnerships.

4. Integrity of GSA financial systems – ensure the adequacy of security and controls over receipts, payments, and other financial information, systems, and processes.

Strategic Goal No. 3

Improve the delivery of the OIG work products.

Discussion

OIG managers believe that the performance of their own office should be held to the highest standards. While the OIG has made great strides in recent years in improving the administration of the office and the quality of the work, it is generally believed that greater efficiencies and further increases in productivity are needed. Continued reductions in the size of GSA suggest that OIG resources will at best remain stable, yet the responsibilities of the office continue to expand.

Moreover, OIG managers acknowledge that the skills required to address the emerging issues facing the office, particularly those required for our increasing efforts to evaluate the organization and work processes of GSA, need to be enhanced.

This goal focuses on improving the efficiency and relevance of OIG products and includes a commitment to dramatically increase the timeliness and the utility of audits and investigations.

Anticipated Results

The unprecedented changes of recent years and the challenges that lie immediately ahead require continuing the fundamental transformation in the OIG's work products, its relationships within GSA, and in its own view of success. The strategic goals described above position the OIG not as an adversary of GSA management, but in partnership with it in meeting the responsibilities of federal governance.

The OIG strategy consists of three distinct approaches. Internally, the OIG management will continue to emphasize the development of non-traditional approaches to its work. Audit resources will increasingly be concentrated on program reviews and other evaluative processes, while investigations will be more proactive, targeting areas of emerging vulnerabilities. This will require extensive specialized training.

At the same time, the OIG's traditional work product must be made more efficient and responsive to GSA and customer needs. The improvements in timeliness and operating efficiency envisioned both by the audit and investigative components of the OIG will require reassessing all existing approaches, including the analytical, investigative, and reporting techniques, as well as improved management and customer coordination efforts.

Finally, the OIG is committed to more effective "marketing" of its products and services. Although changing perceptions is necessarily a long-term process, a dedicated effort to enhance communications may also pay near-term dividends. The OIG has identified many GSA outcomes as its outcome goals. This underscores the extent to which the OIG success is critically connected to its ability to help GSA be successful. Developing a common understanding that these are shared goals is a key element in achieving success for both the OIG and GSA.

Administrative Strategies

Several critical administrative activities must be performed if the OIG is going to improve the delivery of its products, identify opportunities to improve GSA operations and programs, and protect the integrity of those programs. These administrative activities include providing our audit and investigations staffs with state-of-the-art information systems, ensuring access to both internal GSA and other Government and private information sources, and ensuring we have sufficient properly trained personnel to accomplish our mission.

In addition, we will be implementing such management actions as realigning and relocating staff to geographic locations to match planned and projected workload. We will consider, where possible, increasing the use of various workplace initiatives, such as telecommuting, work-at-home, etc., which may increase the efficiency and effectiveness of our workforce.

Strategy #1 - Operate, maintain, and upgrade computer resources to provide OIG components with the IT tools needed to perform their missions and with an integrated Management Information System. This will:

Enhance OIG components' ability to develop, coordinate, and exchange program and operational information within the OIG and between the OIG, GSA, and external sources to properly execute their audit and investigative responsibilities; and

Provide OIG components with the budgetary, financial, procurement, and personnel data to properly manage their resources.

Strategy #2 - Improve OIG components' ability to deliver work products by providing a full complement of timely administrative and human resource services.

Administrative Strategy Results

By fulfilling our stated strategies in supporting the OIG, we expect to:

1. Furnish real-time fiscal information to manage allocated funds.

2. Offer a comprehensive information system support to all OIG personnel as an aid to assist them in accomplishing their operational and reporting responsibilities.

3. Make available a full range of training and educational support to assist staff in professional development and in meeting their unique professional requirements.

4. Provide a full range of human resource support so that OIG management can meet its personnel needs.

During FY 2002, the OIG will devote approximately $4.0 million of its resources to accomplish this strategic goal.

Following are selected charts from the OIG's Performance Plan which detail the performance measures for each strategic goal.

OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Performance Plan: Outcome Measures

Notes: In general, focused activities and outputs from the Office of Audits will directly support the outcomes shown below for Strategic Goal #1. *Performance Indicator Key*: The percentages shown for each outcome reflect the proportion of OIG products (audit reports, consulting/management assistance reviews, and other programmatic evaluations) in the specified area that had an identifiable positive impact on improving Agency performance.

Type of Measure	Performance Measure	Performance Indicators					
		ACTUAL FY 2000**	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
	1. Federal Supply Service	79%	65%	65%	70%	70%	70%
	▪ Timely delivery						
	▪ Optimum value						
	2. PBS Asset Management	100%	65%	65%	70%	70%	70%
	▪ Stewardship						
	▪ Sound investment						
	▪ Customer satisfaction						
	3. FTS/Technology	50%	55%	60%	60%	65%	65%
	▪ Timely delivery						
	▪ Optimum value						
	4. Management Information Systems	N/A*	60%	65%	65%	70%	70%
	▪ Program efficiency						
	▪ Data reliability						
	▪ Customer satisfaction						
	▪ Performance measures						
	5. Policy and Administration	100%	50%	55%	60%	65%	70%
	▪ Program efficiency						

*N/A – No reportable data for the period.

**Some actual FY 2000 performance measures exceeded planned performance indicators for FY 2001 – FY 2005. In these instances, the high success rate resulted from low numbers of actual products completed during FY 2000. The outyear projections are still based on a reasonable level of activity.

OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Performance Plan: Output Measures

Notes: The output measures for the Office of Audits remain relatively constant over the next several years, however, their makeup reflects the impact of changes to procurement laws and regulations as well as OIG management's decision to redirect audit program emphasis. Compared to previous years, lower avoidance and recovery dollar amounts reflect (1) the impact of the changes in the regulations affecting GSA's commercial item procurements resulting from the implementation of Federal acquisition reform legislation, for example the elimination of regular post-award audit access, and (2) GSA's decision to move to longer term contracting in the Multiple Award Schedule program. Because of these changes there will be fewer contracts subject to audit. The measures also reflect OIG management's decision to allocate greater audit resources to major programmatic control systems, and consulting efforts, which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are better reflected in our outcome measures.

		Performance Indicators					
Type of Measure	**Performance Measure**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Output Audit	OIG Audit Reports						
	Total reports	217	227	231	230	230	231
	Avoidances & recoveries	$381M*	$148M	$148M	$148M	$148M	$148M
	Management decisions	$127M	$104M	$111M	$111M	$111M	$111M
	Internal audit reports	58	70	74	73	73	74
	Contract audit reports	159	157	157	157	157	157

*High actual FY 2000 avoidance and recoveries resulted primarily from one report with unusually high monetary impact. This report involved recommended cost avoidances of $260 million involving the Government-wide purchase of communications equipment.

OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Performance Plan: Input Measures							
Measure	**Activity**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Allocation of effort							
% of Audit Resources	***External***	29%	23%	23%	23%	23%	23%
	Cost/Price Pre-Award MAS Post MAS Claims						
	Internal	71%	77%	77%	77%	77%	77%
	Consulting Program Control Regulatory Preventive Regional Plans ADP Systems Advisory						

OIG Strategic Goal #2: ***Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements.***

Performance Plan: Outcome Measures

Notes: The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of the outcomes listed under Strategic Goal #2.

Performance Indicator Key: The percentages shown for each outcome reflect the proportion of OIG products (audit reports, consulting/management assistance reviews, investigations, and other programmatic evaluations) in the specified area that had an identifiable positive impact on improving GSA's performance.

		Performance Indicators					
Type of Measure	**Performance Measure**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Outcome	1. Commercial Item Acquisition						
	▪ Internal control	N/A*	55%	55%	60%	60%	60%
	▪ Integrity	55%	60%	60%	60%	60%	60%
	2. Information Systems/Emerging Technology						
	▪ Internal control	100%	55%	60%	60%	65%	65%
	▪ Integrity	55%	60%	60%	60%	60%	60%
	3. Award and Administration of Outsourced GSA Activities						
	▪ Internal control	86%	55%	55%	60%	60%	65%
	▪ Integrity	55%	60%	60%	60%	60%	60%
	4. Financial Systems						
	▪ Internal control	100%	55%	60%	60%	65%	65%
	▪ Integrity	55%	60%	60%	60%	60%	60%

*N/A – No reportable data for the period

OIG Strategic Goal #2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements.

Performance Plan: Output Measures

Notes: The output measures listed below for the Office of Investigations reflect the projected accomplishments of investigative effort in support of the efficiency, effectiveness, and integrity of GSA's mission.

	Performance Indicators					
Performance Measure	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
No. of Criminal Referrals	165	102	102	102	102	102
No. of Civil Referrals	52	21	21	21	21	21
No. of Admin. Referrals	262	258	258	258	258	258
Civil Settlements	13	12	12	12	12	12
Indictments/Informations	42	36	36	36	36	36
Successful Criminal Prosecutions	32	34	34	34	34	34
Contractors Suspended/ Debarred	94	93	93	93	93	93
Investigative Recoveries	$40.809M*	$4.500M	$4.500M	$4.500M	$4.500M	$4.500M

*High actual FY 2000 resulted from our largest single case fraud recovery to date. The OIG, working with the Department of Justice, obtained over $33 million in a settlement related to the supply of defective computer equipment to Government agencies.

OIG Strategic Goal #3: Improve the delivery of the OIG work products.

Performance Plan: Outcome Measures

Notes: The outcome measures listed below are an attempt to strategically align the OIG internal activities to support the changing work product. Activities are evaluated against a "standard" that reflects "expected average performance." If a performance standard for completion of a report is listed as 4.0, it means that an average report assigned to the office will have customer service measures of at least a 4.0. This standard is monitored by assigning a target that measures the extent to which the office is meeting the standard. If the target is 80 percent that means that 80 percent of the office reports will have customer service ratings of at least 4.0. It should be noted that, since performance standards represent an estimated or actual "average," effective and realistic targets should be in the 75 - 90 percent range.

		Performance Indicators							
Type of Measure	**Performance Measure**	**Performance Standard**	**5 year Target**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Outcome Audit	Effectiveness - Customer Surveys	Scale: 1 - 5 (5 high)							
	▪ Meets customer needs	4.0	90%	99%	85%	90%	90%	90%	90%
	▪ Cust. understanding	4.0	90%	99%	85%	90%	90%	90%	90%
	▪ Relevancy	4.0	85%	98%	85%	85%	85%	85%	85%
	▪ Perception/Timeliness	4.0	85%	96%	80%	85%	85%	85%	85%
	▪ Value added	4.0	90%	98%	85%	90%	90%	90%	90%

OIG Strategic Goal #3: Improve the delivery of the OIG work products.

Performance Plan: Outcome Measures (Continued)

Notes: The outcome measures listed below are an attempt to strategically align the OIG internal activities to support the changing work product. Activities are evaluated against a "standard" that reflects "expected average performance." If a performance standard for completion of a report is listed as 30 days, it means that an average report assigned to the office will be completed within 30 days. This standard is monitored by assigning a target that measures the extent to which the office is meeting the standard. If the target is 75 percent that means that 75 percent of the office reports will be completed within 30 days. It should be noted that, since performance standards represent an estimated or actual "average," effective and realistic targets should be in the 70 - 85 percent range.

Of the activities listed, the following are noteworthy:

- Nearly all of the performance targets for the Office of Audits reflect a dramatic increase in efficiency, especially important considering the increased complexity of their work product and the reduction in resources;
- The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities; and
- The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards so as to reflect the need to improve performance in specific targeted areas.

OIG Strategic Goal #3: Improve the delivery of the OIG work products.

Performance Plan: Outcome Measures (Continued)

		Performance Indicators							
Type of Measure	Performance Measure	Performance Standard	5 year Target	ACTUAL FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Outcome									
Audit	Efficiency – Timeliness								
External	▪ Cost/Price	30 days	60%	45%	45%	50%	55%	60%	60%
	▪ Pre-award MAS	30 days	65%	59%	60%	60%	65%	65%	65%
	▪ Post-award MAS	270 days	65%	85%	65%	65%	65%	70%	70%
	▪ Claims	* 90 days	65%	43%	60%	60%	65%	65%	65%
Internal	▪ Program review	320 days	65%	100%	65%	65%	65%	70%	70%
	▪ Management control	180 days	60%	40%	45%	50%	55%	60%	60%
	▪ Regulatory	180 days	60%	30%	50%	55%	55%	60%	60%
	▪ Preventative	180 days	60%	63%	50%	55%	55%	60%	60%
	▪ Regional plans	180 days	65%	63%	50%	55%	60%	60%	65%
	▪ Regional plan-major	180 days	65%	N/A	50%	55%	60%	60%	65%
	▪ Advisory	180 days	60%	100%	60%	60%	60%	60%	60%
	▪ Consulting	** 90 days	70%	50%	60%	60%	65%	65%	70%
	▪ Systems	320 days	70%	100%	65%	65%	65%	70%	70%
Audit	Efficiency – Hours/Task								
External	▪ Cost/Price	*** 200 hrs	75%	56%	60%	65%	70%	70%	75%
	▪ Claims	380 hrs	75%	43%	65%	65%	70%	70%	75%
	▪ Pre-award MAS	*** 200 hrs	65%	65%	60%	60%	65%	65%	65%
	▪ Post-award MAS	600 hrs	75%	92%	70%	70%	75%	75%	75%

*FY 2001 standard changed from 80 to 90 days
**FY 2001 standard changed from 60 to 90 days
***FY 2001 standard changed from 160 to 200 hours

OIG Strategic Goal #3: Improve the delivery of the OIG work products.

Performance Plan: Outcome Measures (Continued)

		Performance Indicators							
Type of Measure	**Performance Measure**	**Performance Standard**	**5 year Target**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Outcome									
Audit	Efficiency – Hours/Task (Cont.)								
Internal	• Program review	5,000 hrs	70%	90%	65%	65%	70%	70%	70%
	• Management control	1,800 hrs	65%	87%	60%	60%	65%	65%	65%
	• Regulatory	600 hrs	70%	60%	60%	65%	65%	70%	70%
	• Preventative	850 hrs	70%	75%	65%	65%	65%	70%	70%
	• Regional plans	1000 hrs	65%	50%	60%	60%	65%	65%	65%
	• Regional plan-major	1,800 hrs	60%	N/A	50%	55%	55%	60%	60%
	• Advisory	2,000 hrs	65%	100%	60%	60%	65%	65%	65%
	• Consulting	640 hrs	65%	100%	60%	60%	65%	65%	65%
	• Systems	5,000 hrs	65%	75%	60%	65%	65%	65%	65%
Invest.	*Class I*								
	• Fraud/Crimes	540 days	75%	88%	65%	70%	75%	75%	75%
	• Debarment/Suspension	60 days	90%	100%	70%	80%	90%	90%	90%
	• Administrative	180 days	85%	100%	70%	80%	85%	85%	85%
	Class II								
	• Fraud/Crimes	270 days	75%	78%	65%	70%	75%	75%	75%
	• Debarment/Suspension	45 days	90%	67%	70%	80%	90%	90%	90%
	• Administrative	90 days	85%	92%	70%	80%	85%	85%	85%

OIG Strategic Goal #3: Improve the delivery of the OIG work products.

Performance Plan: Outcome Measures (Continued)

		Performance Indicators							
Type of Measure/ Office	**Performance Measure**	**Performance Standard**	**5 year Target**	**ACTUAL FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Counsel	Audit Reviews	120 days	90%	N/A	80%	80%	85%	90%	90%
	FOIA/PA Requests	30 days	90%	82%	70%	80%	90%	90%	90%
Evaluation	Field Office Appraisals	60 days	75%	100%	65%	70%	75%	75%	75%
Admin.	System Availability	365 days	98%	97%	96%	97%	98%	98%	98%
	Provide Information Resources	5 days	94%	92%	92%	94%	94%	94%	94%
	Customer Satisfaction Scale: 1 - 5 (5 high)	4.5	4.5	4.2	4.3	4.4	4.5	4.5	4.5
Financial	Budget Reports	12 days	99%	95%	95%	99%	99%	99%	99%
	App. Funds Reports	5 days	99%	95%	95%	99%	99%	99%	99%
	No. Year Fund Reports	5 days	99%	95%	95%	99%	99%	99%	99%
	Administrative Reports	30 days	100%	100%	100%	100%	100%	100%	100%
Procurement	Credit Card	30 days	98%	100%	98%	98%	98%	98%	98%
	Procurement	30 days	98%	100%	97%	98%	98%	98%	98%
	Resource Transaction	30 days	98%	100%	97%	98%	98%	98%	98%
Human Resources	Personnel Actions	30 days	90%	35%	85%	90%	90%	90%	90%
	General Services	30 days	90%	100%	85%	90%	90%	90%	90%

* FY 2001 Standards changed from 30 to 10 days.
** No audit reviews performed in FY 2000.

Allocation of OIG resources to accomplish strategic goals.

Performance Plan: Allocation of OIG Resources

		Performance Indicators (in thousands)											
Input Measure	Organization	FY 2000		FY2001		FY 2002		FY 2003		FY 2004		FY 2005	
		$	%	$	%	$	%	$	%	$	%	$	%
$	OIG	32,853	100%	34,444	100%	36,025	100%	36,025	100%	36,025	100%	36,025	100%
	Audits	18,100	55%	18,944	55%	22,336	62%	22,336	62%	22,336	62%	22,336	62%
	Investigations	9,260	28%	9,644	28%	8,646	24%	8,646	24%	8,646	24%	8,646	24%
	Administration	3,445	11%	3,444	10%	2,883	8%	2,883	8%	2,883	8%	2,883	8%
	Counsel	952	3%	1,034	3%	1,080	3%	1,080	3%	1,080	3%	1,080	3%
	IG Office/Eval.	1,096	3%	1,378	4%	1,080	3%	1,080	3%	1,080	3%	1,080	3%

General Services Administration
ELECTRONIC GOVERNMENT FUND

MISSION

This program provides for interagency Electronic Government (E-Gov) initiatives that utilize the Internet or other electronic methods as a means to increase Federal Government accessibility, efficiency, and productivity. These E-Gov initiatives will provide the public with easy access to Federal information, benefits, services, and business opportunities through the development and promotion of standardized technologies across agencies and governments. Projects under E-Gov would support an infrastructure that builds on the foundation that FirstGov provides for all Federal online information and that Public Key Infrastructure provides for secure online transactions using digital signatures. Projects that support the Government Paperwork Elimination Act (GPEA) of 1999 are also key components of E-Gov. The GPEA requires agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable, by October 2003. Projects proposed for funding must (1) be interagency projects; (2) involve a new innovation; and (3) use capital planning guidelines that include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. OMB will control the allocation of the funds and direct their use for information technology projects that affect multiple agencies and offer the greatest improvements in access, service, and efficiency.

ELECTRONIC GOVERNMENT FUND
$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 2001/2002 Change
Direct Program:	0	0	$20,000	+$20,000
Toal Budget Authority	0	0	$20,000	+$20,000
Net Outlays	0	0	$18,000	+$18,000

EXPLANATION OF ESTIMATES

The FY 2002 budget request reflects the establishment of the Electronic Government fund.

General Services Administration
ELECTRONIC GOVERNMENT FUND

ELECTRONIC GOVERNMENT FUND (DIRECT) Explanation of Budget Changes in Priority Order $(Thousands)	
FY 2001 Enacted Appropriation	**0**
Electronic Government Fund	20,000
FY 2002 Budget Request	**20,000**

ELECTRONIC GOVERNMENT FUND
(Direct)
Obligations by Object Class
$(Thousands)

		FY 1999 Actual	FY 2000 Current	FY 2001 Request
	Personnel Compensation:			
11.1	Full-time permanent	0	0	0
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.9	Total personnel compensation	0	0	0
12.1	Civilian personnel benefits	0	0	0
21.0	Travel and transportation of persons	0	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities and miscellaneous charges	0	0	0
24.0	Printing and reproduction	0	0	0
25.2	Other services	0	0	20,000
25.3	Purchases of goods and services from Government Accounts	0	0	0
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	0
99.0	Subtotal direct obligations	0	0 *	20,000
99.0	Reimbursable obligations	0	0	0
99.9	Total obligations	0	0	20,000

General Services Administration
ELECTRONIC GOVERNMENT FUND

APPROPRIATIONS LANGUAGE

There is hereby established an Electronic Government (e-gov) Fund. This fund shall be administered by the Administrator of General Services to support interagency projects, approved by the Director of the Office of Management and Budget, that enable the Federal Government to expand its ability to conduct activities electronically, through the development and implementation of innovative uses of the Internet and other electronic methods. These projects may include efforts to make Federal information more readily available to members of the public (individuals, businesses, grantees, and State and local governments); to make it easier for the public to apply for benefits, receive services, pursue business opportunities, submit information, and otherwise conduct transactions with the Federal Government; and to enable Federal agencies to take advantage of information technology in sharing information and conducting transactions with one another. The Administrator of General Services may transfer amounts from this Fund to Federal agencies to carry out approved projects. Such transfers may be ten days after the Director of OMB has submitted to Congress a proposed spending plan and justification for each project to be undertaken.

For necessary expenses, $20,000,000 to remain available until September 30, 2004.

Explanation of Proposed Language Change

This proposed, new language authorizes an Electronic Government (E-Gov) Fund and requests an appropriation of funds. The President's Blueprint proposes a total program of $100 million over three years.

General Services Administration

EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

$(Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request	FY 2002/01 Change
Audit Contracts	2,818	2,600	2,500	-100
Contract Administration/ Operating Expenses	7,725	10,117	10,551	+434
Total Obligations	**10,543**	**12,717**	**13,051**	**+334**
Value of Current Receipts	18,714	15,500	14,000	-1,500
Outlays	**10,543**	**12,717**	**13,051**	**+334**
Employment (FTE)	**70**	**67**	**67**	**0**

MISSION

The Expenses of Transportation Audit Contracts and Contract Administration account was established to fund the auditing of transportation carrier billings furnished to the Government on a post payment basis and to detect and subsequently recover carrier overcharges. This activity was transferred from the General Accounting Office to GSA in 1975. This account is a permanent, indefinite appropriation which does not require annual Congressional action.

THE BUDGET IN SUMMARY

Expenses are financed from overcharges collected from carriers on transportation bills paid by the Government and other similar types of refunds. Until 1986, Federal agencies were required to pay carrier invoices upon receipt, prior to audit by GSA. Public Law 99-627 of November 7, 1986, altered the process significantly, by allowing GSA to conduct prepayment audits and delegate this authority to agencies upon their request.

The passage of the Travel and Transportation Act of 1998 made the prepayment audit of transportation bills mandatory. The Act was fully implemented in October 2000.

A management plan has been formulated for the transportation audit program, emphasizing prepayment audit benefits. Since potential overcharges will be discovered prior to payment, an agency will retain the funds for other transportation activities. In the past, overcharges identified by post payment audits were returned to the U. S. Treasury.

This management plan also includes post payment initiatives to reduce costs, which should enable remaining post payment audit collections to fully fund this activity.

Although the new prepayment audit law took effect in October 2000, considerable post payment audit activity will continue throughout fiscal year 2001 and for a few years thereafter, although diminishing. For some modes of transportation there is a 12-to-18 month backlog of bills to be audited. Moreover, post payment audits will need to

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

augment prepayment audits during the transition period following implementation and will perform a quality control function. Further, the Audit Division remains the central repository of the agencies' transportation documentation and maintains the comprehensive tariff and tender library required for the audit and legal actions. As stated in the law, certain transactions (such as those for charge cards), as well as certain organizations throughout the Government, may be given waivers by GSA's Office of Government-wide Policy of the prepayment audit requirement (in favor of continued post payment audit) for reasons of practicality.

Explanation of Budget Changes $(Thousands)	
FY 2001 Current Level	12,717
Pay Raise, January, 2002	+178
Inflation	+156
FY 2002 Budget Request	13,051

General Services Administration

EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Obligations by Object Class
$(Thousands)

		FY 2000 Actual	FY 2001 Current	FY 2002 Request
11.1	Full-time permanent	3,648	3,793	3,937
11.3	Other than full-time permanent	52	54	56
11.5	Other personnel compensation	154	160	166
11.9	Total personnel compensation	3,854	4,007	4,159
12.1	Civilian personnel benefits	659	686	712
21.0	Travel and transportation of persons	73	74	75
23.1	Rental payments to GSA	380	668	672
23.3	Communications, utilities, and misc. charges	60	61	62
24.0	Printing and reproduction	87	89	91
25.2	Other Services	3,355	4,984	5,079
25.3	Purchases of goods/services from Gov't accts	1,957	2,028	2,079
26.0	Supplies and materials	115	117	119
31.0	Equipment	3	3	3
	Total Obligations	10,543	12,717	13,051

General Services Administration

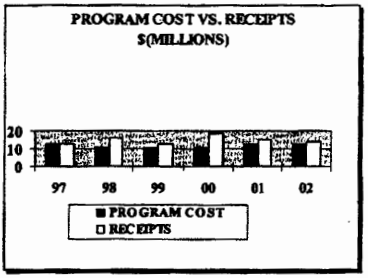
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

PERFORMANCE MEASURE

Following is a graph that compares the annual cost of administering the Transportation Audit Contracts Program to the annual net receipt collections from overcharges collected. The collections of overcharges are used as the Program's financing source.

Collection initiatives were implemented in fiscal year 1996 that have increased collections and enabled the program to be fully self-sustaining on an annual basis.

The value of receipts displayed represents the total actual/estimated net overcharge amounts collected and does not include any actual or estimated transfers to the U.S. Treasury.



General Services Administration
EXPENSES, DISPOSAL

BACKGROUND

Expenses, Disposal of Surplus Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204(b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954. The account finances contractual services of appraisers, auctioneers, and brokers familiar with local markets to accelerate the utilization or sale of surplus real property. It also covers the costs of surveying, advertising, and environmental and historic services. Financing is provided from receipts from sales of surplus property and outleasing of Government-owned space.

EXPENSES, DISPOSAL
$(Thousands)

	FY 2000 Estimate	FY 2001 Budget	FY 2002 Request	FY 02/01 Change
Direct Program:				
Disposal - Real Property	4,648	7,266	7,962	696
Outleasing - Government-owned Space	57	515	515	-
Unobligated Balance Expiring	1,295	-	-	-
Total (Budget Authority)	**6,000**	**7,781**	**8,477**	**+696**
Reimbursable Program:				
Disposal - Real Property	255	600	600	-
Total (Reimbursable)	**255**	**600**	**600**	**-**
Net Outlays	**5,217**	**7,625**	**8,307**	**+ 682**
Employment (FTE)	-	-	-	-

THE BUDGET IN SUMMARY

This appropriation provides for contractual services and supplements in-house real property disposal activities and improved space utilization through outleasing of surplus Government-owned space. This is a permanent, indefinite appropriation which requires no further Congressional action.

An increase of $1,750 thousand over the FY 2002 Control Level is requested to dispose of seven National Defense Stockpile Depots for the Defense Logistics Agency under the 1949 Act. Expenses will be incurred for disposal costs such as National Environmental Policy Act studies, appraisals, reuse and marketing plans, and surveys.

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - DIRECT Explanation of Budget Changes *$(Thousands)*	
FY 2001 Budget Level	**7,781**
Environmental Services	-1,054
FY 2002 Budget Control Level	**6,727**
DLA Stockpile Depots	+1,750
FY 2002 Budget Request	**8,477**

EXPENSES, DISPOSAL - REIMBURSABLE Explanation of Budget Changes *$(Thousands)*	
FY 2001 Budget Level	**600**
No change	-
FY 2002 Budget Request	**600**

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - DIRECT Obligation by Object Class *$(Thousands)*			
	FY 2000 Actual	**FY 2001 Current**	**FY 2002 Request**
24.0 Printing and reproduction	$48	$350	$350
25.2 Other services	4,657	7,431	8,127
Total Obligations	**$4,705**	**$7,781**	**$8,477**

EXPENSES, DISPOSAL – DIRECT Obligation by Program Activity *$(Thousands)*			
	FY 2000 Actual	**FY 2001 Current**	**FY 2002 Request**
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees and surveying	$4,066	$790	$1,200
b. Advertising	466	1,291	1,291
c. Environmental services	100	5,085	5,371
d. Historical preservation services	16	100	100
Outleasing - Government-owned Space:			
a. Appraisers, auctioneers, brokers fees, surveying and advertising	57	515	515
Total Obligations	**$4,705**	**$7,781**	**$8,477**

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Object Class *$(Thousands)*			
	FY 2000 Actual	**FY 2001 Current**	**FY 2002 Request**
24.0 Printing and reproduction	$6	$80	$80
25.2 Other services	249	520	520
Total Obligations	**$255**	**$600**	**$600**

EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Program Activity *$(Thousands)*			
	FY 2000 Actual	**FY 2001 Current**	**FY 2002 Request**
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying and environmental services	$118	$450	$450
b. Advertising	108	100	100
c. Environmental Services	29	50	50
Total Obligations	**$255**	**$600**	**$600**

Public Buildings Service
FY 2002 Congressional Justification Budget Submission

Table of Contents

Federal Buildings Fund (Fund 192):	**Page #**
A—Summary	
Budget Overview	1
Budget Summary Information:	
• Responsibility Segments	3
• Schedule of Resources, New Obligational Authority, and Fund Balance	4
• Indefinite Authorities	5
• Schedule of FTE, Obligations, and Net Outlays	6
• Obligations by Object Class	7
• Summary of Total Inventory	8
• Summary of Space Assigned	9
• Appropriation Language	10
• Explanation of Changes In Appropriation Language	17
Performance Plan	18
• Matrix of FY 2002 Performance Measures	21
B—Construction and Acquisition Program	25
• Summary of Program (Project List)	29
• Project Descriptions	31
C—Repairs and Alterations Program	44
• Summary of Program (Project List)	48
• Project Descriptions	50
D—Installment Acquisition Payments Program	65
• Explanation of Budget Changes	66
• Status of Unobligated Borrowing Authority	67
• Lease Purchase Facilities (Project List)	68
E—Rental of Space Program	69
• Trends in Inventory and Obligations	72
• Explanation of Budget Changes	73
• Changes in Rental of Space	74
• Delegations Program	75

Public Buildings Service
FY 2002 Congressional Justification Budget Submission

Table of Contents

Federal Buildings Fund (Fund 192) (continued): **Page#**

F—Building Operations Program 76
- Explanation of Budget Changes 80
- Changes in Building Operations 81

G—Reimbursable Program 82
- Explanation of Budget Changes 83

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Budget Overview

Mission

The Public Buildings Service's (PBS) mission is to improve the effectiveness of the Federal Government by ensuring quality work environments for its employees. To fulfill our mission, we provide high-quality real property, asset management, workplace support, acquisition, facility security, and disposal services in a timely and cost effective manner. As a service agency, we are changing to better serve our Federal agency customers.

Budget in Summary

Our vision is to be recognized as the best public real estate organization in the world. This means providing safe, productive, well managed workspace for Federal employees in the most efficient manner possible. Good business practice dictates that PBS make preservation of the Government-owned inventory a top priority, so that it attracts new tenants and retains existing tenants. Housing long-term tenants in Government-owned space represents the greatest value for the American taxpayer. This approach will help constrain the growth of leasing costs. Our number one priority is to maintain and improve those properties we have determined we should keep in our inventory -- many of which are historically significant, yet viable and adaptable for use as modern office space.

The General Accounting Office noted in its most recent report that $4 billion is needed to ensure acceptable quality, health, and safety standards. For this reason, our fiscal year 2002 budget has been formulated to give the Repairs and Alterations program first priority. Our ability to propose $827 million reinvestment in our inventory from the revenues of the FBF is the direct result of our success in using performance measures to control expenses and collect revenue due.

This budget is built around achieving our goals of: 1) realizing cost savings from operating our inventory at 12 percent below private sector benchmarks; 2) continuing to maintain or improve our customer satisfaction levels; 3) awarding leases at or below market rates; 4) analyzing our inventory to identify which buildings we should continue to own, operate, and improve, and which should be disposed of; and 5) ensuring the safety and security of the Federal employees we house. Our fiscal year 2002 budget is providing resources to continue upgrading contract guard requirements, replacing and upgrading building security systems and countermeasures, and continuing the implementation of our Law Enforcement and Security Officer initiative.

In summary, our fiscal year 2002 budget has been formulated to support the strategic priorities and direction of PBS in the accomplishment of its mission.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

The following chart (Figure 1) illustrates the sources and uses proposed for fiscal year 2002.

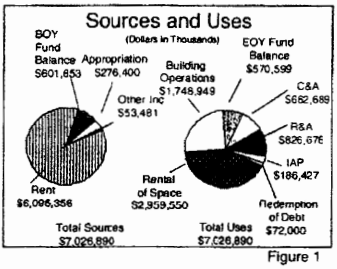


Figure 1

Full Time Equivalent (FTE)

This budget reflects a FTE workyear level of 7,287 – the same as fiscal year 2001. This allows us to continue to staff the protection activity at 1,423 FTE (1,408 direct and 15 reimbursable) as recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities" report. The FTE workyear level has remained at a stable level for several years.

Inventory

The owned and leased inventories controlled by PBS are projected to expand by 1.7 percent, or 5,642 thousand square feet between fiscal year 2001 and fiscal year 2002. This expansion is in response to the specific needs of our tenant agencies. Our owned space is projected to expand by 3,843 thousand square feet, due to the completion of construction or modernization of courthouses and the modernization of the Social Security Administration Building in Woodlawn, MD.

We project our leased inventory will continue to grow, driven notably by space requirements of the Department of Justice, Treasury and the Social Security Administration.

Responsibility Segments

Immediately following this narrative is Exhibit 1, which divides our fiscal year 2002 budget request into Operations (government-owned and leased facilities) and Capital (Construction and Acquisition of Facilities and Repairs and Alterations). This segmentation is logically aligned with PBS's performance measures.

Budget Summary Information

The following exhibits provide more information regarding the overall aspects of the FBF:

Exhibit 1 - Responsibility Segments

Exhibit 1A - Schedule of Resources, New Obligational Authority, and Fund Balance

Exhibit 2 - Indefinite Authorities

Exhibit 3 - Schedule of FTE, Obligations, and Net Outlays

Exhibit 4 - Obligations by Object Class

Exhibit 5 - Summary of Total Inventory

Exhibit 6 - Summary of Assigned Space

Exhibit 7 - Appropriation Language and Explanation of Changes in Appropriation Language

EXHIBIT 1

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

RESPONSIBILITY SEGMENTS
FY 2002 BUDGET REQUEST
(Dollars in Thousands)

	OPERATIONS		CAPITAL		TOTAL
	Government-Owned	Government-Leased	Construction & Acquisition	Repairs & Alterations	
Construction and Acquisition	$0	$0	$662,689 1/	$0	$662,689
Basic Repairs and Alterations	$333,000	$37,000	$0	$0	$370,000
Line Item Repairs and Alterations	$0	$0	$0	$456,676	$456,676
Installment Acquisition Payments	$0	$0	$186,427	$0	$186,427
Redemption of Debt	$0	$0	$72,000	$0	$72,000
Rental of Space	$0	$2,959,550	$0	$0	$2,959,550
Building Operations	$1,324,602	$227,077	$93,378	$103,892	$1,748,949
o Building Services	$756,013	$74,771	$0	$0	$830,784
o Protection	$168,103	$56,186	$0	$0	$244,289
o Salary and Administration					
-Staff Support (Excludes Protection)	$247,464	$55,765	$56,557	$56,557	$416,343
-Protection Staff	$27,917	$6,128	$0	$0	$34,045
o Technical services, space planning	$0	$10,800	$15,004	$18,886	$44,690
o Information Technology	$38,072	$8,357	$6,833	$13,265	$66,327
o Centralized Services	$87,033	$15,070	$15,184	$15,184	$112,471
Reimbursable	$365,945	$272,113	$103,216	$197,046	$938,320
TOTAL	$2,023,547	$3,495,740	$1,117,710	$757,614	$7,394,611

1/ Includes $276,400 thousand in advance appropriations provided in P.L. 106-554

EXHIBIT 1A

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE
FY 2000 - FY 2002
(Dollars in Thousands)

	FY 2000 Actual	FY 2001 Current	FY 2002 Request
Resources:			
Available from prior year for reauthorization	195,242	406,017	601,653
Columbia Hospital for Women (proceeds from sale)	14,000		
Redemption of Debt	(98,823)	(70,595)	(72,000)
Reprogramming Authority	88,037	13,549	
Non-expenditure transfer	304		
Appropriation		476,523	276,400 3/
Revenue from operations:			
Rent	5,437,487	5,651,447	6,095,356
Indefinite Authority for Rental of Space	135,710	219,516	[210,794]
Other Indefinite Authorities	33,938	[27,406]	[29,542]
Miscellaneous	4,227	4,000	4,000
Outleasing	16,724	10,916	12,267
SSA/CDC/HCFA payments	44,608	36,628	37,214
Projects Lapsed/Rescinded	20,782		
Subtotal	[5,693,476]	[5,922,507]	[6,148,837]
Total Resources Available	5,892,236	6,748,001	6,954,890
New Obligational Authority:			
Construction and Acquisition	94,363	499,575	662,689
Repairs and Alterations	669,010 1/	673,283 2/	826,676 2/
Installment Acquisition Payments	201,546	185,389	186,427
Columbia Hospital for Women	14,000		
Rental of Space	2,917,896 1/	3,163,370 1/	2,959,550 2/
Building Operations	1,588,543 1/	1,624,771 2/	1,748,949 2/
Transfer to Pennsylvania Avenue Activities	3,652		
Total New Obligation Authority	5,489,110	6,146,348	6,384,291
Fund Balance:			
Total Resources Available	5,892,236	6,748,001	6,954,890
Total New Obligational Authority	(5,489,110)	(6,146,348)	(6,384,291)
Prior Year Recoveries	2,891		
Fund Balance (Available for Reauthorization)	406,017	601,653	570,599

1/ Includes indefinite authority. See Exhibit 2
2/ Excludes indefinite authority. See Exhibit 2
3/ Advanced appropriation provided in P.L., 106-554

See Exhibit 2 for listing of all indefinite authorities

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

FY 2002 BUDGET
Indefinite Authorities
(Dollars in Thousands)

	FY 2000 ACTUAL	FY 2001 CURRENT	FY 2002 REQUEST
RESOURCES/EXPENDITURES			
Repairs and Alterations (Basic)			
Pennsylvania Avenue Activities	37	[100]	[0]
Repairs and Alterations (Line-Item)			
Energy	767	[786]	[786]
Recycling	1,284	[1,316]	[1,316]
Historical Outleasing	8,595	[8,810]	[8,810]
Building Operations			
International Trade Center	14,102	[15,264]	[17,500]
Teleworking	532	[1,130]	[1,130]
TOTAL (Excludes Leased Expansion Space)	25,317	[27,406]	[29,542]
Rental of Space			
Leased Expansion Space	135,710	219,516	[210,794]

Bracketed numbers are projections not included in budget totals.

EXHIBIT 3

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS
(Dollars in Thousands)

	FY 2000 Actual		FY 2001 Current		FY 2002 Request		Increase/(Decrease) For FY 2001 Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
FTE and Obligations:								
1. Construction and Acquisition	-	266,609	-	710,212	-	726,616	-	16,404
2. Repairs and Alterations	-	555,250	-	744,605	-	1,121,134	-	376,529
3. Design and Construction Services	-	2,314	-	2,000	-	723	-	(1,277)
4. Installment Acquisition Payments	-	201,863	-	196,275	-	186,427	-	(9,848)
5. Construction of Lease Purchase Facilities	-	1,872	-	24,373	-	7,500	-	(16,873)
6. Pennsylvania Avenue Activities								
a) Repair and Alterations		8,535		7,200		7,100		(100)
b) Building Operations	-	1,169	-	1,545	-	1,075	-	(470)
7. Rental of Space	-	2,894,164	-	3,161,999	-	3,021,156	-	(140,843)
8. Building Operations								
a) Cleaning	360	197,133	456	220,468	456	223,587	0	3,119
b) Utilities/Fuel	-	225,665	-	273,518	-	304,145	-	30,627
c) Maintenance	925	200,546	1,267	240,605	1,267	245,655	0	5,050
d) Other Building Services	2,914	273,802	2,369	255,385	2,369	265,050	0	9,665
e) Protection	1,203	255,332	1,408	258,226	1,408	278,334	0	20,108
f) Staff Support	1,624	275,019	1,654	242,903	1,655	253,380	1	10,477
g) CIO	-	76,875	-	66,327	-	66,327	-	0
h) Centralized Services	-	88,669	-	102,993	-	112,471	-	9,478
i) International Trade Center	-	13,589	1	2,302	-	0	(1)	(2,302)
j) Columbia Hospital for Women	-	5,999	-	8,001	-	0	-	(8,001)
Subtotal, Building Operations	7,026	1,612,629	7,155	1,670,728	7,155	1,748,949	0	78,221
9. Transfer to Pennsylvania Avenue Activities		3,652						
10. Reimbursable	145	1,277,865	132	983,504	132	938,320	0	(45,184)
Total FTE and Obligations	7,171	6,825,922	7,287	7,502,441	7,287	7,759,000	0	256,559
Net Outlays:		(84,154)		383,016		(100,787)		(483,803)

EXHIBIT 4

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

FEDERAL BUILDINGS FUND
Obligations by Object Class
$(Thousands)

		FY 2000 Actual	FY 2001 Current	FY 2002 Request
	Personnel Compensation:			
11.1	Full-time permanent	387,344	402,656	419,715
11.3	Other than full-time permanent	5,090	5,313	5,493
11.5	Other personnel compensation	14,594	12,679	13,039
11.9	Total personnel compensation	407,028	420,648	438,247
12.1	Civilian personnel benefits	92,325	87,881	93,297
13.0	Benefits for former personnel	199	203	203
21.0	Travel and transportation of persons	16,450	14,726	14,717
21.0	Motor pool travel	5,225	4,917	4,917
22.0	Transportation of things	3,198	4,382	4,381
23.2	Rental payments to others	2,892,548	3,161,999	3,021,156
23.3	Communications, utilities, and misc. charges	288,994	301,615	331,295
24.0	Printing and reproduction	3,442	7,796	7,794
25.1	Advisory and assistance services	337	353	353
25.2	Other services	1,960,711	2,335,846	2,607,319
25.4	Operation and maintenance of facilities	792,198	765,665	855,893
25.7	Operation and maintenance of equipment	43,267	46,361	46,361
26.0	Supplies and materials	59,795	65,508	64,600
31.0	Equipment	27,585	42,942	45,324
32.0	Land and structures	48,080	66,238	56,736
41.0	Grants, subsidies, and contributions	6,065	245	45
42.0	Insurance claims and indemnities	279	86	86
43.0	Interest and dividends	178,196	175,030	166,276
99.9	Total Obligations	6,825,922	7,502,441	7,759,000

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE
FY 2000 - FY 2002
(Rentable Square Feet in thousands)

Rentable SF	FY 2000 ACTUAL	CHANGE FROM FY1999	FY2001 CURRENT	CHANGE FROM FY2000	FY 2002 REQUEST	CHANGE FROM FY2001
Government Owned Space						
Assigned	165,915	546	169,289	3,374	172,984	3,695
Vacant	18,324	(2,424)	18,292	(32)	18,440	148
Total	184,239	(1,878)	187,581	3,342	191,424	3,843
GSA Leased Space						
Assigned	146,655	2,652	149,434	2,779	151,502	2,068
Vacant	3,452	(590)	3,361	(91)	3,092	(269)
Total	150,107	2,062	152,795	2,688	154,594	1,799
Government Owned and Leased						
Assigned	312,570	3,198	318,723	6,153	324,486	5,763
Vacant	21,776	(3,014)	21,653	(123)	21,532	(121)
Total Space in Inventory	334,346	184	340,376	6,030	346,018	5,642
% of Total Space Vacant	6.5%		6.4%		6.2%	
% of Govt-Owned Space Vacant	9.9%		9.8%		9.6%	
% of Leased Space Vacant	2.3%		2.2%		2.0%	

Leased inventory includes 1.6 million square feet of USPS owned space. The USPS owned space leased by GSA is not expected to change in FY 2001 or FY 2002

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY
GOVERNMENT-OWNED AND LEASED SPACE
(Rentable Square Feet in thousands)
FY 2000 - FY 2002

Agency	FY 2000 ACTUAL	FY 2001 CURRENT	FY 2002 REQUEST	CHANGE FROM FY 2001
Treasury	42,006	43,804	45,396	1,592
Justice	40,829	41,638	44,990	3,352
U.S. Courts	34,119	34,564	34,552	(12)
Defense	31,235	31,463	31,441	(22)
SSA	25,504	26,628	28,195	1,567
Interior	14,423	16,092	15,831	(261)
HHS	12,088	13,295	13,995	700
All Other Agencies	112,366	111,239	110,086	(1,153)
Total	312,570	318,723	324,486	5,763

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

√[For an additional amount to be deposited in, and to be used for the purposes of,] the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)),	To carry out the purpose of
√[$464,154,000. The] revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of	the
[$5,971,509,000]√, of which (1)	$6,107,891,000
[$472,176,000]√ shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at	$386,289,000

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

the following locations: √[California, Los Angeles, U.S. Courthouse; District of Columbia, Bureau of Alcohol, Tobacco and Firearms Headquarters; Florida, Saint Petersburg, Combined Law Enforcement Facility; Maryland, Montgomery County, Food and Drug Administration Consolidation; Michigan, Sault St. Marie, Border Station; Mississippi, Biloxi-Gulfport, U.S. Courthouse; Montana, Eureka/Roosville, Border Station; Virginia, Richmond, U.S. Courthouse; Washington, Seattle, U.S. Courthouse:] Provided, That funding for any project identified above may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent of the amounts included in an approved prospectus, if required, unless

New Construction:
Alabama:
Mobile, U.S. Courthouse, $11,290,000
Arkansas:
Little Rock, U.S. Courthouse Annex, $5,022,000
California:
Fresno, U.S. Courthouse, $121,225,000
District of Columbia:
Washington, U.S. Courthouse Annex, $6,595,000
Washington, Southeast Federal Center, Site Remediation, $5,000,000
Maine:
Jackman, Border Station, $868,000
Maryland:
Montgomery County, FDA Consolidation, $9,060,000
Suitland, U.S. Census Bureau, $2,813,000
Suitland, National Oceanic and Atmospheric Administration II, $34,083,000
Massachusetts:
Springfield, U.S. Courthouse, $6,473,000
Michigan:
Detroit, Ambassador Bridge Border Station, $9,470,000
Montana:
Raymond, Border Station, $693,000
New Mexico:
Las Cruces, U.S. Courthouse, $4,110,000
New York:
Brooklyn, U.S. Courthouse Annex – GPO, $3,361,000
Buffalo, U.S. Courthouse Annex, $716,000
New York, U.S. Mission to the United Nations, $4,617,000
Oregon:
Eugene, U.S. Courthouse, $4,470,000
Pennsylvania:
Erie, U.S. Courthouse Annex, $30,739,000

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

advance √[approval is obtained from] the Committees on Appropriations of a greater amount: Provided further, That all funds for direct construction projects shall expire on September 30, √[2002,] and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) √[$671,193,000] shall remain available until expended for repairs and alterations which includes associated design and construction services: Provided further, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project, as follows, except each project may be increased by an amount not to exceed 10 percent unless advance √[approval is obtained from] the Committees on Appropriations of a greater amount:

√[Repairs and alterations:
Arizona:
Phoenix, Federal Building Courthouse, $26,962,000
California:
Santa Ana, Federal Building, $27,864,000
District of Columbia:
Internal Revenue Service Headquarters (Phase 1), $31,780,000
Main State Building, (Phase 3), $28,775,000
Maryland:
Woodlawn, SSA National Computer Center, $4,285,000
Michigan:
Detroit, McNamara Federal Building, $26,999,000
Texas:
Del Rio III, Border Station, $1,869,000
Eagle Pass, Border Station, $2,256,000
El Paso, U.S. Courthouse, $11,193,000
Fort Hancock, Border Station, $2,183,000
Houston, Federal Bureau of Investigation, $6,268,000
Virginia:
Norfolk, U.S. Courthouse Annex, $11,609,000
Nationwide:
Judgment Fund Repayment, $84,406,000
Nonprospectus Construction: $5,900,000:

notice is transmitted to

2003.

$826,676,000

notice is transmitted to

Repairs and Alterations:
California:
Laguna Niguel, Chet Holifield Federal Building, $11,711,000
San Diego, Edward J. Schwartz Federal Building - U.S. Courthouse, $13,070,000
Colorado:
Lakewood, Denver Federal Center, Building 67, $8,484,000
District of Columbia:
Washington, 320 First Street Federal Building, $8,260,000
Washington, Internal Revenue Service Main Building, Phase 2, $20,391,000

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

Missouri:
Kansas City, Richard Bolling Federal Building, $25,882,000
Kansas City, Federal Building, 8930 Ward Parkway, $8,964,000
Nebraska:
Omaha, Zorinsky Federal Building, $45,960,000
New York:
New York City, 40 Foley Square, $5,037,000
Ohio:
Cincinnati, Potter Stewart U.S. Courthouse, $18,434,000
Pennsylvania:
Pittsburgh, U.S. Post Office-Courthouse, $54,144,000
Utah:
Salt Lake City, Bennett Federal Building, $21,199,000
Virginia:
Reston, J.W. Powell Federal Building (Phase 2), $22,993,000
Nationwide:
Design Program, $21,915,000
Energy Program, $5,000,000
Glass Fragmentation Retention Program, $5,000,000
Basic Repairs and Alterations, $290,000,000:]

Washington, Main Interior Building, $22,739,000
Washington, Main Justice Building, Phase 3, $45,974,000
Florida:
Jacksonville, Charles E. Bennett Federal Building, $23,552,000
Tallahassee, U.S. Courthouse, $4,894,000
Illinois:
Chicago, Federal Building 536 South Clark Street, $60,073,000
Chicago, Harold Washington Social Security Center, $13,692,000
Chicago, John C. Kluczynski Federal Building, $12,725,000
Iowa:
Des Moines, 210 Walnut Street Federal Building, $11,992,000
Missouri:
St. Louis, Federal Building 104/105 Goodfellow, $20,212,000
New Jersey:
Newark, Peter W. Rodino Federal Building, $5,295,000
Nevada:
Las Vegas, Foley Federal Building – U.S. Courthouse, $26,978,000
Ohio:
Cleveland, Anthony J. Celebrezze Federal Building, $22,986,000
Cleveland, Howard M. Metzenbaum Courthouse, $27,856,000
Oklahoma:
Muskogee, Federal Building – U.S. Courthouse, $8,214,000
Oregon:
Portland, Pioneer Courthouse, $16,629,000
Rhode Island:
Providence, Federal Building and Courthouse, $5,039,000

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance notice is transmitted to the Committees on Appropriations: *Provided further,* That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: *Provided further,* That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: *Provided further,* That all funds for repairs and alterations prospectus projects shall expire on	Wisconsin: Milwaukee, Federal Building – U.S. Courthouse, $10,015,000 Nationwide: Design Program, $33,657,000 Heating, Ventilation and Air Conditioning Modernization – Various Buildings, $6,650,000 Transformers – Various Buildings, $15,588,000 Basic Repairs and Alterations, $370,000,000:
September 30, √[2002,] and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further,* That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects;	2003,
(3) √ [$185,369,000] for installment acquisition payments including payments on purchase contracts which shall remain available until	$186,427,000
expended; (4) √ [$2,944,905,000] for rental of space which shall remain available until	$2,959,550,000
expended; and (5) √ [$1,624,771,000] for building operations which shall remain available	$1,748,949,000

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

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until expended: [*Provided further,* That in addition to amounts made available herein, $276,400,000 shall be deposited to the Fund, to become available on October 1, 2001, and remain available until expended for the following construction projects (including funds for sites and expenses and associated design and construction services): District of Columbia, U.S. Courthouse Annex; Florida, Miami, U.S. Courthouse; Massachusetts, Springfield, U.S. Courthouse; New York, Buffalo, U.S. Courthouse: *Provided further,* That funding for any project identified above may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent of the amounts included in an approved prospectus, if required, unless advance approval is obtained from the Committees on Appropriations of a greater amount:] *Provided further,* That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: *Provided further,* That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance notice is transmitted to √[approval is obtained from] the Committees on Appropriations: *Provided further,* That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this Fund during fiscal year√[2001,]	2002.
excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of √[$5,971,509,000]	$6,107,891,000
shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.	

EXHIBIT 7

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Changes In Appropriation Language for FY 2002

For fiscal year 2002, the proposed language for the Federal Buildings Fund (FBF) includes changes from previously enacted legislation as follows:

The proposed language changes the requirement from "advance approval is obtained from" the Committees on Appropriations for the addition of repairs and alterations projects, emergency repairs, and new construction and repairs and alterations project escalations exceeding 10 percent, "to advance notice is transmitted to" the Committees on Appropriations for these actions. While the committees still retain control over projects, this change will permit GSA to conduct its capital program in a more timely and responsive manner.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Performance Plan

PBS has developed quantitative performance measures that are consistent with the Government Performance and Results Act of 1993, and which support GSA's strategic goals. These goals are:

1. Promote Responsible Asset Management – conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

2. Compete Effectively for the Federal Market – provide quality products and services at competitive prices and achieve significant savings.

3. Excel at Customer Service – incorporate customer feedback and customer satisfaction data in GSA's planning and decision making processes.

The PBS performance measures relate to specific programs, and are used to:

- Evaluate program performance
- Identify good practices that can be used to improve the business
- Identify the need for programmatic change
- Encourage creativity and innovation

When performance goals are met or exceeded, regions are rewarded with increased budgets and individuals are rewarded. This new emphasis on results and managing to the bottom line is making a major impact on the performance of PBS.

Immediately following this narrative is Exhibit 8, Matrix of Fiscal Year 2002 Performance Measures. It contains the annual performance goals, measures and budget links for major programs and activities. Some of the key measures are:

- *Tenant Satisfaction Ratings*

PBS, with the help of the Gallup Organization, surveys half of our tenants each year to measure customer satisfaction. See Building Operations Section, Figure 10 for more details.

- *Capital Investment Contribution*

Contribution is simply defined as revenue less operating expenses. It is the amount available for reinvestment in our owned inventory. The goal for fiscal year 2002 is 4.4 percent of the functional replacement value of the owned inventory, estimated for FY 2002 at $33.1 billion. To accomplish this goal, PBS is employing strategies such as: maximizing outleasing opportunities, pursuing ways to conserve energy, and recovering all costs of leasing space.

- *Percentage of Government-owned and Leased Inventory Not Producing Revenue*

Reductions in non-revenue producing space in fiscal year 2002 are projected to increase annual revenue by $9 million in leased space and $32 million in Government - owned space. Figure 2 below shows the percentages of Government-owned non-revenue producing space.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

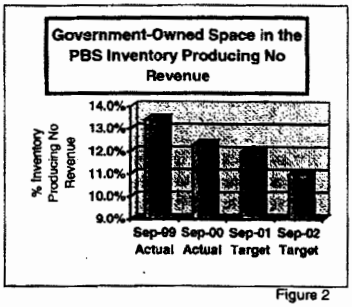

Figure 2

- *Operating Costs per Rentable Square Foot of Office Space compared to Private Sector Costs*

PBS has developed several benchmarks to compare our operating costs to those in equivalent private sector buildings. We participate in industry groups, keep abreast of changes and trends in the industry, pursue energy conservation strategies and employ commercial buying practices, all of which keep office building operating costs at 12 percent below private industry benchmarks.

- *Annual Lease Cost for new leases compared to the Private Sector*

PBS strategies to keep leasing costs at or below market levels include: comparing lease offers with industry benchmarks, using market surveys to comparison shop for best value, and using published market sources to gain a better understanding of area markets.

- *Percentage of Repairs and Alterations/New Construction*

Projects Delivered On Time and On Budget

Completing projects on time is essential for accurate income projections. PBS is improving its quality control of project management, improving communication with customers, and limiting project changes to achieve this goal. Below is Figure 3 showing the percentage of new construction projects completed on time.

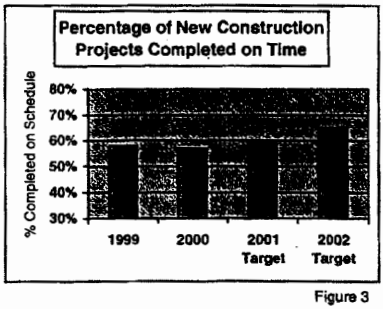

Figure 3

- *Indirect Costs as a percentage of Total Revenue*

To reduce indirect costs as a percentage of total revenue, PBS is employing the following strategies: linking budget to performance as an incentive for the regions, and developing private sector benchmarks.

- *Percentage reduction in energy usage since the 1985 baseline*

To meet the fiscal year 2002 goal of reducing energy usage to 24 percent below the 1985 baseline, PBS is investing $5 million in fiscal year 2001 from line item prospectus funds to maximize conservation opportunities. Additionally, we are using alternative financing contracts to reduce energy usage and cost,

and issuing guidance to the agencies on how to use GSA's established energy usage programs.

See Building Operations Section for more details.

Performance Plan Information

The following exhibit provides more information regarding the fiscal year 2002 Performance Plan:

Exhibit 8 - Matrix of Fiscal Year 2002 Performance Measures

EXHIBIT 8

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

MATRIX OF FY 2002 PERFORMANCE MEASURES

(1 of 4)

Goals	Objectives
* Promote Responsible Asset Management	* Conserve taxpayer investment in real and personal property, and maximize the Government's return on investment.
* Excel at Customer Service	* Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.
* Compete Effectively for the Federal Market	* Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.
* Meet Federal, Social and Environmental Objectives	* Meet environmental goals, prevent pollution and use natural resources in a sustainable manner.
* Anticipate Future Workforce Needs	* Ensure all Federal Buildings in the GSA inventory meet the highest federal standards in terms of accessibility, consumption, systems and technology.

Responsibility Segment	Performance Measures	Performance Goals
Revenue and Investment	* Revenue collected as a function of Revenue projected	* Generate between 98 and 102 percent of the revenue estimated in the FY 2002 budget.
	* Non-revenue producing space - Government-owned	* Reduce the amount of non-revenue producing space in the Government-owned inventory from an estimated 12% in FY 2001 to 11% in FY 2002.
	* Non-revenue producing space - Leased	* Maintain the amount of non-revenue producing space in the leased inventory at 3.0% in FY 2001 and in FY 2002.
	* Contribution	* Generate a capital investment contribution of $1.4 billion.
		Budget Links
		* Rent Revenue $6,095.4 million (excludes indefinite authority)

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

MATRIX OF FY 2002 PERFORMANCE MEASURES

(2 of 4)

Responsibility Segment	Performance Measures	Performance Goals
Building Operations	* Building operating costs relative to industry	* Maintain building operating costs in office and office-like space at 12% below private sector benchmarks.
	* Indirect costs	* Reduce the indirect costs as a percentage of revenue from an estimated 10.1% in FY 2001 to 10.0% in FY 2002.
	* Customer satisfaction - tenants	* Improve to an overall 82% customer satisfaction level in FY 2002.
	* Customer satisfaction - security	* Improve to an overall 85% customer satisfaction level with security in FY 2002.
	* Security risk level analysis relative to cost	* For FY 2002, realize an annual reduction of 2.5% in the Regional Threat Composite Index from the baseline established for the start of FY 2002.
	* Energy conservation	* Improve energy reduction from 22% below the FY 1985 baseline in FY 2001 to 24% below in FY 2002.
		Budget Links
		* Building Operations - Of the total for Buildings Services (including cleaning, maintenance, utilities, etc.) - $830.8 million, the amount for Government-owned space is $756.0 million. * Building Operations - Of the total for staff, administration, and program support - $673.9 million, $380.6 million is for Government-owned space. * Building Operations - By operating below private sector benchmarks, PBS saved $96.7 million in FY 1999 and $97.1 million in FY 2000. These savings are reflected in our FY 2002 request.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

MATRIX OF FY 2002 PERFORMANCE MEASURES

(3 of 4)

Responsibility Segment	Performance Measures	Performance Goals
Leasing	* Cost of leased space relative to market	* Keep the cost for new GSA leased for office space under the average of four aggregate market ranges we track in FY 2002.
	* Recovery of lease costs	* Reducing the loss on operating leases to $21.2M.
	* Customer satisfaction - tenants	* Achieve a customer satisfaction rating in all leases at 82% and 86% or higher in newly leased space in FY 2002.
		Budget Links
		* Rental of Space - $2,959.6 million (excludes indefinite authority of $210.8 million). * Rental of Space - The savings resulting from leasing below market was $48.63 million in FY 1998, $16.86 million in FY 1999 and $64.26 million in FY 2000. In FY 2000, the net loss in the Leasing segment was $66.2 million. The FY 2001 projection is a $46.2 million loss. * Basic Repairs and Alterations - $37.0 million. * Building Operations - Building Services in leased space - $74.8 million. * Building Operations - Protection includes $56.2 million for leased space. * Building Operations - Staff, administration, and program support includes $96.1 million for leased space.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

MATRIX OF FY 2002 PERFORMANCE MEASURES

(4 of 4)

Responsibility Segment	Performance Measures	Performance Goals
Construction	* Customer satisfaction	* Maintain a 90% customer satisfaction rating in newly constructed buildings.
	* Cost escalation	* Reduce the cost escalation rate for new construction projects to 1% in FY 2001 and FY 2002.
	* Projects completed on schedule	* Improve the percentage of construction projects completed on schedule from 60% in FY 2001 to 65% in FY 2002.
		Budget Links
		* Building Operations - Staff, administration, and program support includes $93.4 million for construction related activities. * New Construction - $578.3 million (excludes judgment fund reimbursement of $84.4 million).
Responsibility Segment	**Performance Measures**	**Performance Goals**
Repairs and Alterations	* Project rate of escalation	* Maintain the cost escalation rate for repairs and alterations projects at 1%.
	* Projects completed on schedule	* Improve the percent of repairs and alterations projects completed on schedule from 78% in FY 2001 to 82% in FY 2002.
		Budget Links
		* Basic Repairs and Alterations - $370.0 million (Non-Line Item) * Building Operations - Staff, administration, and program support includes $103.9 million for repairs and alterations. * Repairs and Alterations - Federal Buildings Fund - $456.7 million (Line Item)

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates Construction and Acquisition of Facilities

New Obligational Authority
(Dollars in Thousands)

FY 2000 Actual	FY 2001 Current	FY 2002 Request
$94,363	$499,575	$386,289[1]

[1]Excludes $276,400 thousand in advance appropriations provided in P.L. 106-554.

General Program Description

The Public Buildings Service (PBS) surveys the housing needs of its client agencies and the availability of Federal housing in communities nationwide. We recommend construction projects to meet new housing needs, replace antiquated facilities or consolidate agencies with long-term housing requirements.

Construction and ownership for special purpose and unique facilities, such as courthouses and border stations, is often the best housing solution because these facilities are not readily available in the real estate market. PBS may purchase existing facilities and may acquire construction sites through purchase or exchange.

GSA requests $386,289 thousand in new obligational authority for this program in fiscal year 2002.

Budget Summary

Highlights

- $5,900 thousand for nonprospectus projects
- $84,406 thousand for repayment to the Judgment Fund
- $17,339 thousand for six Border Stations
- $34,083 thousand for National Oceanic and Atmospheric Administration II in Suitland, MD
- $6,268 thousand for Federal Bureau of Investigation facility in Houston, TX
- $5,000 thousand for remediation of the Southeast Federal Center site in Washington, DC
- $4,617 thousand for U.S. Mission to the United Nations
- $9,060 thousand for Food and Drug Administration Consolidation in Montgomery County, MD
- $2,813 thousand for U.S. Census Bureau in Suitland, MD
- $216,803 thousand for 12 Federal Judiciary projects

Figure 4

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Nonprospectus Construction Projects--$5,900 thousand

This program funds small projects below the prospectus level ($2,130 thousand).

GSA uses these funds to purchase small parcels of land and construct small buildings such as childcare centers, storage buildings, and ancillary buildings at border stations.

We apply the same stringent return on investment criteria to these small projects as is used to justify other capital expenditures.

Repayment to the Judgment Fund--$84,406 thousand

GSA requests $84,406 thousand to reimburse the Department of Treasury for 20 claims made against 11 new construction projects.

The settlement agreements include a release of all claims and demands for relief which arise under the contracts. The U.S. Treasury, under the terms of the Contract Disputes Act, paid the claims. PBS does not have the project funds to reimburse the U.S. Treasury.

Border Station Program--$17,339 thousand

GSA requests $17,339 thousand for six border station projects on the northern (three projects) and southern (three projects) borders.

PBS is responsible for United States inspection facilities on the borders with Mexico and Canada. These facilities are designed to meet the needs of the Federal Inspection Service (FIS) agencies, which include the U.S. Customs Service, the Immigration and Naturalization Service, and the U.S. Department of Agriculture.

PBS operates and maintains 126 owned and leased inspection facilities nationwide. Many of the owned facilities are functionally obsolete and must be replaced.

PBS and the FIS work together to establish a prioritized list of projects three to five years in advance. This project planning and prioritizing methodology, known as the Border Station Capital Project Long Range Plan, uses very specific criteria to establish priority projects. Using this methodology, PBS and the FIS can better plan for future construction and ensure that the current and future operational needs of the FIS are successfully met.

National Oceanic and Atmospheric Administration (NOAA) II--$34,083 thousand

This request of $34,083 thousand is for construction of a new facility for NOAA. One of NOAA's missions is to launch and control satellites used to gather, analyze, and distribute international weather and sensitive defense information. The computer equipment to monitor NOAA satellites will be housed in this building.

Federal Bureau of Investigation--$6,268 thousand

This request of $6,268 thousand is for site and design for a new Federal Bureau of Investigation facility in Houston, TX. This new facility will replace the existing FBI leased office

building and provide sufficient security and blast protection.

Southeast Federal Center--$5,000 thousand

This request of $5,000 thousand is to complete site remediation work at the Southeast Federal Center 55 acre site in Washington, DC. This funding is for remediation of a 2.7 acre portion of the site previously considered suitable for less expensive bioremediation methods. Subsequent studies identified a requirement for more extensive remediation.

U.S. Mission to the United Nations--$4,617 thousand

This request for $4,617 thousand for demolition of the existing U.S. Mission building will enable us to proceed with construction of a new facility on the site. The new facility will fulfill consolidation and expansion needs of the offices and related functions of the U.S. Mission in a more secure and efficient structure.

Food and Drug Administration Consolidation--$9,060 thousand

The requested funding is for the design of the Center for Devices and Radiological Health Laboratory and Office at White Oak in Montgomery County, MD. This is phase 3 of a 5 phase project.

U.S. Census Bureau--$2,813 thousand

This request is for additional funds for design of a new facility for the Department of Commerce, Bureau of the Census (Census) at the Suitland, Maryland Federal Center. $5,200 thousand previously appropriated for repairs and alterations of Federal Office Building 3 in Suitland, MD, will be reprogrammed for design of this project.

Federal Judiciary--$216,803 thousand

This request of $216,803 thousand for the courthouse construction program includes additional funding for five projects currently underway, construction funding for 2 projects, and funding for five new design starts on the Judiciary's priority list. All of the projects requested meet the building criteria outlined in the U.S. Courts Design Guide.

The goal of the fiscal year 2002 courthouse program is to produce aesthetically pleasing, dignified, and secure courthouses in a cost efficient manner. For example, six of the 12 projects would retain the existing courthouses by constructing annexes to those facilities. This reduces the number of new courtrooms built and reduces the need to backfill or dispose of the existing structures.

Between 1991 and 2001, the Federal Government has spent approximately $4 billion on 48 courthouse construction projects. Approximately $5 billion more is needed over the next ten years for the design and construction of approximately 111 additional courthouse projects. The Administration will support future year funding for the other projects on the Judiciary's priority list as those projects are ready for construction.

GSA strives to build designs of lasting quality and dignity. In 1993, we established a "Design Excellence" program, which encourages selection of the nation's best private sector

architects to design our most important civic buildings. In determining the space requirements and layout of individual buildings, GSA relies on the Courts Design Guide approved by the Judicial Conference.

GSA has a cost benchmarking process for new courthouse construction. Baseline benchmarks, on a cost per square foot basis, are established for Federal courthouses. The baseline benchmarks represent the five space types prevalent in courthouse construction projects: courtroom space, judicial chamber space, general office space, U.S. Marshals cellblock space and indoor parking. The benchmarking numbers represent the cost of a courthouse project in Washington, DC, in 1999 dollars. It is adjusted to reflect specific conditions that apply to a particular project such as premium costs for seismic construction, and geographic location. Benchmarks promote a uniform courthouse construction program nationwide by providing a method to compare projects regardless of geographic location.

GSA's Courthouse Management Group ensures consistency in courthouse construction is a single point of responsibility for program efficiency and cost effectiveness.

Budget Summary Information

The following exhibits provide information regarding overall aspects of the Construction and Acquisition of Facilities program:

Exhibit 9 - Summary of Fiscal Year 2002 Program

Exhibit 10 – Project Descriptions

General Services Administration
PUBLIC BUILDINGS SERVICE

CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2002 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST					FY 2002 REQUEST				
	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
Executive Agencies:										
Judgment Fund Repayment	-	-	84,406	-	84,406	-	-	84,406	-	84,406
Suitland, MD, NOAA II	-	3,128 [1]	48,658 [2]	2,951	51,737	-	-	31,132	2,951	34,083
Suitland, MD, U.S. Census Bureau	-	6,013	141,979	5,322	155,314	-	2,613	-	-	2,613
New York, NY, U.S. Mission to the U.N.	-	3,394	55,064	4,176	62,634	-	231	4,102	284	4,617
Washington, DC, SEFC Site Remediation	-	-	36,735	-	36,735	-	-	5,000	-	5,000
Montgomery Co., MD, FDA Consolidation	5,000	61,092 [3]	643,693	26,796	726,581	-	9,060	-	-	9,060
Houston, TX, FBI	2,737	3,531	44,374	3,274	53,916	2,737	3,531	-	-	6,268
Fort Hancock, TX, BS	45	232	1,993	190	2,460	-	-	1,993	190	2,183
Jackman, ME, BS	-	868	8,432	768	10,068	-	868	-	-	868
Del Rio III, TX, BS	-	1,869	20,836	2,310	25,015	-	1,869	-	-	1,869
Raymond, MT, BS	-	693	7,175	576	8,448	-	693	-	-	693
Eagle Pass, TX, BS	-	2,256	24,201	2,213	28,670	-	2,256	-	-	2,256
Detroit, MI, BS	7,581	1,939	25,760	1,391	36,604	7,531	1,939	-	-	9,470
Nonprospectus Construction	-	-	5,900	-	5,900	-	-	5,900	-	5,900
Subtotal, Executive Agencies Total	15,313	77,005	1,146,199	49,949	1,288,466	10,268	23,260	132,533	3,425	169,486
Federal Judiciary:										
Brooklyn, NY, CT Annex-GPO	24,824	31,864	363,986	12,031	452,705	-	1,061	2,150	150	3,361
Washington, DC, CT Annex	-	6,965	109,216	5,627	121,798	-	687	4,864	1,044	6,595
Buffalo, NY, CT Annex	1,200	3,116	40,758	3,085	48,159	-	716	-	-	716
Springfield, MA, CT	3,240	2,976	43,836	3,384	53,436	-	432	5,632	409	6,473
Fresno, CA, CT	1,000	6,386	114,691	5,744	127,820	-	790	114,691	5,744	121,225
Erie, PA, CT Annex	1,808	2,044	27,327	3,060	34,039	-	352	27,327	3,060	30,739
Eugene, OR, CT	7,500	4,160	66,523	4,180	82,363	4,000	470	-	-	4,470
El Paso, TX, CT	6,700	4,493	42,245	4,004	57,445	6,700	4,493	-	-	11,193
Mobile, AL, CT	4,700	6,590	71,922	4,914	88,126	4,700	6,590	-	-	11,290
Norfolk, VA, CT Annex	5,855	5,754	63,468	4,481	79,558	5,855	5,754	-	-	11,609
Las Cruces, NM, CT	-	4,110	44,079	3,790	51,979	-	4,110	-	-	4,110
Little Rock, AR, CT Annex	2,821	5,837	65,808	5,894	80,160	2,000	3,022	-	-	5,022
Subtotal Federal Judiciary	59,448	84,084	1,073,862	60,194	1,277,588	23,255	28,477	154,664	10,407	216,803
Total, Construction and Acquisition Program	74,761	161,089	2,220,061	110,143	2,566,054	33,523	51,737	287,197	13,832	386,289

[1] Funded by NOAA.
[2] Includes $14,526 thousand to be funded by NOAA as a fiscal year 2002 advance appropriation.
[3] Includes $56,716 thousand for design and $12,376 thousand for project planning and technical support.

EXHIBIT 8

General Services Administration
PUBLIC BUILDINGS SERVICE

CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2002 PROGRAM
ADVANCE APPROPRIATION
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST					FY 2002 REQUEST				
	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
FY 2002 Approved Advance Appropriation:										
Washington, DC, CT Annex	-	6,955	109,216	5,627	121,798	-	565	104,352	4,583	109,500
Buffalo, NY, CT Annex	1,200	3,116	40,756	3,085	48,159	1,200	2,400	-	-	3,600
Springfield, MA, CT	3,240	2,976	43,836	3,384	53,436	-	221	38,204	2,975	41,400
Miami, FL, CT	16,890	7,632	116,400	5,100	148,022	-	429	116,347	5,124	121,900
FY 2002 Total Advance Appropriation Approved	23,330	20,679	310,210	17,196	371,415	1,200	3,615	258,903	12,682	276,400
FY 2002 New NOA Request	74,761	161,089	2,220,061	110,143	2,566,054	33,523	51,737	287,197	13,832	386,289
FY 2002 Total Program	98,091	181,768	2,530,271	127,338	2,937,469	34,723	55,352	546,100	26,514	662,689

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EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

ALABAMA

Mobile - United States Courthouse.....$11,290,000

This project proposes site acquisition and design of a 325,452 gross square foot courthouse, including 50 inside parking spaces, in Mobile, AL. When the project is completed, the annex and the existing Post Office-Courthouse (PO-CT) will meet the ten-year requirements of the U.S. District Court, U.S. Marshals Service and other court-related agencies. The site will be large enough to support the initial construction and also meet the 30-year requirements of the courts.

The existing John Archibald Campbell Courthouse neither meets the United States Courts' Design Guide criteria for space standards, nor does it provide expansion space for future court requirements. Because of the inadequate expansion space in the John Archibald Campbell Courthouse, the court currently occupies space in three leased buildings.

The John Archibald Campbell Courthouse lacks adequate security. The existing courthouse does not provide for separate circulation for judicial officers and prisoners. There are no secured private corridors to courtrooms, chambers, or U.S. Marshals' areas, and there are no secure elevators in the building. Holding cells are not contiguous to the courtrooms and secured parking is not available to the courts. Upon completion, the John Archibald Courthouse will be renovated for use by the Bankruptcy Court and executive agencies currently housed in leased space.

The new courthouse will provide ten courtrooms and chambers for four district judges, two senior district judges and four magistrate judges. A visiting district judge will share one of the six district courtrooms. In addition, the courthouse will accommodate chambers for two circuit judges.

This request is for site acquisition ($4,700 thousand) and design ($6,590 thousand). Funding for construction ($71,922 thousand) and management and inspection ($4,914 thousand) will be requested in a future fiscal year. The estimated total project cost is $88,126 thousand.

ARKANSAS

Little Rock - United States Courthouse Annex.....$5,022,000

This project proposes the construction of a courthouse annex and renovation of the PO-CT in Little Rock, AR. The annex to the existing PO-CT, located at 600 Capitol Street in the central business district will be 155,317 gross square feet, including parking. The PO-CT alteration will provide for 270,201 gross square feet. The project will provide a total of 425,518 gross square feet of space, including 55 inside parking spaces. When the project is completed, the building will provide space for the District Courts, U.S. Marshals Service, and other court related agencies. The annex will meet the ten-year space needs of the courts and court related agencies and the site would accommodate the court's 30-year expansion requirements. The Judiciary's Five-Year Plan, which reflects new courthouse construction priorities approved by the Judicial Conference, includes construction funding for this project. Construction funding was not requested because we do not anticipate awarding the construction contract until fiscal year 2003.

There are currently five active district judges, two senior district judges, and four magistrate judges requiring court facilities in Little Rock. These judges are all housed in the PO-CT and utilize 11 available courtrooms. When construction of the extension and alteration of the PO-CT are completed, courtrooms will be provided for all of the district and magistrate judges except for one senior district judge. Twelve new courtrooms will be constructed in the annex and five courtrooms will be saved in the existing PO-CT, including the historic ceremonial courtroom.

Funding for site acquisition ($821 thousand) and design ($2,615 thousand) was provided in fiscal year 1999. This request is for additional site acquisition ($2,000 thousand) and design ($3,022 thousand). Construction ($65,806 thousand) and management and inspection ($5,894 thousand) will be requested in a future fiscal year. The estimated total project cost is $80,160 thousand.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

CALIFORNIA

Fresno – United States Courthouse.....$121,225,000

This project proposes the construction of a 383,576 gross square foot courthouse including 112 inside and 280 outside parking spaces in Fresno, CA. The courthouse will be constructed to meet the ten-year needs of the courts and court-related agencies. This project meets the building criteria in the 1997 U.S. Courts Design Guide and 1997 U.S. Marshals Service Requirements and Specifications for Special Space and Support Space Manual.

The court and court-related agencies in Fresno are currently housed in the B.F. Sisk U.S. Courthouse, located at 1130 O Street, in two leased locations. Court and court-related agencies occupy over half of the space in the existing courthouse. The B.F. Sisk building was constructed in 1968 and was originally designed for office space, but currently provides space for eight district, magistrate, and bankruptcy courtrooms. The B.F. Sisk courthouse cannot accommodate additional courtrooms that meet court design standards and the required future expansion of the related administrative space. Four of the existing courtrooms have columns obstructing the view lines from the jury box to the spectators. In addition, the circulation for judges, prisoners, and the public is not adequate, as the judges and prisoners must enter through the same sallyport area, the first floor corridor and freight elevator.

Funding for site ($1,000 thousand) and design ($5,595 thousand) was provided in fiscal year 1997. This request is for additional design ($790 thousand), construction ($114,691 thousand) and management and inspection ($5,744 thousand). The estimated total project cost is $127,820 thousand.

DISTRICT OF COLUMBIA

E. Barrett Prettyman Courthouse Annex.....$6,595,000

This project proposes the construction of a 327,600 gross square foot annex to the E. Barrett Prettyman Courthouse. The annex will be constructed to meet the ten-year needs of the courts and court-related agencies. This project meets building criteria in the U.S. Courts Design Guide. Following the completion of the annex, necessary renovations will be performed to the existing courthouse. The annex will house the District Court, Magistrate Court, Bankruptcy Court, Court of Appeals, U.S. Attorneys, U.S. Marshals Service, and U.S. Trustees.

The existing courthouse, constructed in 1952 and eligible for inclusion on the National Register of Historic Places, provides 570,506 gross square feet of space, including parking. The existing courthouse does not accommodate today's extensive caseloads or meet modern security, life safety, and handicapped accessibility requirements. Some of the existing courtrooms are substandard and do not meet security requirements for the judges, juries, and spectators. The courts have projected a need for a significant amount of expansion space in the District of Columbia for the courts and court-related agencies over the next ten years. Additional courtrooms and judges' chambers are required to meet the courts' needs. The existing courthouse is currently overcrowded and not fully secure, and the facility is not capable of meeting future expansion requirements.

Funding for design ($5,703 thousand) was provided in fiscal year 1997. Additional design ($565 thousand), construction (104,352 thousand), and management and inspection ($4,583 thousand) were funded by a 2002 advanced appropriation in the fiscal year 2001 Budget. This request is for additional design ($687 thousand), construction ($4,864 thousand) and management and inspection ($1,044 thousand). The total estimated project cost is $121,798 thousand.

Southeast Federal Center Site Remediation.....$5,000,000

Funding is requested for environmental remediation at the Southeast Federal Center (SEFC) in order to comply with a consent order issued by the Environmental Protection Agency (EPA). The consent order directs GSA to provide a characterization of current conditions and to remedy those conditions. The consent order was issued by the EPA Administrator pursuant to Section 3013 of the Solid Waste Disposal Act, as amended by the Hazardous and solid Waste Amendments of 1984, Resource Conservation Recovery Act (RCRA), 42 USC 6934. Signed in July of 1999, the Consent Order was issued because the location of the SEFC and its proximity to a substantial minority population make it part of EPA's Anacostia Initiative and the Environmental Justice Initiative.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

DISTRICT OF COLUMBIA - continued

Southeast Federal Center Site Remediation - continued

The purpose of the consent order is the protection of human health and the environment. It requires GSA to implement sampling, analysis, monitoring, and reporting on the site and to take interim measures to prevent or mitigate threats to human health and/or the environment. It also requires a RCRA facility investigation to fully ascertain the nature and extent of any release of hazardous wastes and/or hazardous constituents at or from the site.

Funding was provided in fiscal year 1997 ($20,000 thousand) and fiscal year 1999 ($10,000 thousand). An internal budget escalation ($1,735 thousand) was reprogrammed to the project in fiscal year 2000. This request is for additional work ($5,000 thousand). Additional funding for future work may be requested in a future fiscal year.

MAINE

Jackman - Border Station.....$868,000

This project proposes the construction of a new border station to replace the existing facility in Jackman, ME. The present facility is deteriorated beyond repair and has reached the end of its useful life. The new facility will replace the existing border station that is overcrowded and functionally obsolete. It will be constructed on approximately 2.3 acres of land, using the site of the existing station that will be demolished. Temporary off-site inspection facilities will be used during construction. The existing station is no longer equipped to process the volume of traffic which passes through it, and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. In addition to a new main port building, this project will provide for the following ancillary inspection facilities: agency vehicle garage, two primary inspection lanes and booths for non-commercial traffic, one inspection lane and booth for commercial traffic, a non-commercial secondary inspection with an additional two lanes for non-commercial traffic, an outbound inspection area, and a GSA maintenance facility. The total space of the new complex including the main port building and all ancillary inspection facilities is 35,709 gross square feet. There will be a total of 59 parking spaces, of which 51 are official agency spaces and eight are for visitors.

In 1937, the existing two-story duplex border station was constructed to house two resident inspectors and the inspection facilities. Originally, there was a small inspectors' area in the front with two residential duplexes in the back of the building. The residential areas have since been converted to office and storage space. Currently, there is insufficient office, storage, locker, lunch, and conference/training space to house the projected staff level of 18 employees and the new computer system. There are no detention cells. The personnel in the supervisor's office are unable to visually monitor any of the inspection areas because of its location. The facility does not meet current building codes, has obsolete plumbing, mechanical, electrical, and fire and life safety systems. In addition, it is not accessible to handicapped persons.

The border station site lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking. There is no secure parking for impounded vehicles.

This request is for design ($868 thousand). Construction ($8,432 thousand) and management and inspection ($768 thousand) will be requested in a future year. The estimated total project cost is $10,068 thousand.

MARYLAND

Montgomery County - Food and Drug Administration Consolidation.....$9,060,000

This project will provide consolidated office and laboratory space for the Food and Drug Administration (FDA) headquarters components at White Oak in Montgomery County, MD. The FDA is currently housed in 48 buildings at 18 locations throughout the Washington, DC, metropolitan area. FDA requires 2.8 million gross square feet of laboratory, office, and support space. FDA is being consolidated in Montgomery County (White Oak) and in Prince George's County,

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

MARYLAND - continued

Montgomery County - Food and Drug Administration Consolidation - continued

Maryland. The proposed facility at White Oak will provide 2.2 million gross square feet of consolidated office and laboratory space for FDA headquarters. GSA intends to request funding to meet these facility requirements at White Oak on an incremental basis corresponding to the five phases of the planned project.

Below is the funding history for this project:

Fiscal Year 1992	$200,000,000
Fiscal Year 1994	73,921,000
Fiscal Year 1995	45,000,000
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Fiscal Year 2001	92,179,000
Reprogramming from another construction project	6,000,000
Rescission (P.L. 104-19)	(228,000,000)
Transfer (Seafood Research Center)	(5,000,000)
Total	$274,100,000

A further breakdown of the $274,100 thousand is as follows: $5,000 thousand for site, $15,691 thousand for design, $12,366 thousand for project planning, $229,462 thousand for construction, and $ 11,581 thousand for management and inspection.

Prince George's County, MD ($129,963 thousand)

The Center for Veterinary Medicine (CVM) in Laurel ($43,842 thousand) and the Center for Food Safety and Applied Nutrition (CFSAN) in College Park ($86,121 thousand) were funded in fiscal year 1992. The CVM project has been completed and provides 174 thousand gross square feet. The CFSAN project provides 410 thousand gross square feet and is scheduled for completion in September 2001.

Montgomery County, MD ($596,598 thousand)

Funding for planning and technical support ($12,366 thousand) was funded in fiscal year 1992.

Funding for Phase I of this project for the design ($2,510 thousand) and for management and inspection ($2,082 thousand) was funded in fiscal year 1996. The construction ($29,939 thousand) of a 111,250 gross square foot laboratory for FDA's Center for Drug Evaluation and Research (CDER) and design ($5,061 thousand) of the CDER office was appropriated in fiscal year 2000. Phase II funding for construction ($88,021 thousand) and management and inspection ($4,158 thousand) was provided in fiscal year 2001. This request is for the design ($9,060 thousand) of the Center for Devices and Radiological Health (CDRH) Laboratory and Office.

Funding in the amount of $443,401 thousand will be requested for design ($13,965 thousand), construction ($414,231 thousand), and management and inspection ($15,205 thousand) in future years.

The estimated total project cost includes $12,366 thousand for project planning, $584,232 thousand for the Montgomery County project, and $129,963 thousand for the Prince George's County project. The estimated total project cost for consolidation of FDA is $726,561 thousand.

Suitland - United States Census Bureau.....$2,813,000

This project proposes the design of a new facility for the Department of Commerce, Bureau of the Census (Census) in Suitland, MD. The proposed facility will be located at the Suitland Federal Center (SFC) and provide space for Census

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

MARYLAND - continued

Suitland - United States Census Bureau - continued

components currently located in SFC Federal Office Building 3 (FOB 3). GSA plans to renovate FOB 3 once the current tenants have relocated to the new facility. The new building will provide 771,265 gross square feet of space, plus a parking garage with 1,592 spaces.

FOB 3 does not meet current GSA standards for air circulation, fire and life safety, or accessibility for the physically challenged. The obsolescence of all of the building systems, requires that FOB 3 be fully renovated to continue occupancy. Modernization while the current tenant is in place is not possible. The minimum amount of swing space required for modernization is approximately 200,000 gross square feet. This amount of swing space is not available in the Suitland market. Multiple construction phases and multiple employee moves make the renovation of FOB 3, while occupied, extremely expensive. This proposed solution is the first phase of the consolidation of Census requirements at the Suitland Federal Center. Once the new facility has been constructed, the current Census tenants in FOB 3 will be relocated to the new facility allowing for the full modernization of FOB3.

Partial design ($5,200 thousand) will be reprogrammed from the Repairs and Alterations budget activity to this activity in fiscal year 2001. This request is for additional design ($2,813 thousand). Construction ($141,979 thousand) and management and inspection ($5,322 thousand) will be requested in a future fiscal year. The estimated total project cost is $155,314 thousand.

Suitland – National Oceanic and Atmospheric Administration II.....$34,083,000

This project proposes the construction of a 208,271 gross square feet facility, plus a parking garage with 500 spaces, for the National Oceanic and Atmospheric Administration (NOAA). The proposed facility will provide space for the National Environmental Satellite, Data, and Information Service currently located in Federal Building 4 (FOB 4) in Suitland, MD.

The majority of the NOAA components are located in FOB 4. NOAA's mission is to launch and control satellites used to gather, analyze, and distribute international weather and sensitive defense information. NOAA houses approximately $50 million worth of computer equipment that controls approximately $3 billion worth of satellites. NOAA's operation is 24 hours a day, seven days a week and requires high security due to NOAA's defense information section.

The Command and Control Center requires a floor-to-roof height of 30 feet, raised flooring and high bay mechanical plenum heights. Due to the critical nature of the facility and the fact that this is the only Satellite Command and Control Center of its kind for NOAA, the facility must have a 24 hour operational capability, and therefore will have redundant electrical, mechanical and plumbing systems.

The new facility will be constructed at the Government-owned Suitland Federal Center in Suitland. The design ($3,128 thousand) was provided through the Department of Commerce (DOC) budget in fiscal year 2000. In addition, DOC's budget includes construction funding ($14,526 thousand) as a fiscal year 2002 advance appropriation. This request is for construction ($31,132 thousand) and management and inspection ($2,951 thousand). The estimated total project cost is $51,737 thousand.

MASSACHUSETTS

Springfield - United States Courthouse.....$6,473,000

This project proposes the construction of a 158,755 gross square feet courthouse, including 41 inside and 48 outside parking spaces, in downtown Springfield, MA. The courthouse will be constructed to meet the ten-year space needs of the courts and court-related agencies and the site will accommodate the 30-year expansion requirements.

The proposed courthouse will provide four courtrooms for two active judges, one magistrate judge and a bankruptcy judge. Separate chambers for a senior judge and a visiting judge will also be provided. The courthouse will house the United States District Court, United States Bankruptcy Court, U.S. Marshals Service, U.S. Attorneys, and the House of Representatives.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

MASSACHUSETTS - continued

Springfield - United States Courthouse - continued

The existing Springfield Federal Building does not provide adequate protection for either court personnel or the visiting public. The building lacks separate circulation for prisoner transport to the courtrooms as well as separate circulation for the secure movement of judges. The lack of a sallyport results in the loading and unloading of prisoners under unsecured conditions. There are also no courtroom holding cells for each courtroom, requiring prisoners to be moved to the central cellblock through public corridors. Any renovations of the existing building to accommodate additional courtrooms or holding cells would be impractical, further prolonging GSA's inability to satisfy the Courts' need for expansion space. No additional courtrooms can be practically constructed to meet the Courts' Design Guide specifications.

Funding for site ($3,240 thousand) and design ($2,323 thousand) was provided in fiscal year 1999. Additional design ($221 thousand), construction ($38,204 thousand), and management and inspection ($2,975 thousand) were funded by an advanced appropriation in fiscal year 2002. This request is for additional design ($432 thousand), construction ($5,632 thousand), and management and inspection ($409 thousand). The total estimated project is $53,436 thousand.

MICHIGAN

Detroit - Ambassador Bridge Border Station.....$9,470,000

This project proposes to expand the current border station, inspection lanes, agency housing and provide other expanded border station functions, including a 23,500 gross square foot addition to the existing buildings.

The current facility consists of 32,057 gross square feet, 40 employee parking spaces, 75 commercial truck parking spaces, which all occupy approximately 22.12 acres. This project will expand the facility to 55,557 gross square feet, with 80 employee parking spaces, 150 commercial truck parking spaces to occupy approximately 32 acres. The current building will be renovated and the 23,500 gross square foot addition will be used to house Customs Brokers. Approximately 13,000 gross square feet in the existing building is leased to Customs Brokers. These brokers will be temporarily removed from the building and housed in office trailer-type facilities during construction. The current space will be renovated into new office space for the Federal inspection service inspectors who are now in temporary quarters on the cargo inspection dock. The addition will house the temporarily displaced customs brokers as well as those now operating from office trailers adjacent to the truck parking lot; thereby, putting all agencies into sufficient space, adjacent to the Custom's inspectors and all in one building.

This request is for site acquisition ($7,531 thousand) and design ($1,939 thousand). Construction ($25,753 thousand) and management and inspection ($1,381 thousand) will be requested in a future fiscal year. The estimated total project cost is $36,604 thousand.

MONTANA

Raymond - Border Station.....$693,000

This project proposes the construction of a new border station in Raymond, MT. The new station will contain 25,671 gross square feet including canopied areas and inside parking for six vehicles. It will provide expanded office, lobby and storage space, three primary inspection lanes, a secondary inspection building able to accommodate commercial buses and private vehicles and a commercial warehouse with two dock spaces. There will also be larger and more secure parking areas including a fenced impoundment lot for seven vehicles, a commercial lot for ten oversize vehicles which includes two spaces for hazardous vehicles, and a visitor/employee lot for 25 vehicles.

The new facility will replace an existing border station, which is overcrowded and functionally obsolete. It will be constructed on approximately ten acres of land using another site in the same location as the existing station. The existing station will be used during construction of the new facilities and will be demolished by its current owner and operator, the Immigration and Naturalization Service (INS). The existing facility is no longer equipped to process the

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

MONTANA - continued

Raymond - Border Station - continued

volume of traffic which passes through it and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. INS has requested that GSA construct, own and operate a new port of entry at this location to replace the current facility.

This request is for design ($693 thousand) funding. Funding for construction ($7,175 thousand) and management and inspection ($578 thousand) will be requested in a future fiscal year. The estimated total project cost is $8,446 thousand.

NEW MEXICO

Las Cruces - United States Courthouse.....$4,110,000

This project proposes the design of a 204,642 gross square foot courthouse including 81 inside parking spaces in Las Cruces, NM. The building will be constructed on a 1.65 acre Government-owned site adjacent to the existing Runnels Federal Building. The new courthouse will provide space to meet the ten-year needs of the Courts. The 30-year requirements will be met by moving court agencies out of the new courthouse as necessary to accommodate additional district court requirements. It will provide space for the District Court, Magistrate Court, Bankruptcy Court, U.S. Marshals, the probation office, pretrial services, and GSA. The building will also provide trial preparation space for the U.S. Attorney and the Federal Public Defender.

The existing Runnels Federal Building (FB), built in 1975, cannot accommodate the expansion requirements of the court and court-related agencies in Las Cruces. The FB currently contains four courtrooms. One of the courtrooms does not meet the minimum U.S. Courts Design Guide standards, but is used for small hearings when necessary. The scheduling of courtrooms presents a constant problem due to the heavy caseload in the Las Cruces court. Court has been held in conference rooms, jury rooms, and even state court facilities in order to hear a case and keep it on schedule. Caseloads continue to increase in Las Cruces due to its proximity to the U.S./Mexico border. The Las Cruces court hears 68 percent of the entire criminal caseload for the New Mexico District. As caseload increases, the need for clerk's space for records access and retention grows along with a growth in pretrial and probation activities.

This request is for design ($4,110 thousand). Funding for construction ($44,079 thousand) and management and inspection ($3,790 thousand) will be requested in a future fiscal year. The estimated total project cost is $51,979 thousand.

NEW YORK

Brooklyn - United States Courthouse Annex-GPO.....$3,361,000

This project proposes the construction of a Courthouse Annex and the renovation of the General Post Office (GPO) in Brooklyn, NY. The Annex will provide 632,377 gross square feet, including 256 inside parking spaces. The adjacent GPO will provide 575,000 gross square feet, including 33 inside parking spaces. When the project is complete, the Annex and the GPO will provide space for the District Courts, Bankruptcy Courts, Magistrate Courts and other court related agencies. The complex will meet the ten-year space needs of the U.S. Courts and related agencies and the site will accommodate the court's 30-year expansion requirements.

This project was developed in response to a declaration of a judicial space emergency in the U.S. District Court, Eastern District of NY, by the Judicial Conference of the Unites States in 1989. The new Annex will provide 21 courtrooms and chambers for 16 District and nine Magistrate judges and the GPO will provide seven courtrooms and chambers for seven Bankruptcy judges. Additional funds are required for the design of 170,000 gross square feet of tenant space for the U.S. Attorneys in the GPO and the build-out of three Magistrate Judges' chambers in the New Annex.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

NEW YORK - continued

Brooklyn - United States Courthouse Annex-GPO - continued

Funding for site ($24,824 thousand), design ($30,164 thousand), construction ($352,286 thousand), and management and inspection ($10,431 thousand) was provided in fiscal years 1992, 1993, 1994, 1997 and 1999. This request is for additional design ($1,061 thousand), construction ($2,150 thousand), and management and inspection ($150 thousand). Funding for additional design ($639 thousand), construction ($29,550 thousand), and management and inspection ($1,450 thousand) will be requested in a future fiscal year. The estimated total project cost is $452,705 thousand.

Buffalo - United States Courthouse Annex.....$716,000

This project proposes to acquire an approximately ¾ acre site and the design of a 141,940 gross square foot U.S. Courthouse Annex (CT-Annex), including 40 inside parking spaces. The CT-Annex will provide courtrooms and chambers for the district and magistrate judges, court of appeals chambers, grand jury suite, sallyport, judge's secured parking, prisoner processing and holding cells, and related U.S. Marshals Service space. Also, the CT-annex will provide proper security and separate circulation for judges, the public and prisoners.

The existing Michael J. Dillon Courthouse, constructed in 1936, is a significant historic landmark, but is structurally incapable of accommodating the courts' expanded program needs as defined in the Courts' Long Range Plan for the Western District of New York. This 179,380 gross square foot courthouse, with its original infrastructure, possesses inherent deficiencies that hinder the courts in performing their mandated functions and operations. The most significant shortcoming is the availability of space for secure courtrooms and related spaces for operational needs. Proper security and separate circulation required for the judges, the public and prisoners cannot be accommodated at the present facility.

The CT-Annex will be designed to meet the ten-year needs of the courts and court-related agencies in conjunction with the continued use of the existing historic courthouse. The Judiciary's Five-Year Plan, which reflects new courthouse construction priorities approved by the Judicial Conference, includes site and design funding for a new courthouse in Buffalo.

Site acquisition ($1,200 thousand) and design ($2,400 thousand) were funded by an advanced appropriation in fiscal year 2002. This request is for additional design ($716 thousand). Construction ($40,758 thousand) and management and inspection ($3,085 thousand) will be requested in a future fiscal year. The estimated total project cost is $48,159 thousand.

New York - United States Mission to the United Nations.....$4,617,000

This project will demolish the existing building known as 799 United Nations Plaza, located in midtown Manhattan, and construct a new facility on the existing site for the consolidation and expansion of the offices and related functions of the U.S. Mission to the United Nations (USUN). The new facility will consist of 141,307 gross square feet, including ten inside parking spaces for official diplomatic vehicles, and will house 292 employees.

GSA proposes to demolish the existing facility and to construct a new facility on the existing site to accommodate the consolidation and expansion of the offices and related functions of the USUN. The existing site is located at the southwest corner of First Avenue and East 45th Street, which is directly across from the United Nations (UN) headquarters building. As part of the expansion, the U.S. Information Agency and the Office of Foreign Missions, both which are currently in leased locations, will move into the new facility.

The USUN facility is considered a special purpose building, similar in nature to an embassy facility. The USUN, the ambassadors and staff represent the U.S. Government and its concerns to the UN and the world community. Since 1959, when the existing facility was built, this role has expanded and the current facility is physically and operationally inadequate to accommodate existing personnel and functions. The sharing of many offices and the use of the auditorium for office space has made privacy and security difficult to achieve. There is not enough space to hold diplomatic meetings, receptions, and conferences, especially during the peak multi-month General Assembly session.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

NEW YORK - continued

New York - United States Mission to the United Nations - continued

Design ($3,163 thousand) was funded in fiscal year 1999. This request is for additional design ($231 thousand), demolition ($4,102 thousand) and management and inspection for demolition ($284 thousand). Construction ($50,962 thousand) and construction management and inspection ($3,892 thousand) will be requested in a future fiscal year. The estimated total project cost is $62,634 thousand.

OREGON

Eugene - United States Courthouse.....$4,470,000

This project proposes the construction of a 268,046 gross square foot courthouse including 80 inside parking spaces. The proposed new courthouse will consolidate the district court, bankruptcy court and related agencies in one location while improving court security. The new courthouse will provide six courtrooms and meet the court's ten-year requirements while meeting the current court design standards.

A new courthouse will provide needed security enhancements and accommodate projected increases in space usage by the courts and court related agencies. There are currently five Federal judges located in Eugene.

Two district judges and one magistrate judge are housed in the existing FB-CT while two bankruptcy judges are located in one leased location. The existing FB-CT provides only one district courtroom and one magistrate courtroom, which does not meet minimum U.S. Courts Design Guide standards and cannot be enlarged. In order to accommodate the courts' recent expansion needs, the U.S. Attorneys and U.S. Bankruptcy Court have relocated from the FB-CT to leased space.

The existing building also lacks basic security features such as a secure sallyport and separate corridors to facilitate the safe movement of prisoners throughout the courthouse. Prisoners must be transported through the public entrance and main hallways shared by judicial officers and the general public. Without a secure sallyport, prisoners are moved from vans at curbside into the FB-CT and through the public lobby. They are then processed in the open space of the U.S. Marshals Service work area. This highly visible movement and processing of prisoners poses grave security risks to the Marshals, court attendees, and the public at large. The U.S. Marshals Service has confirmed that the security situation is potentially life threatening.

Funding for site acquisition ($3,500 thousand) and design ($3,690 thousand) was appropriated in fiscal year 1999. This request is for additional site acquisition ($4,000 thousand) and design ($470 thousand). Construction ($66,523 thousand) and management and inspection ($4,180 thousand) will be requested in a future fiscal year. The estimated total project cost is $82,363 thousand. Construction funding was not requested because we do not anticipate awarding the construction contract until fiscal year 2003.

PENNSYLVANIA

Erie - United States Courthouse Annex.....$30,739,000

This project proposes construction phase funding of a 134,794 gross square foot Federal Complex, including 18 inside parking spaces to accommodate the courts, court-related agencies, and various executive agencies comprising the Federal community in Erie, PA. The Complex will provide sufficient space to satisfy the ten-year requirements of the courts and court-related agencies as well as congressional offices and the GSA field office.

The scope of the project for the Complex consists of the following four elements: (1) alteration and modernization of the historic Erie Federal Building (EFB) for the District Court, and court related agencies; (2) acquisition and repair and alteration of the adjacent Erie County Library building for the Bankruptcy Court, Circuit Court and congressional offices;

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

PENNSYLVANIA - continued

Erie - United States Courthouse Annex - continued

(3) acquisition and partial demolition of the adjacent vacant Baker Building with subsequent new construction of a courthouse annex for the District Court; and (4) construction of an open atrium that will connect the EFB, the library and the annex.

Funding for site acquisition ($1,608 thousand) and design ($1,692 thousand) was appropriated in fiscal year 1997. This request is for additional design ($352 thousand), construction ($27,327 thousand) and management and inspection ($3,060 thousand). The estimated total project cost is $34,039 thousand.

TEXAS

Del Rio III - Border Station.....$1,869,000

This project proposes to expand the current border station inspection lanes and provide other border station functions in accordance with Phase III of the site master plan. In addition, the proposed project will replace the undersized and storm damaged main administration building.

This project will provide the Phase III planned improvements/expansion to this port of entry on approximately 60 acres of land purchased previously by GSA. Phase I constructed the original border station and Phase II was for dock expansion and import lot improvements. The project provides 37,900 gross square feet of facilities including canopied areas and outside parking for 170 vehicles.

The planned expansion includes: 23,000 gross square feet for the Main Administration Building, eight primary and 24 secondary vehicle inspection lanes, 3,000 gross square feet for a secondary inspection building, four primary commercial inspection lanes, a 50 bay import dock with a dock office of 9,000 gross square feet, a one bay hazardous materials containment area, 2,400 square gross feet for a ten dog kennel, and 500 gross square feet for a narcotics storage vault. The projected traffic flow and replacement of the storm damaged and undersized administration building necessitate this expansion.

This request is for design ($1,869 thousand). Construction ($20,836 thousand) and management and inspection ($2,310 thousand) will be requested in a future fiscal year. The estimated total project cost is $25,015 thousand.

Eagle Pass - Border Station.....$2,256,000

This project includes the construction of a new border station, Eagle Pass II, on approximately 40 acres of land to be donated to GSA by the city of Eagle Pass. Eagle Pass II is currently operating as a temporary border station operation. The temporary facilities, located on the city property that is to be donated, will be demolished with the exception of an existing kennel building.

The border station will include: 23,245 gross square feet for the Main Administration Building, eight primary and 24 secondary vehicle inspection lanes, a 3,000 gross square foot secondary inspection building, eight primary commercial inspection lanes, a 75 bay import dock with a 20,200 gross square foot dock office, a four bay rail inspection station with a 600 gross square foot office, and a ten bay export dock with a dock office of 1,200 gross square feet.

Permanent space is needed to adequately house the tenants. The commercial inspection responsibilities and traffic at this location have increased and are projected to increase shortly beyond the abilities of this facility. The additional vehicle and commercial inspection lanes will reduce wait times for crossing the border, and an expanded facility will facilitate the execution of the tenant agencies' missions.

This request is for design ($2,256 thousand). Construction ($24,201 thousand) and management and inspection ($2,213 thousand) will be requested in a future fiscal year. The estimated total project cost is $28,670 thousand.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

TEXAS - continued

El Paso United States Courthouse.....$11,193,000

This project proposes acquisition of a site and design of a courthouse in El Paso, TX. The courthouse will provide 221,613 gross square feet of space, including 60 inside parking spaces. The proposed courthouse will meet the ten-year requirements of the District Court and related agencies with a site large enough to accommodate their future expansion requirements.

The new courthouse will provide 11 courtrooms plus ancillary space for five resident district judges, two senior district judges and five magistrate judges. Space will also be provided for the U.S. Marshals Service. Secured parking will be provided for official vehicles and handicapped persons. The new courthouse, in conjunction with the existing courthouse, will enable co-location of the entire court family and provide proper security and separate circulation for judges, the public and prisoners.

Due to significant increases in international economic activities and the strategic location of El Paso along the Mexican border, court activities in the Western District of Texas have been expanding steadily. In addition, the existing courthouse cannot house the current or projected space requirements of the courts and courts related agencies. In 1995, the U.S. Attorney relocated from the existing courthouse to the Federal Building to allow expansion space for a new district judge and the district clerk. Also, the bankruptcy clerk and the visiting bankruptcy judge relocated to leased space due to space deficiencies in the existing courthouse

This request is for site acquisition ($6,700 thousand) and design ($4,493 thousand). Construction ($42,248 thousand) and management and inspection ($4,004 thousand) will be requested in a future fiscal year. The estimated total project cost is $57,445 thousand.

Fort Hancock - Border Station.....$2,183,000

This project proposes the construction of a new border station in Fort Hancock, TX. The border station will contain 9,659 gross square feet including canopied areas. The new border station will provide two primary inspection lanes, a covered secondary inspection area, exit control facilities, and additional office, lobby and storage space. There will be larger and more secure outside parking areas for 33 vehicles, including a fenced impound lot, a special permit lot, and a visitor/employee lot. Parking will be provided as follows: ten spaces for official parking, 11 employee spaces, three handicapped spaces, two visitor spaces, and seven spaces in the impound lot.

The U.S. Customs Service, Immigration and Naturalization Service, and Animal and Plant Health Inspection Service have included Fort Hancock on their "Top Ten" list of nationwide border stations in need of replacement and/or major improvement. In addition to the existing facility's inability to handle traffic from the border crossing, the current facility does not have adequate room for safe and efficient handling of alien detainees or for safe secondary inspection of vehicular traffic. There is a need for standard detention cells and safe interview facilities for processing suspected criminals, which does not exist at the current facility.

The current outdated facility is extremely inefficient for the necessary inspection service operations, which must be performed today. There is inadequate space in the public waiting area and no public rest rooms. In addition, inadequate and undersized support space exists and handicapped accessibility requirements are not met.

Site acquisition ($45 thousand) and design ($232 thousand) was appropriated in fiscal year 2000. This request is for construction ($1,993 thousand) and management and inspection ($190 thousand). The estimated total project cost is $2,460 thousand.

Houston - Federal Bureau of Investigation.....$6,268,000

This project proposes site acquisition and design of a new Federal Bureau of Investigation (FBI) facility in Houston, TX. The new FBI facility will be 394,750 gross square feet including 345 indoor and 50 outdoor parking spaces on approximately 8.8 acres. The existing FBI leased office building has a long history of structural problems and inadequate floor loading capacity for the operational needs of the FBI. It has glass curtain wall construction, does not provide

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

TEXAS - continued

Houston - Federal Bureau of Investigation - continued

sufficient setback from adjacent surrounding streets, and does not feature progressive collapse prevention design or construction.

The central open atrium of the existing leased building is inefficient and is highly restrictive as to layout and space utilization potential. The current lease location issues cannot be resolved sufficiently to meet current FBI security and blast protection needs.

The FBI Houston Field Office has been given new programs and program responsibilities to carry out requiring additional space. This expansion cannot be accommodated in the current facility. FBI expansion and security needs require that a new location be provided. In addition, co-locating the radio and vehicle maintenance facility with the office functions is desired by FBI to provide smooth and more efficient operations.

This request is for site acquisition ($2,737 thousand) and design ($3,531 thousand). Construction ($44,374 thousand) and management and inspection ($3,274 thousand) will be requested in a future fiscal year. The estimated total project cost is $53,916 thousand.

VIRGINIA

Norfolk - United States Courthouse Annex.....$11,609,000

This project proposes the site acquisition and design of a courthouse annex and the design of alterations to the Walter E. Hoffman Courthouse (CT) in Norfolk, VA. The Hoffman CT, constructed between 1932 and 1934, is listed on the National Register of Historic Places. The Hoffman CT and annex will create a unified courthouse facility, produce 399,394 gross square feet of space including parking, and will accommodate the ten and 30-year space requirements of the courts and court-related agencies. The Judiciary's Five-Year Plan, which reflects new courthouse construction priorities approved by the Judicial Conference, includes site and design funding for a courthouse annex in Norfolk.

The courts have projected a significant amount of expansion space for the courts and court-related agencies. An additional district and senior district judge and one additional magistrate judge are projected within the next ten years, and an additional bankruptcy judge is projected within five years.

GSA proposes to construct an annex to the courthouse by constructing two separate abutting structures with connections into the existing courthouse. A 156,451 gross square foot annex excluding parking with a basement is proposed for the south elevation and a 20,700 gross square foot addition excluding parking will be added to the north elevation. The south elevation structure includes 40 inside basement parking spaces, and the north elevation structure includes seven inside parking spaces, plus a sallyport for prisoner movement, for a total of 18,800 gross square feet for the two structures. The south annex will be connected at the basement and the first through fourth floors, and the north addition will be connected at the basement and lobby level.

This request is for site acquisition ($5,855 thousand) and design ($5,754 thousand). Construction ($63,468 thousand) and management and inspection ($4,481 thousand) will be requested in a future fiscal year. The estimated total project cost is $79,558 thousand.

EXHIBIT 10

General Services Administration
PUBLIC BUILDINGS SERVICE

Construction and Acquisition of Facilities
Project Descriptions

NATIONWIDE

Nonprospectus Projects.....$5,900,000

Funds in the amount of $5,900 thousand are requested for the development of projects below the $2,130 thousand prospectus threshold. Non-prospectus funds have been used to erect special purpose storage buildings, border station facilities, depot service and warehouse buildings, and a small courthouse. The funds have also been used to acquire a motor pool, build parking lots, purchase sites, build child care facilities, and purchase property in conjunction with a Presidential National Historic Site.

Judgment Fund Repayment.....$84,406,000

Funds are requested to reimburse the Department of Treasury for payment of claims against the projects listed below. These settlement agreements include a release of all claims and demands for relief which arise under the contracts. The U.S. Treasury under the terms of the Contract Disputes Act, paid the claims. Project funds to reimburse the Treasury are no longer available.

Project	Claims $000
MA, Boston, John Joseph Moakley U.S. Courthouse	$4,250
NY, New York, Joseph Addabbo Federal Building	25,023
NY, White Plains, U.S. Courthouse	2,825
NJ, Newark, M.L. King, Jr. Federal Building	500
NJ, Trenton, Clarkson S. Fisher Federal Building and U.S. Courthouse	19,000
FL, Tampa, Sam M. Gibbons U.S. Courthouse	1,254
MN, Minneapolis, U.S. Courthouse	9,984
MO, Kansas City, Charles E. Whittaker Federal Courthouse	233
CA, Los Angeles, Edward R. Roybal Center and Federal Building	6,750
OR, Portland, Mark O. Hatfield U.S. Courthouse	7,285
DC, Washington, FBI Field Office	7,302
Total	$84,406

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates
Repairs and Alterations

New Obligational Authority
(Dollars in Thousands)

FY 2000 Actual	FY 2001 Current	FY 2002 Request
$669,010[1]	$673,263[2]	$826,676[2]

[1]Includes Indefinite Authority of $10,683 thousand.
[2]Excludes Indefinite Authority.

General Program Description

The Repairs and Alterations (R&A) program funds work necessary to keep our building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant Government-owned space, and address other special program needs.

Budget Summary

Highlights
• $370,000 thousand for Basic Program
• $80,449 thousand for Limited Scope Program
• $342,570 thousand for Major Modernization
• $33,657 thousand for Design Program

Figure 5

We request a total of $826,676 thousand in new obligational authority for fiscal year 2002.

Our strategic plan gives top priority to investment in our existing Government-owned assets to:

- Maintain their economic value;
- Ensure our continuing ability to house Federal agencies and support their mission requirements; and
- Enable GSA to charge market-comparable rental rates sufficient to permit needed reinvestment in these assets over their life cycles.

The facilities under our stewardship have a replacement value of about $33 billion. The repair and upgrade of these assets is always our top priority for capital funds. Without sufficient funds to properly maintain and modernize our buildings, we will fail in our stewardship role and the value of these government assets will decline.

The R&A program consists of the following categories:

- Basic Program (below prospectus level of $2,130 thousand)
- Limited Scope Program (prospectus level)
- Major Modernization Projects (prospectus level)
- Design Program

Basic Program--$370,000 thousand

The current request for basic repairs and alterations work is based on a five year needs assessment of our

inventory. We are requesting a funding level of $370,000 thousand.

The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. This program is a major contributor to the "Improve GSA Brand" concept through First Impressions, Retail Tenant Services, and Protection projects. The basic program includes work in buildings below the prospectus threshold of $2,130 thousand for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. The basic program is essential for preserving PBS's capital assets between major reinvestments. PBS's objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets.

The basic program will recapture 734 thousand vacant square feet at a cost of $30,000 thousand, which would generate $13,200 thousand in annual revenue to the FBF. Other categories of work include fire safety and seismic work, as well as necessary system repairs essential to building operations.

Limited Scope Program--$80,449 thousand

Instances occur when it is appropriate to make a major reinvestment in a single building system before an asset is scheduled for full modernization in order to preserve the functionality and value of the asset. GSA carefully evaluates the cost-effectiveness of such Limited-Scope Projects before they are included in our annual Capital Investment Plan. Examples of these limited-scope projects include roof replacement, elevator modernization, and repairs to the exterior of a building (particularly where existing conditions pose a safety hazard).

Major Modernization Construction Projects--$342,570 thousand

The 16 projects in this category are modernization or alteration projects. These include significant repairs intended to replace and upgrade outmoded and deteriorated building systems such as heating, ventilation, air conditioning, plumbing, electrical, elevators, fire safety, and exterior structure. We require space alterations in some cases to recapture vacant space for planned future occupancy and in other instances to remodel space for existing building tenants.

Design Program--$33,657 thousand

Our request funds the design of 11 proposed projects for systems replacement, life safety improvement, and recapture of vacant space. The construction phase of these line item projects will be requested in future years.

Asset Investment Strategy

PBS benchmarks its capital reinvestment level in a manner similar to that used by large real estate firms in the private sector. The PBS asset investment strategy is comprised of three main elements:

- Assessment of the Current Portfolio;
- Economic Analysis; and,
- Asset Investment Priorities.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Assessment of the Current Portfolio

The investment strategy is based on a "bottom-up", building-by-building analysis of each asset in the PBS inventory. We accomplish this analysis using asset business plans. These plans summarize the operating performance of our buildings, their physical layout, income and expenses, condition and needs, customer satisfaction, and our market and investment strategy for each asset.

The asset business plans also set forth our strategy for each asset, formulated in light of our tenant agencies' needs and our space profile in any given location. These plans are reviewed and updated continually.

In addition, PBS maintains a program enabling regions, cities, and local planning groups to formally collaborate with PBS and its Federal agency customers as they develop long-term asset plans.

Economic Analysis

After analyzing the asset business plans, our regional offices recommended those projects considered most critical for inclusion in this budget. Each project is subjected to a detailed economic analysis, including Return on Investment (ROI) that projects the long-term effect of the investment. All construction estimates are benchmarked against the private sector. We compare the income stream produced by the investment with other projects and with our existing portfolio return to optimize allocation of our investment resources.

Our analysis also includes a projection of likely R&A expenditures for each asset over the life of the projection period, and an estimate of its continuing value to the taxpayer in terms of the comparable market rent our client agencies would be willing to pay.

Each project proposed for funding in fiscal year 2002 was required to yield a return in excess of the Department of the Treasury's 30 year bonds. All project proposals included in the fiscal year 2002 budget request exceed this "hurdle rate" of 6.1 percent by a comfortable margin. They are also consistent with the specific asset investment priorities described below.

Asset Investment Priorities

In addition to ROI, the following criteria are used to set and adjust priorities:

1. Protecting the safety and health of tenants and visitors in owned and leased assets.
2. Maintaining the operational viability of owned assets through day-to-day repairs and alterations to justify charging market rates.
3. Altering vacant space in owned assets to relocate client agencies from more costly leased space into Government-owned space when available, or to provide expansion space.
4. Completing planned modernizations of major buildings to support client agencies' missions and to enhance value.
5. Providing new housing solutions (construction, acquisition and leasing) to meet the changing requirements of client agencies.

Considerations for Long-Term Asset Investment

At both the local and the national levels, PBS's overall strategy accounts for the impact of downsizing occurring within the Federal workforce, the changes in the Federal workplace affecting GSA's real property portfolio, and the types of space and services provided to client agencies. PBS is committed to house as many agencies as we can in Government-owned buildings and to provide modern workplaces required by the Federal workforce.

We excess properties when it is in the best financial interest of the Federal Government. In addition to financial considerations, the impact of social and economic opportunities on local communities is also a consideration in making long-term asset investment decisions. PBS coordinates its efforts with state and local planning entities and engages the public at large for input and comment. We strive to accommodate the views of all state and local groups while providing safe, healthy, and high-quality workspace for Federal agencies.

Budget Summary Information

The following exhibits provide information regarding the overall aspects of the Repairs and Alterations program:

Exhibit 11 - Summary of Fiscal Year 2002 Program

Exhibit 12 – Project Descriptions

REPAIRS AND ALTERATIONS
SUMMARY OF FY 2002 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST				FY 2002 REQUEST			
	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Nonprospectus (Basic) Repairs and Alterations Projects	-	370,000	-	370,000	-	370,000	-	370,000
Repairs and Alterations Construction Program								
Limited Scope Program								
Des Moines, IA , 210 Walnut Street Federal Building	966	11,131	861	12,960	-	11,131	861	11,992
HVAC Modernization - Various Building	462	5,821	367	6,650	462	5,821	367	6,650
Chicago, IL, John C. Kluczynski Federal Building	913	11,698	696	13,297	341	11,698	696	12,735
PCB Transformers - Various Buildings	1,362	13,616	610	15,588	1,362	13,616	610	15,588
Washington, DC, 320 First Street Federal Building	722	7,215	323	8,260	722	7,215	323	8,260
Lakewood, CO, DFC Bldg 67	676	7,855	629	9,160	0	7,855	629	8,484
Laguna Niguel, CA, Chet Holifield Federal Building	802	10,202	707	11,711	802	10,202	707	11,711
Providence, RI, U.S. Federal Building and Courthouse	273	4,366	400	5,039	273	4,366	400	5,039
Subtotal, Limited Scope Program	6,196	71,904	4,583	82,685	3,962	71,904	4,583	80,449
Modernization Program								
Cleveland, OH, Howard M. Metzenbaum - U.S. Courthouse	2,301	24,817	2,283	29,401	758	24,817	2,283	27,858
Chicago, IL, Federal Building, 536 South Clark Street	4,418	52,869	4,158	61,445	3,048	52,869	4,158	60,073
Las Vegas, NV, Foley Federal Building - U.S. Courthouse	1,750	24,651	1,942	28,343	385	24,651	1,942	26,978
Muskogee, OK, Federal Building - U.S. Courthouse	823	7,536	678	9,037	-	7,536	678	8,214
Newark, NJ, Peter W. Rodino, Jr. Federal Building	42	5,119	134	5,295	42	5,119	134	5,295
Cleveland, OH, Anthony J. Celebrezze Federal Building	1,464	20,896	2,090	24,450	-	20,896	2,090	22,986
Tallahassee, FL, U.S. Courthouse	518	4,434	460	5,412	-	4,434	460	4,894
Washington, DC, IRS Main Building (Ph 2)	3,098	48,602	3,569	55,269	-	16,974	1,417	20,391
St. Louis, MO, Federal Center Buildings 104 /105	1,635	17,991	1,794	21,420	427	17,991	1,794	20,212
Washington, DC, Main Interior Building	5,764	158,215	9,500	173,479	-	21,539	1,200	22,739
Milwaukee, WI, Federal Building - U.S. Courthouse	774	9,337	678	10,789	-	9,337	678	10,015
Washington, DC, Main Justice Building (Ph 3)	7,118	134,477	8,523	150,118	-	43,216	2,758	45,974
Chicago, IL, Harold Washington Social Security Center	1,415	12,394	1,234	15,043	84	12,394	1,234	13,692
San Diego, CA, Edward J. Schwartz, FB - CT	1,705	11,288	1,218	14,211	564	11,288	1,218	13,070
Jacksonville, FL, Charles E. Bennett Federal Building	1,930	21,701	1,851	25,482	-	21,701	1,851	23,552
Portland, OR, Pioneer Courthouse	1,340	14,693	1,139	17,172	797	14,693	1,139	16,629
Subtotal, Modernization Program	36,095	569,020	41,251	646,366	6,061	311,455	25,034	342,570
Repairs and Alterations Construction Program Subtotal	42,293	640,924	45,834	729,051	10,043	383,359	29,617	423,019
Design Program (see attached listing for specific projects)	36,049	370,336	31,091	437,476	33,657	-	-	33,657
Total Repairs and Alterations	78,342	1,381,260	76,925	1,536,527	43,700	753,359	29,617	826,676

FBF-48

REPAIRS AND ALTERATIONS
Summary of FY 2002 Design Program
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST				FY 2002 REQUEST			
	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Limited Scope Program								
Ft. Worth, TX, Fritz G. Lanham FB	833	11,381	793	13,007	833	-	-	833
New York, NY, U.S. Customs House-6 World Trade Center	719	7,060	627	8,406	719	-	-	719
Subtotal, Limited Scope Program	1,552	18,441	1,420	21,413	1,552	-	-	1,552
Modernization Program								
Boston, MA, John W. McCormack, Post Office-U.S. Courthouse	5,338	65,140	5,881	76,359	5,338	-	-	5,338
Washington, DC, Federal Office Building 8	7,761	72,471	6,220	86,452	7,761	-	-	7,761
Washington, DC, Mary E. Switzer Memorial Building	7,776	68,128	5,830	81,734	5,384	-	-	5,384
Brooklyn, NY, Emanuel Celler Courthouse	3,791	42,861	3,137	49,789	3,791	-	-	3,791
Atlanta, GA, Martin L. King, Jr. FB	2,351	27,567	2,712	32,630	2,351	-	-	2,351
Springfield, IL, Paul H. Findley FB-U.S Courthouse	539	5,512	424	6,475	539	-	-	539
Denver, CO, Byron G. Rogers FB-Courthouse	3,688	37,652	2,997	44,337	3,688	-	-	3,688
Atlanta, GA, Richard B. Russell FB	2,917	29,112	2,146	34,175	2,917	-	-	2,917
Fargo, ND, Federal Building-Post Office	336	3,452	324	4,112	336	-	-	336
Subtotal, Modernization Program	34,497	351,895	29,671	416,063	32,105	-	-	32,105
Total Design Program	36,049	370,336	31,091	437,476	33,657	-	-	33,657

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

CALIFORNIA

Laguna Niguel – Chet Holifield Federal Building.....$11,711,000

This project proposes alterations to the Chet Holifield Federal Building located at 24000 Avila Road, Laguna Niguel, CA. The building was originally constructed as a manufacturing plant by Honeywell International Rockwell Company in 1971 and acquired by GSA in 1974. The seven-story, ziggurat shaped, 950,053 gross square feet building is situated on a 93.9 acre parcel and houses 2,993 employees with 6,198 outside and two inside parking spaces.

The proposed project will replace the leaking roof, which was substantially repaired in 1980 and again in 1989, and is currently repaired by patchwork. The project will also upgrade all of the 30-year old elevators, which frequently break down. Their cabs and control systems require upgrading for safety and energy efficiency. In addition, only one elevator services floors one through six. The remaining two passenger elevators serve floors three through six. These elevators will be extended to serve the first and second floors. Finally, the project will include asbestos abatement associated with the roof replacement and elevator work.

This request is for design ($802 thousand), construction ($10,202 thousand) and management and inspection ($707 thousand). The estimated total project cost is $11,711 thousand.

San Diego – Edward J. Schwartz Federal Building - Courthouse.....$13,070,000

The Edward J. Schwartz Federal Building and Courthouse, located in downtown San Diego, was built in 1974 and has 913,044 gross square feet including inside parking. The facility houses over 1,200 federal and contract employees. The building has 600 inside parking spaces and no outside spaces.

The project will provide elevator upgrade and safety improvements to the system. The Energy Monitoring Control System will be upgraded to meet current building requirements and to reduce energy consumption. Extensive work to the heating, ventilation and air conditioning (HVAC) duct system is required to reduce air leakage. Security upgrades consist of access control and perimeter electronic surveillance. The 15 existing original traction elevator systems have exceeded their service life. The elevators are unreliable, slow, routinely out of service for repairs and routinely do not level with the floor. The elevators do not meet current seismic codes. The HVAC ductwork leaks and the variable air volume boxes do not function properly. Air is not adequately circulated throughout the building and the system does not respond to the building's cooling requirements.

Design funding ($1,141 thousand) was provided in fiscal year 1995. This request is for additional design ($564 thousand), construction ($11,288 thousand) and management and inspection ($1,218 thousand). The estimated total project cost is $14,211 thousand.

COLORADO

Lakewood – Denver Federal Center – Building 67.....$8,464,000

This project proposes alterations to Building 67 of the Denver Federal Center (DFC) in Lakewood, Colorado. The building was constructed in 1967, contains 387,351 gross square feet of office and related space, and provides 967 outside parking spaces.

The proposed project will repair the damaged exterior concrete skin, repair damaged concrete sun screens, and replace deteriorating windows with energy efficient windows. The project will also repair or replace damaged pre-cast pipe chases, replace a covered walkway and improve tenant egress to comply with seismic codes. Currently, the exterior concrete is deteriorating and pieces of it are falling to the ground, presenting a safety hazard to employees. The falling concrete exterior is also damaging the building's structure and windows.

Design funding ($676 thousand) was provided in fiscal year 2000 through reprogramming. This request is for construction ($7,855 thousand) and management and inspection ($629 thousand). The estimated total project cost is $9,160 thousand.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA

320 First Street Federal Building.....$8,260,000

This project proposes the repair and alteration of 320 First Street Federal Building in Washington, DC. The building was originally known as the Acacia Building. The Acacia Mutual Life Insurance Company built it in 1927. The office spaces vary from the original separate offices with fixed partitions to open office spaces with movable partitions. The structure contains ten stories with 276,902 gross square feet of space and 245,225 rentable square feet. The structure is on GSA's Historical Properties List.

The project entails replacing poorly functioning HVAC system components, one chiller, and all of the building windows. The primary goal of this project is to reduce building operating expenses through increased system efficiencies and through a reduction in energy usage. These improvements to the basic building environment are also designed to improve the overall comfort level of building tenants.

This request is for design ($722 thousand), construction ($7,215 thousand) and management and inspection ($323 thousand). The estimated total project cost is $8,260 thousand.

Internal Revenue Service Main Building (Phase II).....$20,391,000

The Internal Revenue Service (IRS) Building is located at 1111 Constitution Avenue, NW, Washington, DC. This building was constructed between 1928 and 1936. It provides 1,384,750 gross square feet of space, including 78 inside parking spaces. It is on the National Register of Historic Places.

This project will upgrade obsolete building systems and replace the collapsing basement floor slab with a reinforced concrete slab. The basement floor slab currently is collapsing at several locations due to continual soil settlements. The deteriorated piping systems underneath the basement floor and building moats will be replaced. All outdated mechanical and electrical systems located on the basement level associated with the floor slab work will be replaced. The main electrical incoming service along with five substations that serve the electrical needs of the entire building will be replaced. It will provide improvement in fire and life safety conditions by installing a new sprinkler system throughout the building. All toilet facilities and plumbing systems from the first through seventh floors will be replaced. The masonry/stone exterior of the building will be cleaned and repainted.

Design ($3,098 thousand) was funded in fiscal year 1999. Phase 1 construction ($29,628 thousand) and management and inspection ($2,152 thousand) were funded in fiscal year 2001. This request is for Phase 2 construction ($18,974 thousand) and management and inspection ($1,417 thousand). The estimated total project cost is $55,269 thousand.

Main Interior Building (Phase II).....$22,739,000

This project proposes funding for Phase II of the modernization of the Main Interior Building located at 1849 C Street, NW in Washington, DC. Six construction phases have been proposed for this modernization, each of which will encompass two full wings of the building. The Main Interior Building was designed for and has been exclusively occupied by the Department of Interior (DOI) since its construction between 1935 and 1936. It is listed on the National Register of Historic Places. There are seven floors of office space above ground, a basement floor which provides parking, employee service areas and has a mechanical mezzanine between floors five and six. It provides 1,317,314 gross square feet of space.

Improvements to the Main Interior Building's systems are required to extend the useful life of the building, maintain the continuity of Government operations, and to bring the facility in line with applicable codes, public law requirements, and national policy. Restoration of historically significant areas in the building is necessary. The mechanical and electrical systems are 25 to 50 years old. Critically outdated, these systems are undersized and under capacity for current loads and demand. Parts are worn and obsolete, controls are deteriorated and nonfunctional, and the systems are inefficient. Interior finishes have deteriorated and require updating. The lighting and electrical systems are also inefficient and require improvement. The restrooms must be refurbished and made accessible for the physically challenged. The domestic and waste piping has deteriorated to a point where leakage necessitates replacement. Maintenance of these obsolete and worn out systems is time intensive, requires substantial periods of downtime, and results in prolonged inconvenience to the tenants as well as inefficiencies to the operating programs of DOI. Additionally, improvements to ensure conformance with current fire and life safety codes are required.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA – continued

Main Interior Building (Phase II) - continued

Design ($5,764 thousand) was funded in fiscal year 1994 in the Design and Construction Services activity. Phase I funds for $29,214 thousand were provided for construction ($27,334 thousand) and management and inspection ($1,880 thousand) in fiscal year 2000. This Phase II request is for construction ($21,539 thousand), and management and inspection ($1,200 thousand). The balance of the construction funding ($115,782 thousand) will be requested in future fiscal years. The estimated total project cost is $173,479 thousand.

Main Justice Building (Phase III).....$45,974,000

This project proposes the construction of Phase III of a three-phase modernization project of the Main Justice Building located at 9th and Constitution Streets, NW, Washington DC. This nine-story building is steel framed and includes a basement, sub-basement and attic. The basement and attic contain the majority of the building systems and support space. Constructed in 1935, it contains 1,089,720 gross square feet of space and 598,121 usable square feet of space. The building is located in the heart of Washington DC's architecturally significant Federal Triangle and is listed on the National Register of Historic Places.

This modernization project is designed to bring this 65 year old building into compliance with today's health, fire and life safety standards. In addition, the modernization will improve the building's HVAC, plumbing, electrical and lighting systems resulting in a significantly improved work space for the client agency. Exterior architectural features of this historical building will be receiving attention as well as building features in need of modification to comply with the Uniform Federal Accessibility Standards. Improvements to the Main Justice Building are required to extend the useful life of the building, maintain the continuity of Government operations, and bring this building in line with existing building codes, public law requirements and national policy. The mechanical and electrical systems are over 50 years old, making them dangerously outdated, undersized and under capacity for current loads and demands. Systems are worn and obsolete, many controls are deteriorated and non-functional. Equipment failures are being experienced at an increasing rate producing unscheduled, unacceptable outages, which adversely impact client operations. These improvements will provide a safer, more efficient workspace for the Government.

Approximately one-half of the tenant's 3,251 employees are relocated into swing space during each major phase. The Patrick Henry Building is located less than 3 blocks from the Main Justice building and is used as swing space.

Design funding ($6,918 thousand) was provided in fiscal year 1993 in the Design and Construction Services activity. Phase I funds of $50,000 thousand, were provided in fiscal year 1997 for design ($200 thousand), construction ($46,935 thousand) and management and inspection ($2,865 thousand). Phase II funds of $47,226 thousand were provided in fiscal year 2000 for construction ($44,326 thousand) and management and inspection ($2,900 thousand). This request is for Phase III construction ($43,216 thousand) and management and inspection ($2,758 thousand). The total estimated total project cost is $150,118 thousand.

FLORIDA

Jacksonville – Charles E. Bennett Federal Building.....$23,552,000

This project proposes the renovation of the Charles E. Bennett Federal Building located at 400 Bay Street in downtown Jacksonville, FL. The Charles E. Bennett Federal Building has 334,575 gross square feet of space, 11-story pre-cast concrete contemporary structure on a 3.13-acre site at 400 Bay Street in downtown Jacksonville, FL. The building provides 314,778 rentable square feet of office space and 177 outside parking spaces for Federal tenants. It was constructed in 1967 and houses 1,673 employees.

This project will allow GSA to provide expansion space in the building, thus alleviating the overcrowded conditions for the Corps of Engineers (COE), and other leased and Federal building tenants. The COE, Defense Contract Audit Agency, Department of Defense-Inspector General, Environmental Protection Agency and Navy are experiencing growth and require expansion space to remedy current overcrowded space conditions. All agencies but COE is currently housed in leased space.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

FLORIDA - continued

Jacksonville – Charles E. Bennett Federal Building - continued

The Federal Building is 33 years old and its mechanical and electrical systems are obsolete, inadequate, and well past the end of their useful lives. The systems have not been updated since the building was constructed. This project will renovate space in the building for new tenants and remedy physical and functional deterioration and obsolescence. GSA proposes to remove asbestos materials, modify interior space, upgrade mechanical systems, and repair foundation cracks. GSA also proposes to refurbish grounds and approaches, clean exterior walls, and upgrade the fire and life safety systems. Additionally, GSA will upgrade the electrical system, including the replacement of the electrical service conductors, the main switchboard, the electrical feeders, and the chillers, pumps, and air handling units' panel boards.

Design ($1,930 thousand) was funded in fiscal year 2000. This request is for construction ($21,701 thousand) and management and inspection ($1,851 thousand). The estimated total project cost is $25,482 thousand.

Tallahassee – Courthouse.....$4,894,000

This project proposes the renovation of the U.S. Courthouse located at 110 East Park Avenue in downtown Tallahassee, FL. The U.S. Courthouse is a 59,976 gross square foot, three-story stone structure on an approximately 1.3 acre site, located three blocks from the Florida State Capital. The building was constructed in 1935 and is listed on the National Register of Historic Places.

The District Court and court-related agencies vacated the entire building while relocating to a newly constructed U.S. District Courthouse annex. GSA proposes to recapture the building's 43,478 rentable square feet of vacant space by moving the U.S. Bankruptcy Court and the U.S. Trustees from leased space. The building is 66 years old, and thus its systems are obsolete, and well past the end of their useful lives. The systems have not been updated since the building was constructed. This project will renovate the space, provide badly needed expansion space for new tenants, and remedy physical and functional building deterioration and obsolescence.

GSA proposes to modify interior space, modify access to ADA criteria, upgrade roof, fire and life safety, and upgrade mechanical and electrical systems. Additionally, the alteration will upgrade existing elevators and install a new elevator, conserve artwork, and refurbish wood windows. The project will improve building exterior, grounds, and correct water damage, which is causing this valuable historic Federal asset to deteriorate.

Design ($518 thousand) was funded in fiscal year 2001. This request is for construction ($4,434 thousand) and management and inspection ($460 thousand). The estimated total project cost is $5,412 thousand.

ILLINOIS

Chicago – Federal Building – 536 S. Clark Street.....$60,073,000

This project proposes tenant alterations, major structural, mechanical, electrical, and plumbing upgrades to Chicago's 89-year old, ten-story Federal Building located at 536 S. Clark Street in Chicago, IL. It currently houses 655 employees. This project will support a significantly expanded occupancy of the Department of Justice, Immigration and Naturalization Service (INS). This project will bring the 35-year old passenger elevators and the 15-year old obsolete fire alarm/fire safety system up to life-safety and accessibility standards. In addition, GSA will upgrade mechanical, electrical and plumbing infrastructure and replace the existing facade.

This modernization will also allow the INS to consolidate operations from several inadequate leased and Government-owned locations in Chicago to one Government-owned building. Changes proposed include a light court infill, an atrium glass roof and a new entrance and building addition, and a sallyport to make the building both more functional and modern for long-term housing of the proposed tenants. The new building entrance will provide a safe and secure early morning waiting area for INS clients who form lengthy lines prior to regular business hours, often in harsh winter weather.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

ILLINOIS - continued

Chicago – Federal Building – 536 S. Clark Street - continued

Design funding ($1,372 thousand) was provided in fiscal year 2001. This request is for additional design ($3,046 thousand), construction ($52,869 thousand) and management and inspection ($4,158 thousand). The estimated total project cost is $61,445 thousand.

Chicago – John C. Kluczynski Federal Building.....$12,725,000

This prospectus proposes to upgrade the 27-year old elevator system in the John C. Kluczynski (JCK) Federal Building, 230 S. Dearborn Street, Chicago, IL. The JCK Federal Building was constructed in 1973 and includes 20 indoor parking spaces. JCK is 43 stories above ground and provides 1,242,482 gross square feet of space to house approximately 2,980 employees. Major tenants include the Department of Labor, Internal Revenue Service, Drug Enforcement Administration, and the General Services Administration.

There are increased instances of elevator entrapments and other safety problems, in addition to non compliance with current codes. The work is required due to safety and to meet current codes, which includes replacing aged motor generator sets with energy-efficient solid state drives and signal systems and providing a new elevator controller system. In addition, the elevator cabs will be renovated and updated to comply with the requirements of the ADA.

Design ($572 thousand) was funded in fiscal year 1994 in the Design and Construction Services Activity. This request is for additional design ($341 thousand) construction ($11,698 thousand) and management and inspection ($686 thousand). The estimated total project cost is $13,297 thousand.

Chicago – Harold Washington Social Security Center.....$13,692,000

This project consists of major building system upgrades to the Harold Washington Social Security Center located at 600 W. Madison in Chicago, IL. This building was built in 1975 and contains 751,020 gross square feet of space, including ten stories and 14 indoor parking spaces. The building houses 1,763 employees.

This project proposes the replacement of the building's curtain wall-framing, the 25-year old corroded sprinkler system, and modernization of the elevators and restrooms. The sprinkler system is currently leaking and the curtain wall system is failing, allowing water infiltration and failure to insulate the glass. This project will address many fire and life safety issues and bring the building into compliance with the Uniform Federal Accessibility Standards and the Americans with Disabilities Act, (UFAS/ADA) accessibility standards. Restroom renovation and elevator upgrades will also be accomplished as a part of this project.

Design funding ($1,351 thousand) was provided in fiscal year 1996. This request is for additional design ($64 thousand), construction ($12,394 thousand) and management and inspection ($1,234 thousand). The estimated total project cost is $15,043 thousand.

IOWA

Des Moines – 210 Walnut Street Federal Building.....$11,892,000

This project proposes to repair the exterior curtain wall of the Federal Building (FB) located at 210 Walnut Street, Des Moines, IA. The 210 Walnut Street Federal Building was constructed in 1966 on a one block site in downtown Des Moines. The FB is 10 stories above ground and provides a gross area of 383,727 square feet to house approximately 1,700 employees. There are 144 structured parking spaces adjacent to the building and eight surface parking spaces.

GSA proposes alterations to the FB, which includes removal of granite column cladding, removal of external aluminum fins, replacement of windows, stabilization and overcladding of glazed brick and columns, and replacement of roof. The roof is fatigued and nearing the end of its expected life span, and even a roof in good condition would be destroyed during the recladding construction process. No tenants of the building will be displaced.

Design ($988 thousand) was funded through fiscal year 2000 reprogramming. This request is for construction ($11,131 thousand) and management and inspection ($861 thousand). The estimated total project cost is $12,980 thousand.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

MISSOURI

St. Louis – Federal Center Buildings 104/105.....$20,212,000

This project proposes to modernize and recapture vacant space in Buildings 104 and 105 at the Federal Center (FC) located at 4300 Goodfellow in St. Louis, MO. Buildings 104 and 105 are part of a 65 acre, 21 building FC complex constructed in 1942 as the St. Louis Ordnance Plant. The FC includes over 1.2 million usable square feet of office, storage and special space. Following transfer of the complex to GSA from the Army in 1967, the facilities were modernized to upgrade the complex from a manufacturing plant to modern office park environment.

As a result of the Base Realignment and Closure Act recommendation to decommission and relocate the Army Training Command (ATCOM), approximately 282,358 square feet of vacant space in Buildings 104 and 105 remains available for backfill. GSA will consolidate and relocate the Rural Development and Farm Services Agency activities of the United States Department of Agriculture (USDA) currently housed in two separate locations, to vacant Government-owned space in Buildings 104 and 105 at the FC. The project proposes interior modernization to convert 246,758 usable square feet of vacant space into quality office work environment for the USDA.

Design ($1,208 thousand) was funded in fiscal year 2001. This request is for additional design ($427 thousand), construction ($17,991 thousand), management and inspection ($1,794 thousand). The estimated total project cost is $21,420 thousand.

NEVADA

Las Vegas – Foley Federal Building-Courthouse.....$26,978,000

This project proposes to alter the Foley Federal Building - US Courthouse at 300 Las Vegas Boulevard South in Las Vegas, NV. The building, constructed in 1967, has 204,575 gross square feet of space, including 138 outside parking spaces and currently houses approximately 257 employees. Upon completion, the building will house 399 employees.

GSA will provide space alterations, renovate and upgrade the HVAC and plumbing systems, upgrade the fire alarm system and extend the fire sprinkler system, replace water chillers, replace major electrical equipment, replace external windows, upgrade the loading dock, replace the roof, renovate two passenger elevators and one freight elevator, abate asbestos where necessary, and modify accessibility per UFAS/ADA. In addition, the project will recapture 121,839 square feet of vacant space resulting from the relocation of the U.S. District and Magistrate courts, and court related agencies to the newly constructed Lloyd D. George FB-CT. Executive agencies housed in six leased locations will move into the building.

Design funding ($1,365 thousand) was provided in fiscal year 2000. This request is for additional design ($385 thousand), construction ($24,651 thousand) and management and inspection ($1,942 thousand). The estimated total project cost is $28,343 thousand.

NEW JERSEY

Newark – Peter W. Rodino, Jr. Federal Building.....$5,295,000

This prospectus proposes to recapture 54,000 rentable square feet of vacant space for the Immigration and Naturalization Service (INS) in the Peter W. Rodino Federal Building (FB), located at 970 Broad Street in downtown Newark, NJ. Built in 1967, this 495,208 gross square foot office building anchors the Newark Federal Center. The Rodino FB is the largest single provider of office space to the Newark Federal community and houses 1,348 Federal employees.

The proposed project will include tenant improvement build-out and incidental demolition and asbestos removal. This project will allow INS to consolidate from three leased locations into federal space. Currently, the INS is located in four

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

NEW JERSEY - continued

Newark – Peter W. Rodino, Jr. Federal Building – continued

locations in Newark in space of varying quality. INS operations are currently fragmented will improve by consolidating them. This proposed project will enable GSA to meet the consolidation needs of the INS and provide them with quality office space.

This request is for design ($42 thousand), construction ($5,119 thousand) and management and inspection ($134 thousand). The estimated total project cost is $5,295 thousand.

OHIO

Cleveland – Anthony J. Celebrezze Federal Building.....$22,986,000

This project proposes tenant alterations to recapture approximately 130,336 rentable square feet of vacant space in the Anthony J. Celebrezze Federal Building. The Anthony J. Celebrezze Federal Building is located in downtown Cleveland at 1240 East Ninth Street. The building was constructed in 1966 with 1,272,364 square feet of rentable office space and 355 inside parking spaces. It houses approximately 5,600 federal employees.

The Federal Bureau of Investigation will be moving out of the Federal Building into a newly leased-constructed building in fiscal year 2001. Three proposed new tenants, Housing and Urban Development, Small Business Association, and the Equal Employment Opportunity Commission will be moved to the vacant federal space from leased space. The initial space alteration will require demolition of existing tenant build-out including asbestos abatement throughout the vacated floors prior to starting new tenant build-out. Additionally, the project proposes a building-wide replacement of the failing fan coil units. The new fan coil system will deliver energy efficient heated and cooled air through a zoned temperature control system.

Design ($1,464 thousand) was funded in fiscal year 2001. This request is for construction ($20,896 thousand) and management and inspection ($2,090 thousand). The estimated total project cost is $24,450 thousand.

Cleveland - Howard M. Metzenbaum U.S. Courthouse.....$27,856,000

This project proposes tenant alterations to backfill the Howard M. Metzenbaum U.S. Courthouse located at 201 Superior Avenue, Cleveland, Ohio. The five-story Metzenbaum Courthouse contains 251,314 gross square feet of space and currently houses 150 employees. The building was completed in 1910 and is located in the heart of Cleveland's central business district. It is listed in the National Register of Historic Places and potentially eligible for National Historic Landmark status – the highest level of historic designation in the country.

When the current tenants relocate to the new U.S. Courthouse, the Metzenbaum Courthouse will be vacant in fiscal year 2002. This project proposes initial space alterations for the Bankruptcy Court and other executive agencies. Additionally, the project provides restoration for some of the architecturally significant spaces in the building, and a modernization of the HVAC, plumbing, fire/life safety, lighting and power systems throughout the building. This project is central to GSA's ability to retain the functionality and economic viability of this historic courthouse, an invaluable cultural asset to Cleveland and the nation. The project proposes an in-fill to provide new space and to convert basement space currently occupied by the U.S. Marshals to parking.

Design ($1,545 thousand) was funded in fiscal year 2001. This request is for additional design ($756 thousand), construction ($24,817 thousand), and management and inspection ($2,283 thousand). The estimated total project cost is $29,401 thousand.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

OKLAHOMA

Muskogee – Federal Building – Courthouse $8,214,000

The General Services Administration proposes the modernization of the Federal Building and Courthouse (FB-CT) at 101 North 5th in Muskogee, OK. The FB-CT at 101 North 5th in Muskogee, OK, was built in 1915 as a United States Post Office and Courthouse. In 1937 a major addition was constructed on the west side of the original building which accounts for its current size of 137,532 square feet of space. This is an historic landmark building eligible for listing on the National Register of Historic Places. Approximately 213 employees currently occupy the building.

GSA will provide a new building distribution system (including lighting), electrical service entrance, and switchgear. The electrical upgrade is needed to provide trouble-free electrical service with adequate capacity to facilitate court operations, required lighting levels, uninterrupted computer operations, and reliable building security and fire alarm systems. Proposed mechanical upgrades include new air handlers, ductwork, and an energy management system. The project will also provide a new plumbing system, complete fire sprinkler system, and asbestos abatement.

The building currently houses 3 courtrooms. The District Clerk's Office, the US Marshal's, the Bureau of Indian Affairs (BIA), and GSA. The Courts have projected steady growth in Muskogee and the ten-year requirements will require the entire building and thus the BIA will have to move to lease space to vacate the space for the Courts

Design funding ($823 thousand) was provided in fiscal year 2001. This request is for construction ($7,536 thousand) and management and inspection ($678 thousand). The estimated total project cost is $9,037 thousand.

OREGON

Portland – Pioneer Courthouse.....$16,629,000

This project proposes to alter and repair the Pioneer Courthouse, located at 520 SW Morrison in Portland, OR. Built between 1869 through 1875, this historic landmark building provides 48,125 gross square feet of space.

GSA proposes to install base isolation, install shear walls and to anchor the floor to perimeter walls to meet seismic requirements and to maintain the structure of this National Historic Landmark and oldest public building in the city. GSA also proposes to upgrade the existing fire alarm system to comply with fire codes and the Americans with Disabilities Act (ADA), and to extend the sprinkler system to the entire building. In addition, the project will renovate the HVAC, electrical, telecommunication, and data systems to meet tenant requirements and to repair building exterior cracking damage from earthquakes.

Design funding ($543 thousand) was provided in fiscal year 1995. This request is for additional design ($797 thousand), construction ($14,693 thousand) and management and inspection ($1,139 thousand). The estimated total project cost is $17,172 thousand.

RHODE ISLAND

Providence – Federal Building - Courthouse.....$5,039,000

This project proposes alterations to the Federal Building and U.S. Courthouse (FB-CT) located at Exchange Place in Providence, RI. The building, originally constructed in 1908 as an U.S. Post Office, courthouse and customhouse, is a five-story steel frame masonry structure with an attic and basement providing 120,598 gross square feet of space. The building is listed on the National Register of Historic Places, and is an important part of downtown Providence.

Through this project, GSA will alleviate the Court's safety and security risks by adding an additional stairwell and a secure elevator for the exclusive use of judicial officials. The project will also create an additional 3,000 square feet of space by enclosing the atrium to accommodate the proposed stairwell. The lightwell infill will enhance fire safety regulations by providing an additional stairwell that will give the Courts adequate egress for occupants above the ground floor in case of fire, explosion, or other disaster, especially on the south side of the building. The additional elevator will alleviate further security risks by providing judicial officials a separate elevator, one they do not have to share with prisoners.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

RHODE ISLAND - continued

Providence – Federal Building – Courthouse - continued

This request is for design ($273 thousand), construction ($4,366 thousand) and management and inspection ($400 thousand). The estimated total project cost is $5,039 thousand.

WISCONSIN

Milwaukee – Federal Building – U.S. Courthouse.....$10,015,000

This prospectus proposes fire safety, accessibility, mechanical and electrical upgrades in the Federal Building and U.S. Courthouse (FB-CT). The FB-CT was constructed between 1892 and 1899 with an addition built between 1932 and 1941. It is a National Register listed property and potentially eligible for National Historic Landmark status - the highest national landmark registration. The building has 500,247 gross square feet of space, houses 702 employees and includes 28 inside parking spaces.

GSA will upgrade the fire and life safety, electrical, mechanical, and accessibility in the Federal Building. Eight, 40-year old elevators will be replaced. The electrical system will be upgraded, which will include new circuit panels in the North building. The project will provide a new fire alarm system, building controls and energy management system. Additional work includes converting the dual duct HVAC system to variable air volume on five floors, rebuilding the sidewalk vault to house an emergency generator for elevator recall and fire pumps, repairing the surrounding sidewalks, and restoring the windows in the North half of the building.

Design ($774 thousand) was funded in fiscal year 2001. This request is for construction ($9,337 thousand) and management and inspection ($678 thousand). The estimated total project cost is $10,789 thousand.

PCB TRANSFORMERS – VARIOUS BUILDINGS $15,588,000

This prospectus proposes to replace all transformers with PCB's in both the J.W. Powell Building, Reston, VA, and the New Executive Office Building, Washington, DC.

Nine contaminated transformers will be replaced at the New Executive Office Building and 22 transformers at the J.W. Powell Building. The manufacture and use of PCBs was banned in 1976 by the Toxic Control Substance Act because of scientifically demonstrated health hazards. The transformers frequently require servicing from leaks, resulting from their age. The fluid continues to be a health hazard to personnel servicing the transformers. Additionally, the costs of normal servicing are greater because of the servicing and handling of hazardous material. Some leaks (depending on the quantity) require EPA notification, when concentrations exceed a certain level. Immediate draining and replacement of the fluid is required at a significant cost. Liability and costs are even greater should there be an explosion and/or fire within the transformer vaults.

This request is for design/build ($15,588 thousand) of both buildings. This request provides for design ($1,362 thousand), construction ($13,616 thousand) and management and inspection ($610 thousand).

HVAC – VARIOUS BUILDINGS $6,650,000

This project proposes replacement/upgrades for the HVAC systems in the James T. Foley Courthouse in Albany, NY and the Burlington Post Office and Federal Building in Burlington, VT.

These projects will provide a major systems upgrade to these buildings' HVAC equipment, improving ventilation and indoor air quality. It will save costs because of reduced maintenance costs and more efficient HVAC systems. No tenants will be displaced.

Each building's HVAC system components are either noticeably worn or inoperable, causing poor air distribution and filtration. As a result, the building does not meet minimum ventilation code requirements. This project will improve

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
FY 2002 Construction Phase Project Descriptions

HVAC – VARIOUS BUILDINGS – continued

ventilation and air circulation needed for health and safety code compliance. It will preserve the economic life of the building and lower maintenance costs. Poor building air quality has also led to frequent customer complaints in these buildings. The proposed HVAC upgrades will improve building air quality, ventilation, and temperature, resolving customer complaints and improving customer satisfaction.

This request is for design/build ($6,650 thousand) for both buildings. This request provides design ($462 thousand), construction ($5,821 thousand) and management and inspection ($367 thousand).

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
Descriptions of Projects Scheduled for FY 2002 Design

COLORADO

Denver - Byron G. Rogers Federal Building-Courthouse.....$3,688,000

This project proposes to modernize, recapture vacant space, and improve existing finishes in the Byron G. Rogers Courthouse in Denver, CO. The Byron G. Rogers Federal Building-Courthouse was built in 1964 with a 5-story U.S. Courthouse which houses judicial branch agencies and an 18-story Federal Building, which houses executive branch agencies. The courthouse has 247,822 gross square feet of space with 166 structured inside parking spaces. The building houses 168 employees.

GSA is constructing a new courthouse annex across the street from the courthouse, this project is required to alter the courthouse for new tenants and to refurbish five district courtrooms by repainting, carpeting and refinishing woodwork. In addition, GSA must alter the court, public, and prisoner circulation to improve security. The project will replace obsolete mechanical, electrical and life safety systems. The project will bring the building into compliance with ADA and remove asbestos, lead-based paint, and PCB's. GSA proposes to relocate all current tenants to the courthouse annex with the exception of the circuit library. After project completion, senior district and magistrate judges will relocate from the courthouse annex to the courthouse.

This request ($3,688 thousand) is for design. The balance of funding for construction ($37,652 thousand) and management and inspection ($2,997 thousand) will be requested in a future fiscal year. The estimated total project cost is $44,337 thousand.

DISTRICT OF COLUMBIA

Federal Office Building 8.....$7,761,000

The project proposes the complete modernization of Federal Office Building (FOB) 8 located at 2nd and C streets, SW, Washington, DC, at the base of Capitol Hill. It was designed as laboratories for the Food and Drug Administration (FDA) and was constructed in 1965. It is presently about 70% occupied, housing approximately 660 FDA employees and contractors.

After FDA moves to a new facility in College Park, MD, the building will be gutted and rebuilt as modern office space for the Government. Only the elevators, which have been recently replaced, will remain. All other systems, including HVAC, electrical, water, sewer, data, and telephone will be replaced. A new exterior and new windows will also be added. All areas of the building will have modern safety and security features. Without redevelopment, this structure would have to be boarded up and sit idle.

This request ($7,761 thousand) is for design. The balance of funding for construction ($72,471 thousand) and management and inspection ($6,220 thousand) will be requested in a future fiscal year. The estimated total project cost is $86,452 thousand.

Mary E. Switzer Memorial Building.....$5,384,000

This project proposes a modernization of the Mary Switzer E. Memorial Building. The Mary E. Switzer Memorial Building is located at 330 C Street, SW, in Washington, DC. The Switzer Memorial Building was built in 1942 and houses 1,545 employees of the Department of Education, Department of Health and Human Services, the International Broadcasting Board of Governors and the Department of State.

This project will provide major replacement of outdated building systems. The work includes HVAC upgrades, electrical and plumbing system refurbishment, fire and life safety work, vacant rentable space recapture, interior space and architectural renovations, tenant improvements, exterior improvements, elevator modifications and asbestos and lead abatement.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
Descriptions of Projects Scheduled for FY 2002 Design

DISTRICT OF COLUMBIA - continued

Mary E. Switzer Memorial Building - continued

This request ($5,384 thousand) is for additional design. Additional design funds are necessary to recapture vacant useable space, perform demolition necessary to improve the utilization and flexibility of space to meet changing tenant agency missions, and make architectural renovations to public and joint-use spaces and to meet evolving tenant requirements. The design amount of $2,392 thousand was provided in fiscal year 2000. The balance of funding for construction ($68,128 thousand) and management and inspection ($5,830 thousand) will be requested in a future fiscal year. The estimated total project cost is $81,734 thousand.

GEORGIA

Atlanta - Martin L. King, Jr. Federal Building.....$2,351,000

This project proposes modernization of the Martin Luther King, Jr. Federal Building, located at 77 Forsyth Street, in Atlanta, GA. The Federal Building was built in 1931 as a U.S. Post Office and is eligible for the National Register. It is a ten-story, stone clad structure and has 344,976 gross square feet of space with 50 outside parking spaces. It currently houses 363 Federal employees.

GSA will recapture 165,697 rentable square feet of vacant space and address the building's deteriorated elements. The proposed work will restore the building's exterior and repair the HVAC, conveyance, electrical, and fire-safety building systems. Also, it will modify several building features, repair the roof, abate hazardous materials, replace the original steel windows, and perform site work.

The proposed project also includes space alterations for the Immigration Naturalization Service (INS). These alterations include: installing a secure elevator, modifying the existing freight elevator, installing two chillers, reworking the return air ducts, replacing the fire alarm system, modifying exit stairs, and removing asbestos and lead paint. The project will also reconfigure the building's entrance and existing onsite walkways to meet INS needs.

This request ($2,351 thousand) is for design. The balance of funding for construction ($27,567 thousand) and management and inspection ($2,712 thousand) will be requested in a future fiscal year. The estimated total project cost is $32,630 thousand.

Atlanta - Richard B. Russell Federal Building.....$2,917,000

This project proposes the modernization of the Richard B. Russell Federal Building, located at 7 Spring Street, in Atlanta, GA. The Russell Federal Building a 27-story office tower on a four-acre site was built in 1979. The building has 1,281,446 gross square feet of space with 30 inside and 417 outside parking spaces. It currently houses 1,315 Federal employees. The tenants are the Courts and related agencies, who require a high level of security and additional space to meet their long-term needs.

GSA will alter 208,584 square feet of interior space, restore the building exterior, repair HVAC, electrical, and fire safety building systems, modify building features, refurbish existing windows, replace the elevator control system, refurbish the elevator cabs, install a generator, repair the roof, and abate asbestos.

This request ($2,917 thousand) is for design. The balance of funding for construction ($29,112 thousand) and management and inspection ($2,146 thousand) will be requested in a future fiscal year. The estimated total project cost is $34,175 thousand.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
Descriptions of Projects Scheduled for FY 2002 Design

ILLINOIS

Springfield - Paul H. Findley Federal Building - Courthouse.....$539,000

This project proposes the replacement of the existing duct HVAC at the Paul H. Findley Federal Building and U.S. Courthouse. The Paul H. Findley Federal Building and U.S. Courthouse is located at 600 East Monroe Street, in Springfield, IL. The Federal Building and Courthouse was built in 1930. It is listed on the National Register of Historic

Places, and houses 147 employees. The building has 142,886 gross square feet of space with one inside and 40 outside parking spaces.

GSA will replace the inadequate and inefficient dual duct HVAC system with a variable air volume system. The work will also include a new perimeter air conditioning control system along with associated asbestos removal. The existing HVAC system has caused tenant dissatisfaction, high maintenance and repair costs. It also causes health and safety concerns and does not meet air circulation requirements.

This request ($539 thousand) is for design. The balance of funding for construction ($5,512 thousand) and management and inspection ($424 thousand) will be requested in a future fiscal year. The estimated total project cost is $6,475 thousand.

MASSACHUSETTS

Boston - John W. McCormack Post Office and Courthouse.....$5,338,000

The John W. McCormack Post Office-Courthouse, One Post Office Square in Boston, MA was completed in 1932. It is 22-stories tall with two basement floors and is steel frame construction with granite and masonry facing. It is currently not listed on the National Register of Historic Places.

This project will remove asbestos insulation throughout the building, bring building egress into compliance with current code requirements, and provide for space alterations to modernize deteriorated office areas throughout the building. It includes exterior and minor seismic work, upgrading the fire alarm system, and improving obsolete electrical systems. Other major components of the project will include HVAC upgrade, replacement of all single-pane windows with energy efficient units, and installation of exterior envelope insulation to reduce energy consumption. The work will also upgrade the building to meet current handicapped accessibility requirements.

This request ($5,338 thousand) is for design. Construction ($65,140 thousand) and management and inspection ($5,881 thousand) will be requested in a future fiscal year. The estimated total project cost is $76,359 thousand.

NEW YORK

New York - U.S. Customs House – Six World Trade Center.....$719,000

This project proposes a modernization of the U.S. Customs House – Six World Trade Center. The Customs House is an eight-story, steel frame office building built in 1973. The building contains 721,001 gross square feet of space, including 138 inside parking spaces. The building houses 2,300 employees.

GSA will upgrade the public rest rooms, the building accessibility to meet the Americans with Disabilities Act standards, and the HVAC system. Improvements will be made to the electrical system that meets neither the tenant's electrical needs nor current standards, and the fire protection system, which does not comply with national and local codes.

This request ($719 thousand) is for design. The balance of funding for construction ($7,060 thousand) and management and inspection ($627 thousand) will be requested in a future fiscal year. The estimated total project cost is $8,406 thousand.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
Descriptions of Projects Scheduled for FY 2002 Design

NEW YORK - continued

Brooklyn - Emanuel Celler Courthouse.....$3,791,000

This project proposes the modernization of the Emanuel Celler Courthouse, located at 225 Cadman Plaza East, Brooklyn, NY. The Celler Courthouse was built in 1963 and attached to an adjacent office building that was completely demolished in 1998 as part of the new Brooklyn U.S. Courthouse project. The building houses 375 employees of the district courts and U.S. Marshals. There have been no major capital improvements since the building was constructed.

In this proposed project, GSA will remove asbestos containing material, which is badly deteriorated. The building requires modernization of interior finishes, such as ceilings, lighting, and floor coverings to improve overall building quality and tenant satisfaction. The HVAC and electrical systems must be upgraded to meet current standards. Existing windows leak allowing water and exterior air to enter the building and, need replacement for both health and energy conservation reasons.

Modernization of the building's elevators will reduce energy and maintenance costs, as well as bring them into compliance with accessibility codes. In addition, the project will upgrade handicapped accessibility features that do not meet Americans Disability Act standards. The project will replace the fire alarm system, which does not comply with current standards. This building also serves the public and will have a sprinkler system installed.

This request ($3,791 thousand) is for design. The balance of funding for construction ($42,861 thousand) and management and inspection ($3,137 thousand) will be requested in a future fiscal year. The estimated total project cost is $49,789 thousand.

NORTH DAKOTA

Fargo - Federal Building – Post Office.....$336,000

This project proposes the modernization of the Federal Building – Post Office, located in downtown Fargo. The Federal Building – Post Office was built in 1969. It contains four stories, a basement, and a penthouse and provides 228,345 gross square feet of space to house 648 employees. There are 33 inside parking spaces and 117 surface parking spaces in a lot adjacent to the building. The building currently houses the U.S. Postal Service, Internal Revenue Service, Small Business Administration, Social Security Administration and numerous other small agencies.

GSA will replace the main electrical service and switchboard, install an emergency power generator, repair two passenger elevators, replace a freight elevator, install sprinklers on three floors, replace windows, modify building elements to comply with Americans Disability Act standards, regrade and repave sidewalks and loading areas, and abate asbestos.

This request ($336 thousand) is for design. The balance of funding for construction ($3,452 thousand) and management and inspection ($324 thousand) will be requested in a future fiscal year. The estimated total project cost is $4,112 thousand.

TEXAS

Ft. Worth - Fritz G. Lanham Federal Building.....$833,000

This project proposes the modernization of the Fritz G. Lanham Federal Building (FB) located at 819 Taylor Street in Fort Worth, TX. The Lanham FB was built in 1966 and houses 1,862 employees. The Federal Building contains 752,737 gross square feet of space and includes 138 inside parking spaces. GSA proposes to upgrade the existing electrical HVAC equipment and the fire alarm system. The HVAC system has long since outlived its useful life and does not provide adequate temperature control nor meet ventilation code requirements. The electrical fire alarm system and hot water equipment is also in need of replacement to avoid breakdowns and high repair costs.

EXHIBIT 12

General Services Administration
PUBLIC BUILDINGS SERVICE

Repairs and Alterations
Descriptions of Projects Scheduled for FY 2002 Design

TEXAS - continued

Ft. Worth - Fritz G. Lanham Federal Building - continued

This request ($833 thousand) is for design. The balance of funding for construction ($11,381 thousand) and management and inspection ($793 thousand) will be requested in a future fiscal year. The estimated total project cost is $13,007 thousand.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates
Installment Acquisition Payments

New Obligational Authority
(Dollars in Thousands)

FY 2000 Actual	FY 2001 Current	FY 2002 Request
$201,646	$185,369 1/	$186,427

1/ Does not include $10,000 thousand used from prior year unobligated balances.

General Program Description

The Public Buildings Amendments of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of priority projects; and for a number of these projects we entered into private financing agreements. We later refinanced all projects through the Federal Financing Bank (FFB), since FFB interest rates are lower than private sector rates.

Congress has provided authority on numerous occasions to borrow funds to construct specific federal facilities. While a few of these projects utilized private sector financing, all projects are now financed through the FFB. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

Budget Summary

The fiscal year 2002 estimated obligational level is $186,427 thousand. This reflects a net decrease of $8,942 thousand from the fiscal year 2001 level, $195,369 thousand, ($185,369 thousand in new obligational authority and $10,000 thousand from unobligated balances in prior years). The request reflects:

- A decrease in capitalized interest payments ($1,095 thousand), and a decrease in regular interest payments ($7,847 thousand) as outstanding principal balances decrease. This decrease reflects the fiscal year 2001 completion of interest payments on 26 purchase contract projects.

Budget Summary Information

Exhibit 13 explains budget changes from fiscal year 2001 to fiscal year 2002.

Exhibit 14 reflects obligational levels for borrowing authority for lease purchase projects from fiscal year 2000 to fiscal year 2002.

Exhibit 15 is a list of authorized lease purchase projects.

EXHIBIT 13

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

INSTALLMENT ACQUISITION PAYMENTS Explanation of Budget Changes (Dollars in Thousands)	
New Obligational Authority	185,369
Program Requirements Funded From Unobligated Balances	10,000
FY 2001 Current Level (Obligations)	**195,369**
Decrease in Capitalized Interest Payments	(1,095)
Decrease in Interest Payments	(7,847)
FY 2002 Request	**186,427**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

CONSTRUCTION OF LEASE PURCHASE FACILITIES
STATUS OF UNOBLIGATED BORROWING AUTHORITY
(Dollars in Thousands)

	FY 2000 ACTUAL	FY 2001 CURRENT	FY 2002 REQUEST	FUTURE YEARS
UNOBLIGATED BALANCE AVAILABLE START-OF-YEAR	232,868	230,999	206,626	199,126
NEW AUTHORITY TO BORROW	--	--	--	--
TOTAL AVAILABILITY	232,868	230,999	206,626	199,126
OBLIGATIONS AGAINST FY 1990 AUTHORITY	(1,872)	(24,373)	(7,500)	(199,126)
PRIOR YEAR RECOVERIES	3	--	--	--
UNOBLIGATED BALANCE AVAILABLE END-OF-YEAR	230,999	206,626	199,126	0

EXHIBIT 15

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

CONSTRUCTION OF LEASE PURCHASE FACILITIES
PROJECT LISTING
(Dollars in Thousands)

	PROJECT START DATE	PROJECT COMPLETION DATE	AUTHORITY TO BORROW	
DEVELOPER CONSTRUCTION FINANCING (Project Cost Includes Construction Interest)				
California, Oakland, FB	12/90 (A)	12/94 (A)	194,470	1/, 2/
Georgia, Atlanta, CDC	8/93 (A)	12/95 (A)	23,776	1/
Georgia, Chamblee, CDC/Office	6/90 (A)	5/93 (A)	4,954	1/
Illinois, Chicago, FB	5/89 (A)	6/91 (A)	156,943	1/
FFB CONSTRUCTION FINANCING (Project Cost Excludes Construction Interest)				
California, San Francisco, FB	10/02 (E)	3/ 10/05 (E)	144,608	
Florida, Miami, FB	6/92 (A)	8/93 (A)	14,400	1/
Georgia, Chamblee, CDC/Lab	9/99 (A)	11/01 (E)	25,920	
Georgia, Chamblee, IRS	6/93 (A)	11/98 (A)	77,314	
Maryland, Woodlawn, HCFA	12/92 (A)	8/95 (A)	119,846	1/
New York, New York, Foley Square 4/	3/91 (A)	12/94 (A)	838,416	
Tennessee, Memphis, IRS	10/91 (A)	2/96 (A)	111,000	
Total Projects - 11			1,711,647	5/

(A) ACTUAL
(E) ESTIMATED

1/ Project financially complete.
2/ Includes construction period interest paid to the developer ($17,095).
3/ Design start 8/00 (A)
4/ Obligations will continue to be incurred to complete work associated with the African Burial Ground.
5/ $233,418 thousand in Borrowing Authority lapsed 9/30/99.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates
Rental of Space

New Obligational Authority
(Dollars in Thousands)

FY 2000 Actual	FY 2001 Current	FY 2002 Request
$2,917,896 1/	$3,163,370 2/	$2,959,550 3/

[1] Includes $135,710 thousand for Indefinite Authority.
[2] Includes $219,516 thousand for Indefinite Authority.
[3] Excludes $210,794 thousand for Indefinite Authority.

General Program Description

GSA leases general-purpose space in privately owned buildings and land for Federal agencies. Leasing occurs when (1) Federal space needs cannot be met in existing Government-owned or leased space; (2) leasing proves to be more cost-effective than constructing or altering a Federal Building; or (3) requirements are too small or the anticipated term of occupancy is too short to warrant construction.

The Rental of Space program funds recurring payments for existing and replacement lease contracts. It also provides temporary space to house Federal employees during major repairs and alterations projects, relocations from Federal buildings due to forced moves, and relocations due to health and safety conditions. Expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

GSA's Leasing Transformation

When GSA was first given authority to provide space to customer agencies through the Federal Property and Administrative Services Act of 1949, we met our customer's space requests through Government-owned space.

There were only occasional needs to lease space, and they were mainly to house additional customers. Today, leased space accounts for 45% percent of our total space inventory.

In the future, we will continue to be faced with new challenges that will require that we actively manage the mixture of leased and government-owned space in our inventory and at the same time, provide space at the best value possible to our customers. In addition, steps are now being taken to repair, renovate, and modernize Federal Buildings to make them more functional and desirable for our customers, thus reducing the need for additional leased space.

Program Requirements

We request New Obligational Authority (NOA) in the amount of $2,959,550 thousand for fiscal year 2002. We plan to fund the remaining requirements ($61,608 thousand) from the fiscal year 2001 unobligated balance.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

New Obligational Authority Expansions

Expansion space acquired through new obligational authority (NOA) consists of temporary leases in support of major repair and alteration projects, relocations from Federal buildings due to forced moves and health and safety conditions. For fiscal year 2002, we project spending $25,107 thousand for 1,118 thousand square feet of NOA expansion space. The following major projects support our request:

- Construction of new U.S. Mission to the United Nations in Manhattan, New York
- Major renovations in the Wallace F. Bennett Federal Building in Salt Lake City, Utah
- Relocation of the Department of Education Regional Headquarters from 50 United Nations Plaza, a Federal Building

Indefinite Authority Expansions

Expansion space acquired through the indefinite authority (IA) provision is not included in our NOA request. Appropriation language enacted in fiscal year 1990 permits GSA to increase NOA by an indefinite amount to the extent that agencies provide rental payments to GSA for new expansion space. This includes the part-year cost of the fiscal year in which the space is acquired, and the full-year cost of the first fiscal year thereafter.

For fiscal year 2002, we estimate indefinite expansion of $210,794 thousand for known space requirements and for historical trends. The amount includes $131,882 thousand for the full year costs of 6,100 thousand square feet entering the inventory in fiscal year 2001 and $78,912 thousand for the part-year cost of 6,041 thousand square feet for space entering the inventory in fiscal year 2002.

Inventory

The leased inventory is projected to increase by 1.2 percent from an estimated 152,795 thousand square feet in fiscal year 2001 to an estimated 154,594 thousand square feet in fiscal year 2002, a net increase of 1,799 thousand square feet of space.
The following describes in more detail the changes taking place within the inventory:

Space Entering

In fiscal year 2002, our inventory is expected to increase by 7,159 thousand square feet due to NOA and IA expansions. The Department of Justice, the Social Security Administration and the Judiciary constitute approximately 1,729 thousand square feet of this increase.

Space Leaving

In fiscal year 2002, we estimate approximately 5,360 thousand square feet of space will leave the inventory due to cancellations. The Department of Commerce, the Environmental Protection Agency and the Department of Defense constitute approximately 3,117 thousand square feet of this reduction.

Currently, our inventory reflects 3,452 thousand square feet of

vacant leased space - 2.3 percent of our total leased inventory. This amount is an improvement from 3 percent in fiscal year 1999. Although we consider this rate to be favorable, our goal is to continue to lower the rate in fiscal year 2002.

Delegations Program

Each year we transfer funds to agencies participating in the lease delegation program. Under this program, the delegatee agencies are responsible for lease management as prescribed in the delegation agreements. GSA budgets directly within the FBF for delegated leased buildings. Each year, we transfer funding to each participating agency to make payments to lessors in accordance with the provisions of the delegation agreements. Exhibit 19 reflects the allocation of funding authority for fiscal years 2000 - 2002 to agencies participating in the lease delegation program. The fiscal year 2002 allocation to other agencies under the Lease Delegation Program is $228,199 thousand.

Budget Summary Information

The following exhibits further highlight the Rental of Space program:

Exhibit 16 shows trends for leased inventory and obligational levels

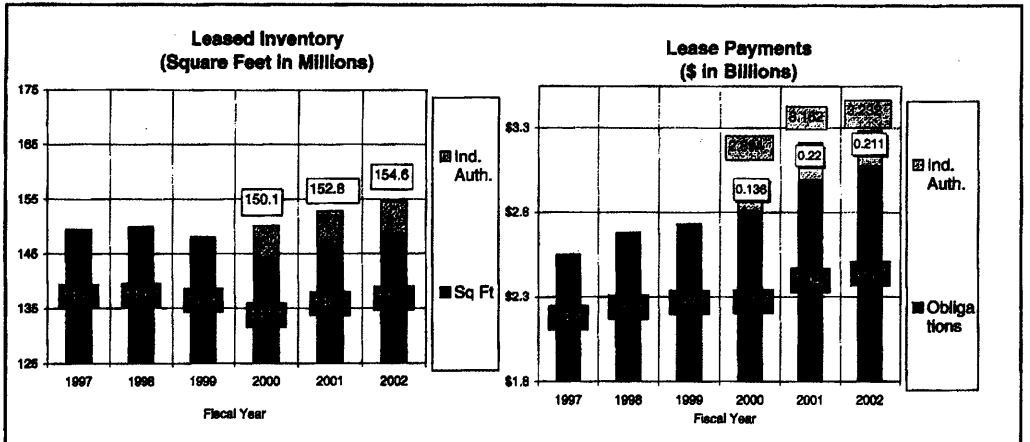
Exhibit 17 explains budget changes from fiscal years 2001 to 2002

Exhibit 18 shows the changes in Rental of Space for fiscal years 2000 – 2002

Exhibit 19 shows the Delegations program for fiscal years 2000 - 2002

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Rental of Space



The FY 2002 year-end inventory and obligations will be higher than displayed by the amount of expansion delivered under the indefinite authority provision. For FY 2000, FY2001 and FY2002, the Leased Inventory for indefinite authority represents only new space coming into the inventory.

FY 1997 through 1999 leased inventory and lease payments include indefinite authority delivered.

FBF-72

EXHIBIT 17

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

RENTAL OF SPACE Explanation of Budget Changes (Dollars in Thousands)	
Fiscal Year 2001 New Obligational Authority	**$2,943,854** 1/
FY 2000 Unobligated Balance	60,235
Full-Year Cost of FY 2000 Indefinite Authority	123,170
Part-Year Cost of FY 2001 Indefinite Authority	96,346
Projected Unobligated Balance for FY 2001	(61,606)
Fiscal Year 2001 Current Level (Obligations)	**3,161,999**
Exclusion of the Part-Year Cost of FY 2001 Indefinite Authority	(96,346)
Annualization of FY 2001 Program	(172,399)
Fiscal Year 2002 Base Cost (Obligations)	**2,893,254**
Rental Increases	65,622
Lump Sum Payments for taxes and lease buyouts	74,067
Cancellations	(36,894)
Expansions (not indefinite authority)	25,107
Fiscal Year 2002 Program Level (Obligations)	**$3,021,156**
FY 2002 Program Level funded by:	
FY 2002 New Obligational Authority Request	**$2,959,550**
FY 2002 Program Requirements funded from FY 2001 Unobligated Balance	$61,606

1/ Includes rescission of $1,051 thousand in new obligational authority for FY 2001.

CHANGES IN RENTAL OF SPACE
(Dollars and Square Feet in Thousands)

	FISCAL YEAR 2000 ACTUAL		FISCAL YEAR 2001 CURRENT		FISCAL YEAR 2002 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	148,045	$2,660,002	150,107	$2,894,164	152,795	$3,161,999
Annualization of Rental Increases	[139,224]	42,343	[135,124]	30,377	[139,157]	40,624
Lump Sum - Taxes, Lease Buyouts, Condemnations	-	(36,326)	-	(66,167)	-	(202,744)
Annualization of Lease Cancellations	[-4,762]	(7,300)	[-5,682]	(65,274)	[-5,335]	(30,239)
Annualization of Lease Expansion - Indefinite	[4,666]	23,242	[5,952]	49,357	[6,100]	[35,536]
Lease Expansion acquired in FY 2001 - Indefinite	-	-	-	-	[6,100]	(96,346)
Annualization of Lease Expansion - All Other	[918]	19,850	[1,792]	16,358	[1,923]	19,960
BASE COST	148,045	$2,721,911	150,107	$2,858,815	152,795	$2,893,254
Current Year Cost of Rental Increases	[135,124]	49,823	[139,157]	75,139	[131,741]	65,822
Lump Sum - Taxes, Lease Buyouts, Condemnations	-	66,167	-	173,364	-	74,087
Current Year Cost of Lease Cancellations	(5,682)	(40,470)	(5,335)	(73,515)	(5,360)	(36,894)
Current Year Cost of Lease Expansion - Indefinite	5,952	73,813	6,100	96,346	6,041	[78,912]
Current Year Cost of Lease Expansion - All Other	1,792	23,120	1,923	31,820	1,118	25,107
CURRENT YEAR COST (Obligations)	150,107	$2,894,164	152,795	$3,161,999	154,594	$3,021,186
Additional Information:						
New Obligational Authority (NOA)		$2,782,188		$2,943,854		$2,959,550
Indefinite Authority for Leased Expansion Space		$135,710		$219,516		$0
TOTAL AUTHORITY		$2,917,898		$3,163,370		$2,959,550
Obligations (-)		$2,894,164		$3,161,999		$3,021,186
Prior Year Balances/Recoveries (+)		$36,503		$60,235		$61,806
Unobligated Balance		$60,236		$61,606		$0

Brackets [ ] are non-add.

EXHIBIT 19

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS
(Dollars in Thousands)

AGENCY	FY 2000 ACTUAL	FY 2001 CURRENT	FY 2002 REQUEST
Department of Commerce	73,727	77,242	78,787
Department of Defense	114,704	118,620	120,992
Environmental Protection Agency	23,835	27,863	28,420
Total	212,266	223,725	228,199

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates
Building Operations

New Obligational Authority
(Dollars in Thousands)

FY 2000 Actual	FY 2001 Current	FY 2002 Request
$1,588,543 [1/]	$1,624,771 [2/]	$1,748,949 [2/]

[1/] Includes $14,634 thousand for Indefinite Authority
[2/] Excludes Indefinite Authority

General Program Description

PBS provides services to operate Government-owned facilities and related building services in leased space where the terms of the lease do not require the lessor to furnish such services.

Building services provided by PBS for facilities occupied by Federal Government employees include cleaning, protection, maintenance, and repairs of $10 thousand or less, payments for utilities and fuels, and grounds maintenance. Other services include real property management, space acquisition and assignment, building inspections and surveys, moving Federal agencies, on-site inspection of building services, and highly-specialized contract administration support functions.

Budget Summary

Highlights

- Building services in 4,197 thousand rentable square feet of new space--$19,031 thousand
- Wageboard and Pay Act Increases--$18,598 thousand
- Environmental audits, which will increase PBS's ability to determine environmental risks and integrate environmental requirements into the business -- $5,600 thousand
- Law Enforcement Security Officer Hires. To remain competitive, we request funding to continue recruiting multifaceted personnel performing law enforcement and physical security duties -- $3,100 thousand
- Contract Security Guard Program. The additional funds will help PBS enhance the procurement process and meet upgraded weapons standards for security guards -- $10,004 thousand
- Security System Replacements to continue improvement of federal facilities to meet minimum security standards -- $2,500 thousand
- Utility Rate and Fuel Increases -- $21,690 thousand

Figure 6

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

We request $1,748,949 thousand for the fiscal year 2002 Building Operations budget. This funding provides building services in approximately 250,937 thousand rentable square feet of Government-owned and leased space.

For the 110,297 thousand rentable square feet of office space that have an applicable private sector benchmark, we developed cost per square foot targets for cleaning, maintenance, and utilities. Of the total request of $773,387 thousand for cleaning, maintenance and utilities, $462,144 thousand is based on commercial benchmarks. The balance of $311,243 thousand provides services in buildings having no commercial benchmarks. The fiscal year 2001 current program level includes $16,204 thousand from prior year unobligated balances to pay for unanticipated utility rate increases. This price increase is a result of limited inventories of natural gas, deregulation/unbundling within the natural gas industry, and the limited capacity of the interstate pipeline delivery system to meet consumer demand. PBS is requesting $21,690 thousand for fiscal year 2002 to meet the increases in utility cost caused by rising natural gas prices.

In Other Building Services, we request $265,050 thousand for items such as moving, space changes, child care equipment, safety, cafeteria equipment, and operating equipment.

We request $278,334 thousand for Protection. This request provides for:

- A perimeter and internal security presence
- Problem-solving assistance in criminal and workplace security incidents
- Maintaining intelligence information related to terrorist and other security threats against facilities
- Facility security planning and implementation.

For Other Staff Support, we request $365,851 thousand to fund budgeted staffing levels and support activities such as building and construction studies, broker services and the telework program. The change in fiscal year 2001 includes $9,478 thousand from prior year unobligated balances to support the operations and maintenance of PEGASYS, GSA's financial accounting system. Included in Other Staff Support is $112,481 thousand for Centralized Services and GSA Administrative Support such as Employee Health Services, Workers Compensation, Unemployment Compensation, General Use Printing, General Counsel, Chief Financial Officer, Business Services Centers, and Chief Information Officer.

We request $66,327 thousand for Information Technology (IT) support. Our IT investment provides PBS managers with building and project information, inventory and real estate information, and security and other critical data for our programs. Our IT structure focuses on linking systems to eliminate redundant data entry and to promote consistent, accurate record keeping. The change in fiscal year 2001 includes $17,973 thousand from prior year unobligated balances to support our infrastructure and network communications.

Achievements

To comply with the Government Performance and Results Act, PBS linked its budget to business performance. PBS focuses on the critical elements of the business and measures performance in these critical areas. In fiscal year 2002, we have set aside $25,000 thousand for allocation based on achievement of performance goals.

We compared our operating cost per square foot to the private sector and established a goal to operate government owned space at 12 percent below the private sector cost in

fiscal year 2001. We are holding this target flat for fiscal year 2002 since further increasing the differential between GSA and the private sector may have a negative impact on customer satisfaction. See Figure 7.

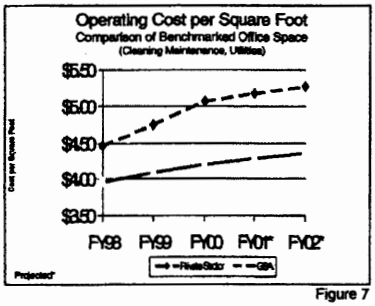


Figure 7

PBS procures utilities and utility services for Federal agencies nationwide. Two of the services PBS provides include area-wide contracts through which agencies obtain utilities and services from regulated utilities. Where the electricity industry is deregulated, PBS aggregates Federal energy usage and procures competitive electricity at reduced rates. Our National Center for Utilities Management provides industry expertise and natural gas supplies to Federal agencies nationwide. These programs have helped PBS to achieve energy reduction goals set by the Energy Policy Act of 1992. See Figure 8.

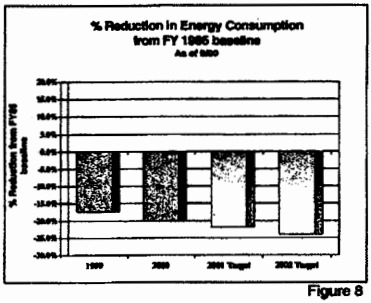


Figure 8

In the past few years, we have generated not only cost savings on a square foot basis, but improved customer service. During the 1994 customer satisfaction survey, 74 percent of our building tenants were satisfied with the services we provided. Recently, the 2000 survey was completed and we have achieved our customer satisfaction goal of 85 percent. Our fiscal year 2002 goal is to maintain this level of customer satisfaction. See Figure 9.

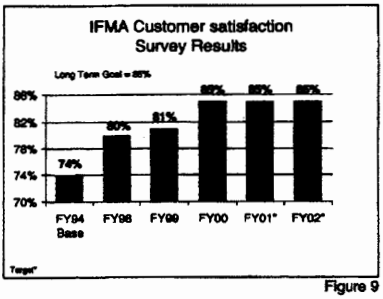


Figure 9

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Budget Summary Information

The following exhibits provide information regarding overall aspects of the Building Operations program.

Exhibit 20 explains budget changes in the FTE and dollars for Building Operations from fiscal year 2001 to 2002.

Exhibit 21 shows the changes in Building Operations by major function for fiscal years 2001 to 2002.

EXHIBIT 20

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

BUILDING OPERATIONS
Explanation of Budget Changes
(Dollars in Thousands)

	FTE	Dollars
New Obligational Authority		1,624,771
Program Requirements Funded From Unobligated Balances		43,655
Fiscal Year 2001 Current Level	**7,155**	**1,668,426**
Building Services in New Space	--	19,031
Part Year Increase for FY 2001 Pay Act (3.1%), Effective January, 2001	--	5,223
Wageboard and Pay Act Increase (3.0%), Effective January, 2002	--	13,375
Increase for Environmental Compliance	--	5,600
Increase for Law Enforcement Security Officer Hires	--	3,100
Increase for Contract Security Guard Program	--	10,004
Increase for Security System Replacements	--	2,500
Fuel and Utility Rate Changes	--	21,690
Fiscal Year 2002 Request	**7,155**	**1,748,949**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

EXHIBIT 21

CHANGES IN BUILDING OPERATIONS
FY2001-FY2002
(Dollars in Thousands)

	Cleaning	Utilities and Fuels	Main-tenance	Other Building Services	Protection	Staff Support	CIO	TOTAL
New Obligational Authority	**220,468**	**257,314**	**240,605**	**255,385**	**258,226**	**344,419**	**48,354**	**1,624,771**
Program Requirements Funded From Unobligated Balances		**16,204**				**9,478**	**17,973**	**43,655**
FY 2001 CURRENT	**220,468**	**273,518**	**240,605**	**255,385**	**258,226**	**353,897**	**66,327**	**1,668,426**
Building Services in New Space	2,519	8,937	3,352	3,286	937	-	-	19,031
Part-Year Cost of FY 2001 Wageboard and Pay Act Increase (3.1%)	203	0	560	1,501	1,175	1,784	-	5,223
FY 2002 Wageboard and Pay Act increase (3.0%)	397	-	1,138	4,878	2,392	4,570	-	13,375
Increase for Environmental Compliance	-	-	-	-	-	5,600	-	5,600
Increase for Law Enforcement Security Officer Hiring	-	-	-	-	3,100		-	3,100
Increase for Contract Security Guard Program	-	-	-	-	10,004	-	-	10,004
Increase for Security System Replacements	-	-	-	-	2,500	-	-	2,500
Fuel and Utility Rate Changes	-	21,690	-	-	-	-	-	21,690
FY 2002 REQUEST	**223,587**	**304,145**	**245,655**	**265,050**	**278,334**	**365,851**	**66,327**	**1,748,949**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Explanation of Estimates
Reimbursable Program

General Program Description

In return for Rent, GSA furnishes tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.

GSA is currently implementing several large projects through reimbursable arrangements. See Figure 10.

	Type 1/	FY 01	FY 02
NCC Generators, Woodlawn, MD	R	$ 24,000	$ 0
CDC, Atlanta, GA	C	$ 15,000	$ 325
EPA, Research Tri, Pk., NC	C	$ 17,665	$ 3,900
Artesia, NM	C	$ 16,358	$ 17,700
Site Acquisition, Secret Service - DC	C	$ 16,000	$ 0
Design Excellence Program, American Battle Monuments Commission - DC	C	$ 70,000	$ 70,000
Main State, Washington, DC	R	$ 40,000	$ 50,000

Figure 10

1/ C – Construction
R – Repairs and Alterations

Budget Summary Information

Exhibit 22 shows budget changes in reimbursable program from fiscal year 2001 to fiscal year 2002.

EXHIBIT 22

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REIMBURSABLE PROGRAM
Explanation of Budget Changes
(Dollars in Thousands)

	FTE	Dollars
FY 2001 Current Level	132	**$983,504**
Inflation	--	18,946
Workload Increases (+)	--	17,494
Workload Decreases (-)	--	(81,624)
FY 2002 Request	132	**$938,320**

STATEMENT FOR THE RECORD
ON THE
FISCAL YEAR 2002 APPROPRIATIONS REQUEST

SUBMITTED BY

BETH S. SLAVET, CHAIRMAN
U. S. MERIT SYSTEMS PROTECTION BOARD

TO THE

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE
AND GENERAL GOVERNMENT

OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

MAY 2001

Chairman Istook, Ranking Member Hoyer and Members of the Subcommittee:

I am pleased, on behalf of the U.S. Merit Systems Protection Board, to submit to the Subcommittee our FY 2002 appropriations request and this statement explaining its importance in permitting the Board to fulfill its statutory missions.

Overview of the Request

The President's FY 2002 request for the MSPB is $30,375,000 plus a $2,520,000 limitation on reimbursements from the Civil Service Retirement and Disability Trust Fund. It is a lean budget request; all amounts requested are essential to enable the Board to fulfill its statutory mission. The increases of $1,002,000 over the FY 2001 appropriation, adjustment for the rescission, and $96,000 in the Trust Fund limitation cover only the mandatory pay increases of January 2001 and January 2002 along with the higher space rental charges that will be incurred in Fiscal Year 2002. Focussing our efforts on fulfilling the Board's adjudicatory and merit studies functions, we have not included a request to fund any new initiatives during this budget cycle.

FY 2000 – 2001 ACCOMPLISHMENTS and FY 2002 OUTLOOK
(By Budget Activity)

ADJUDICATORY

The Merit Systems Protection Board has a record of excellence in deciding 9,000 to 10,000 cases per year, involving serious personnel actions taken by Federal agencies. Approximately half of the appeals are adverse actions, including removals; and just over 25 percent involve retirement matters. More than half of our initial appeals not dismissed are resolved through settlement techniques, saving resources for all of the parties and producing a negotiated, rather than a mandated disposition of the case. Our decision-making pace stands out among adjudicatory agencies. In FY 2000, the MSPB moved cases through two stages of processing in just under nine months, on average.

Rather than resting on our laurels, we are constantly striving to enhance the efficiency of the agency in order to better serve our customers. In this regard, we have raised the bar by which we evaluate our timeliness in processing cases at headquarters. In the past, we emphasized resolving or reaching a final disposition on cases that have been pending in headquarters for over 365 days. We now place special emphasis on cases that have been pending in headquarters for more than 240 days in an effort to prevent them from reaching the 300-day mark.

This past year, the Merit Systems Protection Board has taken a proactive stance in improving the effectiveness of our compliance program. We have met with representatives of the Defense Finance Accounting Service (DFAS), the National Finance Center (NFC) and the U.S. Postal Service (USPS) to develop mutually beneficial systems for achieving full compliance with Board orders in a timely manner. As a result of those meetings, the agencies have developed

checklists and other tools that advise agencies and appellants of the information required in order to process payments agreed upon in settlement cases or as ordered by the Merit Systems Protection Board. The DFAS and NFC Checklists are now posted on the Board's website. The USPS is developing a handbook for this purpose. When it is completed, we will work with the Postal Service to make it accessible to our customers.

In June 2000, the Board expanded our pilot program at headquarters to expedite the processing of certain petitions for review (PFRs) of administrative judges' initial decisions. Its purpose is to identify non-meritorious PFRs that can be disposed of quickly so that the Board can then focus its resources on more complex and precedential cases. An experienced attorney from the Board's Office of Appeals Counsel conducts these initial reviews. During the first 6 months of this program, approximately 8 percent of the 724 PFRs processed under this procedure resulted in expedited decisions. The average time for processing the expedited cases—from receipt of the PFR to issuance of the decision—was 60 days. Unquestionably, this initiative has been a significant factor in the Board's ability to meet key case processing targets. This pilot program is being evaluated during FY 2001.

The Suspended Case Pilot Program, initiated in November 1999, has allowed the Board to be more responsive to the needs of our customers who are attempting to settle cases outside of the litigation arena. Under this program, the administrative judge will grant a joint request from the parties for a 30-day suspension in the processing of a case in order to permit them to pursue settlement efforts or engage in additional discovery. Additionally, the administrative judge may grant a joint request for a 30-day extension of the case suspension. We believe the "Suspended Case" pilot program has been a success. As of early April 2001, the Board's administrative judges have granted 457 case suspensions at the parties' request. Additionally, the Board's administrative judges settled 197 of the 362 "closed" appeals where they had granted

suspensions. This rate of settlement, 54.5 percent, is consistent with the 55 percent overall average rate of settlement in the regions. Initial feedback from the Board's administrative judges indicates that the appeals involved in the pilot program are generally more complex than most appeals filed with the Board. Consequently, we believe that the pilot program has led to a significant optimization of the Board's limited resources by facilitating settlements in the type of complex appeals that cause our administrative judges and headquarters attorneys to expend the most time and effort. We intend to continue implementation of this program in the next year. However, we would like to first formally seek feedback from our constituents.

The Board encourages the use of alternative dispute resolution techniques at all levels of its adjudicatory process. Two years ago, the Board implemented a new regulation under which employees may be granted an extension of time to file an appeal with the Board if the employee and the agency are attempting to resolve the issue through ADR. This has encouraged parties to engage in settlement discussions before they get to the Board.

During Fiscal Year 2000, the settlement rate for initial appeals not dismissed was 55 percent. The Board also enjoys a respectable settlement rate for cases before it on Petition for Review. During the preceding 5 years, the settlement rate for those cases in which settlement was attempted has ranged from 21 percent to 29 percent. These rates are impressive given the fact that the initial decision has already been issued in these cases, resulting in a disincentive for the prevailing party to engage in settlement negotiations.

The Board plans to continue the use of ADR techniques to resolve cases at the earliest possible stage. Additionally, the Board expects to conduct outreach efforts targeted at agency decision-makers to encourage them to make greater use of ADR at the early stages of an employment dispute. Finally, the Board anticipates training more of its employees within this fiscal year and FY 2002 on the broad range of alternative dispute resolution techniques available to facilitate

case settlements. Our objective is to incorporate these techniques into existing settlement programs. If this effort is successful, we will require additional funding in future years to train more of our staff in ADR techniques and to expand the use of ADR within the Board's adjudicatory and case management processes.

MERIT SYSTEMS STUDIES AND OVERSIGHT

Building on research efforts that yielded two major study reports and five editions of the "Issues of Merit" publication in FY 2000, the Board expects to complete work on five additional studies during FY 2001[1] and publish four new editions of the "Issues of Merit." The Board's studies and newsletters present new data and analyses as well as recapping and updating MSPB positions on critical issues that are still pertinent in the current federal environment.

The Board also supports an active outreach program to increase the constructive impact of its work products. During the last 12 months, over 100,000 copies of the Board's reports and newsletters were downloaded from the MSPB web site and other web sites that make copies available as a service to their users. The Board's studies staff responded to almost 250 requests for additional studies-related information, data, advice, or public presentations. These requests came from other Federal agencies, Congressional staff, academicians, and others seeking objective and authoritative information and analyses on federal sector human resources management. For example, in FY 2001, at the request of the Department of Justice and as a follow-up to earlier

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[1] This includes the triennial Merit Principles Survey administered to a representative sample of over 17,000 federal employees government-wide, and studies of the Presidential Management Intern Program, the variety of employee selection methods used by federal agencies in making new hires, the federal merit promotion program, and a 20-year retrospective review of the U.S. Office of Personnel Management.

MSPB studies, we agreed to conduct a survey of over 17,000 employees throughout the Department on the issue of sexual harassment. Additionally, the results of the Board's recent survey of applicants for Federal employment served as the basis for a request from the Senate Committee on Governmental Affairs that the General Accounting Office conduct a study of the hiring processes of selected federal departments and agencies. During FY 2002, the Board will continue to add new and relevant information and analyses to the ongoing public dialogue and growing concern regarding the perceived and very real "human capital" crisis in the Federal government. This will include a review of the degree to which Federal contracting officers' technical representatives (COTRs) have the experience and competencies needed to adequately oversee the work of Federal contractors and a study of the impact of the major downsizing in the Federal human resources profession on the delivery of human resources management services—including the ability to maintain a merit-based hiring system.

MANAGEMENT SUPPORT

The MSPB has implemented major organizational changes during the past several years to save resources and to directly focus them on mission-critical objectives. At 228 FTE, the MSPB is 30 percent smaller than it was in 1993,[2] has fewer management layers, and has made innovative use of technology in adjudication and administrative matters.

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[2] The reduction in staff is not without some downside. For example, the decrease in adjudicatory staff impacts the number and speed of our case processing in headquarters. Additionally, agency headquarters, in particular, was left with virtually no clerical support staff. Consequently, time that the attorneys could be devoting to research, analysis and other substantive case processing activities is being diverted to the accomplishment of necessary clerical tasks.

The Board is committed to strengthening the agency's internal systems and processes to support continuous improvements and the achievement of the highest degree of efficiency while maintaining the flexibility necessary to meet program needs. For the first time in the Board's history, each office head was required to submit business plans during fiscal year 2000, and to update those plans as warranted. Managers are being held accountable for obtaining results as specified in the plans.

The Board has also begun to place great emphasis on the professional development of its employees. To this end, the Board seeks to promote efficient and effective accomplishment of its statutory mission by providing a work environment with workplace policies and programs that enable its employees to excel. During Fiscal Year 2001, each employee will be required to conduct a self-assessment to identify strengths, weaknesses, experience, training and education. Each employee, together with his or her supervisor, will then design an Individual Development Plan which will include short- and long-term goals and the training and additional work experience necessary to help the employee to achieve his or her career objectives. We would like to make these opportunities available to a greater percentage of the staff, however, to do so would require additional funding.

Fiscal Year 2002 will be the fourth year of our 5-year information technology (IT) initiative, which is aimed at increasing our use of information technology to enable us to continue processing cases efficiently despite the reduction in staff resources the agency has experienced in the past 8 years. The Board adopted ambitious goals at the inception of this initiative. As implementation of the initiative has evolved, we have learned that to be successful in this effort, we must take a more systematic approach to integration of the new technologies into current processes and that integration of the new technologies much be accomplished at a more gradual pace. Because electronic filing of appeals with MSPB offices and electronic distribution of Board

decisions are key components of the IT initiative, its completion on schedule will support the Board's compliance with the Government Paperwork Elimination Act of 1998 (GPEA), which mandates that agencies provide their customers the option of submitting and receiving information electronically by October 2003.

CONCLUSION

It has been my distinct honor and pleasure to serve the Board, first as Vice Chairman, now as Chairman. I want to extend my appreciation to you and your staff for the support and courtesies you have accorded us during my tenure. Your guidance and assistance have been invaluable as we worked to perform the critical functions of the agency.

The information contained in this statement provides a mere snapshot of the Board's success in carrying out its mission of safeguarding the Federal merit employment system. The Board is a small but precious jewel amongst Federal agencies. The agency has maintained an enviable record of effective management but, suffering from a lack of a clear constituency and political interest, it has been hampered with limited resources. Our limited budget has made it difficult for the Board to implement new initiatives such as ADR and enhanced outreach efforts. While we have been largely successful in meeting our goals and operating efficiently within the parameters of our appropriations, we could enhance our adjudicatory and merit studies functions with additional funding

I want to stress that this budget request reflects the minimum level of funding necessary to enable the Board to perform all of its mission-related functions. With your continued support, the Board can build upon its record of excellence in service to the Federal government and to the American public. The MSPB staff and I are available to provide you with any additional information or assistance. Thank you.

U.S. Merit Systems Protection Board

BUDGET JUSTIFICATION FISCAL YEAR 2002

Submitted to the Committees on Appropriations

U.S. MERIT SYSTEMS PROTECTION BOARD

Office of the Chairman
1615 M Street, N.W.
Washington, D.C. 20419-0002

Phone: (202) 653 6772 Ext. 1325; Fax: (202) 653 8925; E-Mail: chairman@mspb.gov

Chairman

April 9, 2001

The Honorable Ernest J. Istook, Jr.
Chairman, Subcommittee on Treasury,
Postal Service and General Government
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed is the justification for the U.S. Merit Systems Protection Board's (MSPB) appropriation request for fiscal year 2002. We are requesting $30,375,000 in appropriated funds and a $2,520,000 limitation on reimbursements from the Civil Service Retirement and Disability Trust Fund. This request represents a $1,002,000 increase over the FY 2001 appropriation, adjustment for the rescission, and a $96,000 increase in the Trust Fund limitation. These increases cover only the uncontrollable additional expenses of the January 2001 and 2002 pay raises and higher space rent charges in fiscal year 2002.

The MSPB has implemented major organizational changes during the past several years to save resources and to directly focus them toward mission objectives. At 228 FTE, the MSPB is 30 percent smaller than it was in 1993, has fewer management layers, and has made innovative use of technology in adjudication and administrative matters.

The MSPB has a record of excellence in adjudicating 9,000 to 10,000 cases per year, most involving serious personnel actions taken by Federal agencies. Approximately half of the appeals are adverse actions, including removals; and just over 25 percent involve retirement matters. Just over half of the initial appeals are settled through alternative dispute resolution techniques, saving money for all of the parties and producing a negotiated, rather than a mandated disposition of the case. Our decision-making pace stands out among adjudicatory agencies. In FY 2000, the MSPB moved cases through two stages of processing in just under nine months, on average. Our record of success continues before the U.S. Court of Appeals for the Federal Circuit. Last year, the Court left 96 percent of the Board's decisions unchanged.

Fiscal Year 2002 is the fourth year of our 5-year information technology (IT) initiative, which is aimed at increasing our use of information technology to enable us to continue processing cases efficiently despite the reduction in staff resources the agency has experienced in the past 8 years. Because electronic filing of appeals with MSPB offices and electronic distribution of Board decisions are key components of the IT initiative, its completion on schedule will support the Board's compliance with the Government Paperwork Elimination Act of 1998 (GPEA), which

mandates that agencies provide their customers the option of submitting and receiving information electronically by October 2003.

I am available to you and your Subcommittee to discuss the necessity for this request.

Sincerely,

Beth S. Slavet
Chairman

Enclosure

U.S. MERIT SYSTEMS PROTECTION BOARD

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1615 M Street, N.W.
Washington, D.C. 20419-0002

Phone: (202) 653 6772 Ext. 1325; Fax: (202) 653 8925; E-Mail: chairman@mspb.gov

Chairman

April 9, 2001

The Honorable Ben Nighthorse Campbell
Chairman, Subcommittee on Treasury and
General Government
Committee on Appropriations
United States Senate
Washington, DC 20510

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I am available to you and your Subcommittee to discuss the necessity for this request.

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Beth S. Slavet
Chairman

Enclosure

United States

Merit Systems Protection Board

Fiscal Year 2002

Budget Justification

Submitted To The

Committees On Appropriations

April 9, *2001*

TABLE OF CONTENTS

Sections **Page**

1 Appropriation Language 3

2 Overview of Request 3
2.1 Functions and Activities 3
2.2 Fiscal Year 2002 Appropriation Request 4

3 Explanation by Budget Activity 4
3.1 Adjudication 4
3.2 Merit Systems Studies 5
3.3 Management Support 6

4 Summary of the 2002 Request 9

Tables

Table 1 Summary by Budget Activity 1

Table 2 Changes by Budget Activity 2001 to 2002 1

Table 3 Obligation by Object Class 2

Table 4 Decisions Per Administrative Judge 7

Table 5 Cases Decided 8

Table 6 Summary of Request 9

TABLE 1

SUMMARY BY BUDGET ACTIVITY
(Dollars In Thousands)

	2000		2001		2002	
Function	**FTE**	**AMT**	**FTE**	**AMT**	**FTE**	**AMT**
Adjudication	190	23,466	192	25,111	192	25,969
Merit System Studies	10	895	10	959	10	991
Management Support	26	3,084	26	3,303	26	3,415
Total Appropriated	226	27,445	228	29,373	228	30,375
Trust Fund Limitation	0	2,421	0	2,424	0	2,520
Total Available	226	29,866	228	31,797	228	32,895

TABLE 2

CHANGES BY BUDGET ACTIVITY 2001 TO 2002
(Dollars In Thousands)

CHANGES	Adjudication	Merit Systems Studies	Management Support	Total
2001 and 2002 Pay Raises	625	23	81	729
GSA Rent	233	9	31	273
Total	858	32	112	1,002

TABLE 3

OBLIGATION BY OBJECT CLASS
(Dollars in Thousands Except Average Salary)

Object Classification	2000	2001	2002
Total number of Full Time Permanent Positions	250	250	250
Full time equivalent employment	226	228	228
Average ES salary	126,360	130,150	134,300
Average GS/GM grade	12.99	12.99	12.99
Average GS/GM salary	80,124	83,489	86,912
Personnel compensation			
Full time permanent	16,428	16,844	17,422
Other than full time permanent	229	566	596
Other compensation	279	248	257
Subtotal, personnel compensation	16,936	17,658	18,275
Personnel benefits	3,088	3,210	3,322
Unemployment compensation	8	0	0
Travel	359	448	448
Shipping, moving equipment, etc.	54	67	67
Rental payments	2,319	2,830	3,103
Communications, utilities & misc. charges	563	609	609
Printing, copying, web site work by GPO	123	93	93
Advisory and assistance services	0	0	0
Contractual services	2,820	3,365	3,365
Supplies, subscriptions	186	221	221
Office equipment, furniture, publications	989	872	872
Total Appropriated	27,445	29,373	30,375
Civil Service Retirement & Disability Trust Fund	2,421	2,424	2,520
Total Available	29,866	31,797	32,895

1 APPROPRIATION LANGUAGE

General and Special Funds:

SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, direct procurement of survey printing, and independent leasing of office and related space, $30,375,000 together with not to exceed $2,520,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Trust Fund in amounts determined by the Merit Systems Protection Board.

2 OVERVIEW OF REQUEST

2.1 FUNCTIONS AND ACTIVITIES

The Merit Systems Protection Board (MSPB) is an independent quasi-judicial agency established to protect Federal merit systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management. The Board carries out its statutory mission principally by:

- Adjudicating employee appeals of personnel actions over which the Board has jurisdiction, such as removals, suspensions, furloughs, and demotions;
- Adjudicating employee complaints filed under the Whistleblower Protection Act, the Uniformed Services Employment & Reemployment Rights Act (USERRA), and the Veterans Employment Opportunities Act;
- Adjudicating cases brought by the Special Counsel, principally complaints of prohibited personnel practices and Hatch Act violations;
- Adjudicating requests to review regulations of the Office of Personnel Management (OPM) that are alleged to require or result in the commission of a prohibited personnel practice — or reviewing such regulations on the Board's own motion;
- Ordering compliance with final Board orders where appropriate; and

- Conducting studies of the Federal civil service and other merit systems in the Executive Branch to determine whether they are free from prohibited personnel practices.

2.2 FISCAL YEAR 2002 APPROPRIATION REQUEST

Our request is for $30,375,000 in appropriated funds and a $2,520,000 limitation on reimbursements from the Civil Service Retirement and Disability Trust Fund. This is $1,002,000 over the fiscal year 2001 appropriation, and $96,000 over the fiscal year 2001 Trust Fund limitation. The increased funding is needed to cover the higher costs that the MSPB will be required to pay in Fiscal Year 2002 for the January 2001 and January 2002 pay raises and for increases in space rental costs. The requested funding will also enable us to continue implementation of our 5-year information technology (IT) initiative on schedule. This is essential if the MSPB is to meet the October 2003 statutory deadline for offering its customers the option of submitting and receiving information electronically, as mandated by the Government Paperwork Elimination Act of 1998 (GPEA).

3 EXPLANATION BY BUDGET ACTIVITY

3.1 ADJUDICATION

The bulk of the Board's resources are dedicated to processing our appellate workload; 192 FTE or 84 percent of the 228 FTE estimated for 2001 and 2002 will be used for adjudication. We estimate that in each of the next two years the staff will process approximately 7,500 initial appeals in our 10 regional and field offices; and approximately 1,500 second level appeals will be adjudicated at headquarters by the 3-member Board. The MSPB will be represented by the General Counsel's office in litigation before the U.S. Court of Appeals for the Federal Circuit and other courts. Our decisions continue to receive a very high approval rating from the courts. In 2000, for example, the Federal Circuit left unchanged 96 percent of the cases reviewed.

We experienced a 13 percent increase in the average case processing time for initial appeals from 79 days to 89 days from 1993 to 2000. During the same period the processing time for the second level review, which is requested by about 20 percent of appellants, increased 34 percent from 131 days to 176 days. One of the principal reasons for increases in processing time is that many more appellants and their attorneys are raising not just the allegation of a wrongful removal or suspension, but also claims of disability, sex, race and/or age discrimination, Family and Medical Leave Act issues, claims of reprisal for whistleblowing, Uniformed Services Employment and Reemployment Rights Act issues, and other veterans' rights, etc. All of these issues must be addressed, which lengthens hearings and makes decisions more complicated and time-consuming to write. In addition, during the last nine years the agency has lost about 30 percent of its staff. Despite this increase in case complexity, at the same that the staffing level was falling, we were able to reduce the number of older enforcement cases.

The MSPB needs the resources requested so that the adjudication staff can be maintained, and technological improvements can be implemented that will facilitate processing and avoid escalation of costs to the Government as a whole.

The Board's case workload continues to be determined by factors beyond our control, due to the number of appealable actions taken by Federal agencies and by legislative changes that expanded our jurisdiction. For example, last year FAA employees were once again given the right to appeal many adverse and related actions to the MSPB for adjudication.

During fiscal year 2000, the agency launched two pilot projects aimed at improving case processing. The suspended case pilot project allows appellants and agencies up to 60 days additional time to pursue discovery and settlement efforts in their pending appeals. The expedited review pilot project at headquarters identifies non-meritorious Petitions for Review that can be disposed of quickly. Both pilot projects have been well received and will be evaluated during fiscal year 2001.

Table 5 and Table 6 show the appellate workload trends over the last seven years. Actual figures are shown for fiscal years 1994 through 2000 and estimated figures for subsequent years.

3.2 MERIT SYSTEMS STUDIES

The MSPB also conducts studies of the civil service and other merit systems in the Executive Branch and submits reports of those studies to the President and the Congress. It is estimated that this function will use approximately 10 FTE, or only 4 percent of the approximately 228 FTE the Board is projected to use in FY 2001 and 2002. The Board makes these reports available, both on paper and electronically, to a wide audience of Federal policy officials, managers, employee groups, academicians, and others with an interest in Federal human resources management (HRM). These studies provide Federal policy makers and our other customers with government-wide trend data and analysis and recommendations on major HRM concerns. For example, the Board's research tracking federal employee experiences with sexual harassment resulted in three widely referenced reports issued in 1981, 1988, and 1995. At the request of the Department of Justice, the MSPB used this research to conduct a 1996 study at the Department and has underway a follow up study to determine the effectiveness of several initiatives taken in response to the earlier review.

The staff evaluates the effectiveness of various aspects of the MSPB's adjudicatory function through customer surveys and other internal reviews. Recently an internal survey was conducted among administrative judges, appellants, and representatives regarding the use of bench decisions and video-conferenced hearings. The staff is also reviewing options for increased use of alternative dispute resolution approaches.

In fiscal 2001 the MSPB will report on the results of its latest "merit principles survey" administered to a representative sample of over 17,000 Federal employees. This survey has been conducted by the Board approximately every three years since 1983 and

provides a rich source of data and trend lines regarding the health of the Federal civil service. In fiscal 2001 the MSPB will also be reporting on the operation of one of the Government's premier hiring programs, the Presidential Management Intern program. A particular area of emphasis for the MSPB's studies function over the years has been the operation of the Office of Personnel Management. During fiscal 2001 the Board will summarize its perspective on the evolution of that central personnel agency in a 20-year retrospective report. Other major studies that will be concluded in fiscal year 2001 include a review of the merit promotion programs used throughout the Executive Branch, an overview and summary of employee selection tools currently used in making hiring decisions, and a review of the impact of major downsizing in the Federal human resources profession on the delivery of HRM services in the Government. In fiscal 2002, the MSPB will conduct a review of the degree to which Federal contracting officers technical representatives (COTRs) have the experience and competencies needed to adequately oversee the work of Federal contractors, as well as several other studies.

3.3 MANAGEMENT SUPPORT

We expect to devote approximately 73 percent of our budget to personnel compensation in FY 2002. An additional 11 percent will go for rent, utility, and maintenance costs, while another 3 percent will provide for direct case processing costs, e.g., travel, court reporting, and legal research. This leaves little flexibility to adapt to uncontrollable changes in workload or for other activities such as employee training, printing, and equipment. The entire administrative function, which is estimated to use 26 FTE, or 11 percent of the 228 estimate in 2001 and 2002, provides the necessary management support for information resources management, human resources management, budget, finance, procurement, equal opportunity, travel, space and property management.

Funds are carefully monitored throughout the fiscal year. The Director of Financial and Administrative Management conducts reviews. If all the 2002 funds are not obligated, we may carry some over to 2003.

TABLE 4

DECISIONS PER ADMINISTRATIVE JUDGE

Fiscal Year	No of AJ's	Cases Received	Average	Decisions	Average
1994	69	9,965	144	8,552	124
1995	69	9,978	145	10,888	158
1996	69	8,876	129	8,925	129
1997	68	8,721	128	8,314	122
1998	72	7,752	108	8,442	117
1999	71	7,392	104	7,669	108
2000	68	7,579	111	7,489	110
2001	67	7,500	112	7,500	112
2002	67	7,500	112	7,500	112

This table shows the number of receipts of and decisions on initial appeals, stay requests, and addendum cases per administrative judge (AJ). Data for 2001 and 2002 are projections. The number of AJs is the number on board as of March each year.

TABLE 5

CASES DECIDED

Fiscal Year	Regional Decisions	Settlements (IA's only)	Hearings (IA's only)	Headquarters Decisions
1994	8,552	49%	18%	2,106
1995	10,888	47%	12%	2,275
1996	8,925	52%	15%	1,375
1997	8,314	50%	16%	1,840
1998	8,442	54%	18%	1,934
1999	7,669	53%	18%	2,143
2000	7,489	55%	16%	1,885
2001	7,500	52%	18%	1,500
2002	7,500	52%	18%	1,500

The first and last columns of this table show the number of regional and headquarters decisions. The second column shows the percentage of cases (based on initial appeals that were not dismissed) that were settled. The third column shows the percentage of cases (based on total initial appeals) that required a hearing.

4 SUMMARY OF THE 2002 REQUEST

TABLE 6 SUMMARY OF REQUEST	
Funds Requested	
30,375,000	Appropriated Funds
2,520,000	Limitation on Trust Fund Reimbursements
32,895,000	Total
Change from 2001 in appropriated funds	
729,000	Fund the January 2001 and January 2002 pay raises and full staffing
273,000	Increase in space costs
Change from 2001 in the Limitation on Trust Fund Reimbursements	
96,000	Fund the January 2001 and January 2002 pay raises and full staffing

Questions Submitted by the
House Subcommittee on Treasury, Postal Service, and General Government

National Archives and Records Administration

OPERATING EXPENSES

Records Services FTE

1. **In your FY 2001 budget justification (page 33), you estimated your FY 2001 FTE usage for Washington and for Regional Record Services to be 773 and 200, respectively. In your FY 2002 budget justification (page 27), you estimate your FY 2001 FTE usage for these functions to be 707 and 250, respectively. Describe this apparent shift of FTE from the Washington area to the regions.**

During formulation of the FY 2001 budget, FTE for FY 2000 were estimated for the newly established Records Center Revolving Fund. Actual FTE usage did not match our initial estimates of the number of FTE that would be attributable to the Revolving Fund. Fewer FTE were from the Washington area service and more FTE were from the Regional services. We revised our FY 2001 estimates accordingly.

Records Declassification

2. **Last year Congress provided an increase of more than $5 million for declassifying records, which doubled the amount in your base. Briefly describe the progress being made and the use of the funds. Where specifically are these funds located in your budget?**

The funds were allocated to three offices within the National Archives and Records Administration with responsibility for declassification activities. The Office of Records Services-Washington, DC (NW) is responsible for the systematic declassification review of security classified accessioned Federal records. The Office of Presidential Libraries (NL) is responsible for declassification of Presidential records and donated materials. The Information Security Oversight Office, which oversees of the overall Federal declassification effort, also received funds.

The funding allocated to NW is primarily devoted to the efforts to locate and declassify records relating to Nazi and Japanese War Crimes projects. NARA staff searched for relevant records among NARA holdings and provided support to agency personnel reviewing NARA records. NARA staff reviewed for declassification almost 500,000 pages of relevant Army records in FY 2001. NARA has developed a plan to microfilm these important records to preserve them and make them more widely available. A more detailed description of the work in support of the Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group (IWG) is addressed in the answer to question 3. Funding has also been used to support the

development of a system which will lead to a more efficient declassification process and give us the ability to review on-line records produced electronically.

Presidential library funds have been used to fund the Remote Archives Capture Project (RAC) through an Interagency Agreement with the CIA. RAC allows agencies with equity interest in our documents to review and declassify the documents in a digital format without travelling to a Presidential library. Through our agreement this year, the CIA will support the preparation and scanning of classified documents at the Carter Library, pre-presidential classified materials at Reagan Library, and donated Nixon presidential materials housed at NARA's Laguna Niguel, CA facility. The funds will also be used to hire temporary staff with appropriate clearances to assist with scanning preparation and the processing for opening documents returned and declassified or redacted by the agencies with equity interest. NARA's performance plan calls for scanning 300,000 pages and we expect to meet that goal. We will have scanned a cumulative total of more than 1.3 million pages for RAC by the end of this fiscal year.

The Information Security Oversight Office (ISOO), when fully staffed as a result of this increase, will address mission areas it has not been able to address. ISOO will conduct more oversight and develop new policy in the special access program area and will conduct more reviews in both the Government and industry (National Industrial Security Program) security classification programs. ISOO also will focus on agencies' progress in their declassification programs. Several areas require special study to determine whether the security classification policies need to be changed.

A portion of the funding will be utilized by the Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group to continue their important efforts.

3. **Briefly describe your assistance in international efforts to search and analyze documents related to World War II, the Holocaust, and other similar events. What groups are you working with on these efforts? What is your role in these efforts?**

During the past five years NARA staff has assisted more than 1,000 foreign researchers, in person, by mail or by phone, with their research efforts relating to dormant accounts in Swiss banks, unpaid insurance policies of victims of Nazi persecution, looted art, slave labor, looted Nazi gold and diamonds, and the financial dealings of foreign banks and corporations, as well as events related to Nazi war criminals, Nazi war crimes, and Nazi persecution.

Among the international researchers are: representatives of foreign governments, including Austria, Italy, Luxembourg, Belgium, Lithuania, Latvia, Estonia, Brazil, Sweden, Portugal, Spain, Argentina, Great Britain, the Netherlands, and Switzerland; organizations, companies, and banks such as the Swiss Bankers Association, the Bank for International Settlements, the Bundesbank, Union Bank of Switzerland, Swiss Bank Corporation, World Jewish Congress, the Volcker Commission; International Commission on Holocaust Era Insurance Claims (headed by Lawrence Eagleburger); the Joint Russian-Sweden Commission on the fate of Raoul Wallenberg; the Commission for Art Recovery in Europe, the Art Loss Register (based in London), and international auction houses; foreign archivists, including those from Israel, Switzerland, Sweden, and the Netherlands; law firms and their research teams involved in class action

litigation; private researchers, including those from Austria, Italy, Israel, Sweden, Iran, Denmark, the Netherlands, France, Great Britain, Germany, Brazil, Argentina, Turkey, and Switzerland.

Facilitating research has been the declassification, under the Nazi War Crimes Disclosure Act of 1998, of some 3 million pages of documents, more than 2 million during the past year. Declassification of these records is overseen by the Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group (IWG), which was established under the Act. The Archivist of the U.S., represented by Steven Garfinkel, chairs the IWG and NARA staffs and provides administrative support to the IWG. These declassifications are the result of both NARA declassification action (see answer to question 2) and NARA and IWG support of agency declassification efforts. The latter include declassification of more than 900,000 pages of Office of Strategic Services records and declassification of 975,000 pages of Army records. Many of these records are identified on the IWG website (www.nara.gov/iwg).

To assist researchers NARA has begun an ambitious preservation and access program, that includes holdings maintenance activities and microfilming. The first product from this program was the issuance in May 2001 of NARA Microfilm Publication M1782 that contains the reports produced by the Office of Strategic Services Art Looting Investigation Unit. These records are critical to individuals and institutions involved in art provenance research.

NARA staff were involved in the planning of and participated in The Washington Conference on Holocaust-Era Assets (December 1998) that was sponsored by the U.S. Department of State and the U.S. Holocaust Memorial Museum. The conference was attended by representatives of 40 foreign governments and 10 non-governmental organizations. NARA staff in 1998 were responsible for organizing a NARA-sponsored Symposium on Holocaust-Era Assets Records and Research. This Symposium was attended by more than 400 individuals, including representatives of numerous foreign governments. Under Secretary of State Stuart E. Eizenstat gave the keynote address. NARA created a special web site (www.nara.gov/research/assets) that contains record-related and bibliographic information about Holocaust-Era assets and was also involved in the preparation of a 1,100-page finding aid entitled **Holocaust-Era Assets: A Finding Aid to Records at the National Archives at College Park, Maryland** (1999). In October 2000, a NARA staff member participated, as part of the official United States Government delegation, in the Vilnius Forum on Looted Cultural Property, held in Lithuania. During the past several years a NARA staff member has been in weekly contact with the Department of State's Office of the Special Envoy for Holocaust Issues, on a variety of issues ranging from the restitution of a 13th Century Polish document to planning international conferences.

The use of NARA-held records has resulted in the Swiss banks agreeing to provide restitution of $1.25 billion to Jewish depositors and other victims of the Holocaust; the German government and German businesses and banks agreeing to provide nearly $5 billion restitution to more than 1 million surviving slave laborers, and European insurance companies agreeing to settle unclaimed policies. The use of the records has resulted in the identification and, in some cases, the restitution of looted art and gold.

4. **Provide a table similar to the one last year showing the number of pages declassified and the number of pages in the backlog at the start of the year for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate).**

The table below gives the figures for the total pages of accessioned records declassified by NARA and other agencies and the number of pages in the backlog at the start of the fiscal year. The FY 2001 and 2002 figures are estimates based on anticipated resources and accessioning.

Fiscal Year	Pages Reported Declassified	Backlog at Start of Fiscal Year
1996	93,000,000	643,000,000
1997	119,000,000	631,000,000
1998	92,000,000	525,000,000
1999	27,500,000	443,000,000
2000	29,800,000	446,000,000
2001 est.	10,375,000	550,097,000
2002 est.	30,000,000	550,000,000

The number of pages in the backlog changes every year as a result of new accessioning of classified records. The amount of classified records accessioned each year can vary greatly according to what records are scheduled to transfer to NARA each year. NARA received more than 42,000 cubic feet of classified records in FY 2000, increasing the backlog by 105 million pages, as a result of NARA's project to transfer of records from the Washington National Records Center. Between now and 2010, the amounts of classified records scheduled to transfer to NARA range from a low of 4,495,000 pages in 2009 to a high of 18,680,000 pages in 2005.

As a result of recently enacted legislation NARA has to re-review on a page-by-page basis some records that were originally declassified using survey methodology. This has been the main factor contributing to the decline of the number of pages declassified. Other variables that affect our ability to declassify records include special review projects such as the Nazi War Crimes legislation and our ability to retain experienced staff. These projects usually require more time than straight systematic review because of the need to search records topically. In addition, the records relevant to Nazi War Crimes that NARA has been reviewing are largely intelligence records which require a close review because of the types of equities in the records, many of which are unrelated to Nazi War Crimes. This results in a much slower rate of review. The greatest influence on both the backlog and the number of pages declassified would be the automatic declassification of the remaining backlog in April 2003.

5. **Page 36 of your FY 2001 budget justification indicates a proposed FY 2001 level for records declassification of $5.7 million; Congress provided full funding (less the across-the-board rescission). Page 30 of your FY 2002 budget justification indicates an FY 2001 level for records declassification of $3.6 million. Explain the apparent loss of $2 million from the program.**

In FY 2001, $2.1 million of the Records Services-Washington, D.C. activity has been reallocated from the Records Declassification program to the Nazi War Crimes effort. Funding is included

in the Reference Services activity. NARA was instructed by the Congress to use up to $5 million for the implementation of the Nazi War Crimes Disclosure Act.

Veterans Records

For FY 2001, Congress added about $1 million for veterans records preservation and $1.6 million to improve reference services for records needed by American veterans and their families. These funds were to be used to test customer service innovations, train staff, and acquire infrastructure.

6. Provide a status report on the use of these funds. Where specifically are these funds located in your budget?

The funding for veterans' records preservation and improving reference services for veterans' records is located in the Regional Records Services Activity of the budget justification.

At our National Personnel Records Center in St. Louis, the records of the service of our 20th century military veterans require immediate preservation attention. Because these records have such great value to current veterans now trying to document their rights and to future researchers documenting the military history of the 20th century, NARA will accession the majority of these records. To ensure both short-term and continuing access to these records, we have established a comprehensive preservation program for these records with a professional staff. The staff initially is focusing on completing the preservation duplication of Air Force flight records from 1911-1974. In addition, they are beginning the preparation of Final Pay Vouchers and Payrolls for a reformatting contract. These are just the first of thousands of feet of microform and paper records that require preservation treatment.

By the end of the fiscal year, we will have:

- Added 15 new hires to our preservation staff, for a total of 22 FTE on the staff
- Completed the duplication of Air Force Flight Records microfilm
- Prepared 1,000 cubic feet of Final Pay Vouchers and Payrolls for reformatting contract
- Awarded a consulting contract to help develop a plan for reformatting Final Pay Vouchers and Payrolls

One of our biggest challenges is to reduce the response time for requests for veterans' records. At the National Personnel Records Center we are in the midst of a multi-year business process re-engineering project to reduce the response time and improve the quality of responses to requests for modern military service records. During FY 2001, we applied the entire $1.6 million increase toward this effort. Specifically, the funds were spent on:

- On-going customer survey initiative to establish a baseline and incrementally measure our performance improvements against the baseline
- On-going training initiatives for center staff who are being challenged to migrate from an antiquated, paper-based, manual work process to a sophisticated electronic environment

- One-time investments in information technology infrastructure
- Refinement of an interim case management tracking system, including the addition of new functionality to improve center operations
- On-going development of a sophisticated customer relationship management system

7. Are any of the funds used for testing, training, or acquiring infrastructure one-time costs that can be non-recurred during FY 2002? If not, why not?

No. The Business Process Reengineering effort at the National Personnel Records Center has been partially implemented with more than half of the workforce currently operating under the new redesigned work processes, with training ongoing for these employees. By the close of FY 2001, the entire workforce will be transferred to the new work process environment; however, training will continue through FY 2002.

In addition to staff training requirements for the new redesigned work processes, the information technology resource requirements to support the Case Management and Reporting System for FY 2001 are estimated to be $1.377 million, and increasing to $3.107 million in FY 2002. We anticipate using FY 2001 funding, and base funding from previous years to fund the $3.107 million needed for the Case Management and Reporting System.

8. What is your average response time for requests for access to veterans' records? Are you on track to reach your target response time of 6 days?

The average response time is currently 69 working days.

Although our response time has not yet been reduced by our process changes, we are seeing measurable improvements in quality and staff development. We remain optimistic that by FY 2005, we will service 95% of reference requests within ten working days, and many within six days. Features of our plan to make these improvements include completing the roll out of the new core business process and the deployment of an information technology system that will enable us to access external databases when responding to inquiries.

Although we had hoped to see a quicker return on our investment in the reengineering effort, our commitment to retain our existing workforce of long-time Federal employees, and to train them to migrate from a paper-based, manual, antiquated work process to an advanced, sophisticated, electronic environment has delayed our efforts. Despite these complications, we are optimistic that we can achieve our goal through additional staff development, the improved core business process, and the deployment of a robust customer relationship management system.

Electronic Records Archives

9. Briefly describe this effort.

The Electronic Records Archives Program is a strategic initiative to enable NARA to continue to perform basic mission functions in the digital era. Information technology has not produced

proven methods for preserving and providing continuing access to most forms of electronic records created in the Federal Government; therefore, the initial focus of the program is on the development of technologies required if there is to be a National Archives for Government records being created now and in the future. The program also aims at bringing advanced computing capabilities to bear in the lifecycle management of records across the Federal Government. The overall plan involves articulating critical mission needs that cannot be satisfied without new technology; identifying emerging technologies which offer significant promise for addressing these needs; exploring and evaluating the potential of these technologies in a research environment; assessing the transfer of these technologies from research to commercial availability; and, from the lessons learned in the research and assessments, undertaking systems development projects to acquire the technological capabilities to manage, preserve and provide access to the records of e-government.

10. Briefly describe your relations with the Library of Congress on this effort. What overlap is there between NARA and LOC requirements?

NARA and the Library have had informal contact over the last several years on issues of mutual concern regarding preservation and access to electronic media. First formal contact was in preparation for a December 2000 presentation to Senator Stevens and other members of the appropriations committees and Joint Committee on the Library of Congress. The Senator wanted an update on preservation and access issues government-wide and called the Archivist and Librarian together for this briefing.

In the Omnibus Consolidated Appropriations Act for FY2001, the Library was directed to lead a National Digital Information Infrastructure and Preservation Program (NDIIPP), including a planning effort that would be conducted jointly with NARA and others. It has been agreed by the participating agencies that given the diversity of their related, but separate missions, the most appropriate area for coordination and future collaboration is in the research and development of preservation systems for electronic information. The Archivist has invited the Library to join in the five years of partnerships that NARA has initiated and discussions are continuing in that area.

11. Provide a table showing the resources ($ and FTE) devoted to the Electronic Records Archives for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate). Indicate where these resources are specifically located in your budget.

	1998	1999	2000	2001	2002
[illegible]	2	2	3	8	16
[illegible]	$504,000	$862,000	$1,558,000	$2,800,000	$3,302,000
[illegible]				$339,000	$20,000,000
[illegible]	$504,000	$862,000	$1,558,000	$3,139,000	$23,302,000

The resources for the Electronic Records Archives are located in the Program Direction sections of the Records Services and Archives Related Services activities. Funding is split 95 percent and 5 percent respectively.

12. Provide a table showing the resources ($ and FTE) of the total (distinguish base from increase requested) FY 2002 proposed electronics records archive effort, broken into the categories of (1) applied research, engineering and demonstration systems, (2) electronic records archive program management, (3) initial electronics records archive program process design and concept development, and (4) extend life of current electronic records systems, deploy interim electronic records archives capabilities, develop architecture, security, controls, standards and rules to ensure the electronic records archive works with other NARA systems.

See attached table. Attachment 1.

13. Briefly describe each of the 4 categories listed in the previous question.

(1) *applied research, engineering and demonstration systems*

The research and exploratory development activities in the Electronic Records Archives Program leverage the Government's coordinated Information Technology Research & Development program to identify, enhance, and exploit technologies being developed for the next generation national information infrastructure. This approach enables NARA to benefit from much larger investments the Government is making in the Nation's information technology. More fundamentally, NARA's responsibilities for records of all Government agencies, coupled with the Federal Records Act's definition of records management as a lifecycle activity (44 U.S.C. 2901), create an obvious logic for NARA to seek solutions to archives and records management requirements in the technologies that are being developed to enable the Government to conduct business electronically.

NARA's addition to this program adds a quantitatively small, but important, focus on the critical problem of the survival of electronic records and other information assets created with information technology. While such technologies offer great promise, before NARA's involvement, little attention was paid to the survival of information assets created and communicated in digital form. NARA's primary objective in collaborating in research and exploratory development efforts is technology transfer to enable the Government to implement the best possible solutions in creating, managing, preserving and providing access to Government records. This pragmatic objective leads NARA to require the researchers to provide empirical demonstrations of the technologies being explored. These demonstrations also serve to mitigate risks, since it is advantageous to identify and confront problems in a research context, rather than in system development or implementation.

Conversely to NARA's small addition to the Government's investment in ITR&D, leveraging this program has enabled NARA to begin to address the major problems of scale entailed by the explosive growth of electronic recordkeeping.

(2) *electronic records archives program management*

Electronic Records Archives program management encompasses the administrative activities necessary to ensure that the ERA program is aligned with NARA's mission and strategic

direction; necessary resources are identified, acquired, and managed; information technology projects are coordinated with policy, organizational change, staff development, and business process improvements; risks are managed; and overall objectives of improved effectiveness, efficiency and service to the citizen are achieved. NARA anticipates that the development of ERA will take several years in cooperation with other Federal agencies. NARA has decided to establish a Program Management Office (PMO) to oversee and carry out archival 'business' analysis and improvement, research, systems development, and administrative activities associated with the development of the ERA program. The success of the ERA Program Management Office will depend in large part on professional program and project management.

Both government FTE and contractor staff will be associated with the program management aspects of ERA. These resources will undertake an effort to revise NARA's IT investment management structures and policies to operate at a level commensurate with the anticipated scale and scope of the ERA system development effort. They also will be involved in identifying, developing, and managing the organizational structures, processes, policies, techniques, or tools necessary to support the ERA PMO in the following areas:

- Program and project planning and control
- Configuration management
- Resource planning and cost analysis
- Acquisition management
- Risk management
- Quality management
- Requirements management
- Testing management
- Communications management

(3) *initial electronic records archives program process design and concept development*

Given exponential growth in the quantity of electronic records, coupled with continuing expansion of the varieties and complexities of those records, NARA needs to ensure that technological solutions are identified, evaluated, and implemented within a comprehensive, coherent, and articulate institutional framework that incorporates the requirements of law and regulations and balances the pursuit of mission objectives with prudent stewardship of financial, human and information resources, and with the needs of NARA's customers both across the Government and in the private sector. The initial process design and concept development will constitute this institutional framework. The documented and redesigned processes and an overall concept of operations and systems architecture are prerequisites for realistic cost estimates and resource management for ERA development. These activities will solidify the foundation for contracting for actual development of ERA in subsequent years.

(4) *extend life of current electronic records systems, deploy interim electronic records archives capabilities, develop architecture, security, controls, standards and rules to ensure the electronic records archive works with other NARA systems*

a. *extend life of current electronic records systems*

NARA needs to address current operational needs while pursuing long-term solutions. This activity ensures that systems already in place for preservation and access to electronic records remain functional and that they are enhanced or improved when current needs necessitate such improvements, and they can be achieved with a positive return on investment.

b. *deploy interim electronic records archives capabilities*

Deploying interim capabilities serves several purposes. It allows NARA to address pressing operational needs that cannot be satisfied by extending current electronic records systems, notably in cases where NARA has no current capabilities. It provides the opportunity for real world testing of promising technologies identified in research and exploratory development activities in advance of the development of actual system development, thus mitigating the risks involved in that development. The interim deployments will provide valuable lessons for design and development of ERA. Successful interim deployments will either become parts of ERA or be migrated into it.

c. *develop architecture, security, controls, standards and rules to ensure the electronic records archive works with other NARA systems*

Based on OMB A-130 requirements and CIO Council guidance, NARA is in the process of developing an enterprise Information Technology Architecture, agency-wide Information Security program and a Data Administration Program. As ERA's requirements are clarified, these programs must be able to support them. This will substantially increase the demands on the information technology infrastructure, as well as increasing the complexities of systems integration issues. We must begin to plan for this today. NARA must carry out these activities to accommodate ERA and its integration with other agency systems.

14. With respect to the first category, what specific applied research, engineering and demonstration systems are being pursued? Why are two different applied research efforts (one with Georgia Tech, one through NSF) being pursued? What, if any, NARA FTE are associated with this category? What would be the impact of funding this applied research at half the level requested?

With respect to the first category, what specific applied research, engineering and demonstration systems are being pursued?

The principal research agenda is for the development of an information management architecture for persistent digital archives. This architecture will provide a comprehensive and well-grounded framework for the development of both the ERA system and of special tools and processes that will operate within that system. This architecture is unique in that it is inherently dynamic. For NARA to adopt a solution that addressed all known problems of computer obsolescence would be very inadequate. NARA needs a solution that incorporates the expectation of continuing change in digital technology, expanding penetration of this technology in the conduct of Government business, and increasing diversity and complexity of the forms of

information needing to be preserved. The persistent object preservation architecture provides a basis explicitly designed for such a solution.

The second research agenda is to explore and evaluate various technologies which could be deployed within the ERA architecture to address special needs, such as accessioning records in obsolete formats, protecting privacy, trade secrets and national security, or to improving performance and quality of archival processes.[1]

Why are two different applied research efforts (one with Georgia Tech, one through NSF) being pursued?

This approach reflects the complexity and diversity of requirements that NARA faces. This is analogous to physical buildings. The Archives II building provides a single place for all of the archival and records management functions NARA needs to carry out there, but within the building it was necessary to establish special spaces and acquire appropriate furnishings and equipment for processing of accessions, long term storage, public access to records, review of restricted records, and conservation laboratories, among others. In somewhat simplified terms, through the NSF collaboration, we are looking to define the overall structure for the Electronic Records Archives, while through our collaboration with the Army Research Laboratory and Georgia Tech we are seeking optimal solutions for special processes which must be carried out within that structure. Supporting independent research efforts is also, in part, a risk management technique to avoid over reliance on a single source of technical expertise.

What, if any, NARA FTE are associated with this category?

Of the 16 Government FTE to be devoted to ERA program and project management, 3.5 will be involved in the research and exploratory development activities.

What would be the impact of funding this applied research at half the level requested?

At the very least, reduction in the requested funding for the research would delay the possibility of implementing solutions, even interim solutions, to the Government's pressing electronic records problems. The negative impact would be disproportionate at this time. NARA's research initiatives to date have been very small. To ensure that the approaches being explored can be implemented at the scales NARA will need to address the exponential growth of electronic recordkeeping, we need to begin testing at scale. For example, without tests of scale in the near future, NARA runs a substantial risk that it will not be able to handle the transfers of digital military personnel records within the five-year timeframe requested by DoD.

15. With respect to the second category, what NARA FTE are associated with this item? What process will you use to acquire the services of a contractor to provide program

[1] A third research agenda, being pursued in collaboration with other national, state, and private sector archives, is to improve the archival and records management body of knowledge necessary to ensure the soundness of technical solutions.

management? How much of the $3.5 million requested for contractor services would actually be obligated during FY 2002? Describe your risk management strategies.

In FY 2002, there will be 16 government FTE associated with the ERA program and project management activities.

NARA intends to acquire additional program management support through contract. The process for this procurement is a competitively awarded time and materials task order through a Government-wide acquisition contract vehicle at GSA. NARA anticipates issuing an initial task order with a base year beginning in July 2001 and four option years. To facilitate the Government's ability to assess potential offerors' understanding of the ERA effort and to allow potential offerors the flexibility to develop cost-effective and innovative solutions for management of the ERA Program, NARA's approach has been to write a statement of objectives to which potential vendors must respond with a statement of work and oral presentation.

NARA anticipates obligating the entire amount identified for program management during FY 2002.

NARA began an effort to identify and manage risks associated with the ERA program at the end of FY 2000, hiring an outside consultant to identify and evaluate major program risks. The FY 2002 budget request builds on that analysis and reflects NARA's intent to address the first order risks identified by the consultant. One of NARA's major risks is the lack of a program and project management infrastructure commensurate with the task of developing the ERA system. The ERA program management activity that NARA has planned for FY 2002 directly addresses that risk. During FY 2002, NARA intends to articulate and put in place a risk management strategy to follow up on the initial assessment, identifying, assessing, mitigating, and controlling risks for the ERA program. Emphasis will be placed on developing risk and risk impact quantification techniques and identifying stakeholder risk tolerance.

16. **With respect to the third category, what NARA FTE are associated with this item? What process will you use to acquire the services of a contractor for the initial design and concept development? Describe the architecture that is to be developed. Describe the methodology that is envisioned. Describe your thoughts regarding process evolution and the need for configuration management. How can you proceed with design and concept development if the applied research has not been completed? What portion of the funding requested for FY 2002 will be obligated during FY 2002?**

What NARA FTE are associated with this item?

Three of the 16 government FTE in the ERA Program Management Office will be involved in this category.

What process will you use to acquire the services of a contractor for the initial design and concept development?

NARA staff, advised by the program management support contractor, will determine what processes will be used to contract for initial process design and concept development services. While final decisions have not been made, we anticipate contracting separately in FY 2002 for business process improvement services which will feed the process design and for initial concept development, which will provide a high level view of the eventual functionality of ERA and its interface with other systems.

Describe the architecture that is to be developed.

The ERA architecture is grounded in the Open Archival Information System (OAIS) Reference Model. The OAIS model is a draft international standard chartered by the Consultative Committee on Space Data System and led by NASA. It provides a general identification of the functions, objects, and data that must be included in any system that manages information over time. NARA has worked with NASA in this multi-national, multi-discipline standards effort from the beginning. (A schematic overview of the OAIS model is included as attachment 2.) Within the general framework established by the OAIS model, NARA is supporting research to develop an information management architecture specifically for knowledge-based persistent object archives. To ensure long-term survival and access to records and other information assets, this architecture postulates a fundamental requirement; that is, (i) systems should be built in such a way that any component of hardware or software can be replaced with minimal impact on the rest of the system, and (ii) it should be possible to replace system components with no negative impact on the collections of records being preserved. These requirements are obviously fundamental for archives, as well as for other organizations, which need to maintain digital information over time. This information management architecture provides a reference model for the Electronic Records Archives, which could be implemented in a variety of ways. It does not dictate any specific systems architecture. In fact, the principle of infrastructure independence entails a very high degree of flexibility in the 'architecture' of systems – defined in terms of major hardware and software components and the structuring of their interactions – which implement the persistent object preservation method. NARA needs to articulate a high level concept of the systems architecture as a basis for capital planning and other necessary management activities. The initial concept design work in FY 2002 will evaluate the best way for NARA to implement the information management architecture in an operational system.

Describe the methodology that is envisioned.

NARA expects to develop ERA following an Integrated Process and Product Development (IPPD) methodology.

Describe your thoughts regarding process evolution and the need for configuration management.

The principle of infrastructure independence that motivates the persistent object architecture means that process evolution will be factored into the basic design of ERA. This flexibility entails a need for robust configuration management, which will be one of the primary responsibilities of the ERA Program Management Office. ERA configuration management will encompass all products developed in the ERA program, including enhancement of existing systems, interim deployments, and development of special tools, as well as of the ERA system

itself. In turn, the sum of these activities will be coordinated with NARA policy development, business process improvement, organizational change, and staff development to ensure that ERA and related tools can be used successfully.

How can you proceed with design and concept development if the applied research has not been completed?

Consistent with IPPD principles, the major lines of activity need to proceed in parallel, with regular feedback loops among them. This has already occurred. The program was launched to address a specific, critical need: that there was no technology in place or available on the market which would have enabled NARA to accession and preserve the exponentially growing volume of electronic records slated for transfer to us. The first research project at the San Diego Supercomputer Center addressed this need within constraints NARA imposed to ensure archival preservation of records and provide ready access to them. The results of the research not only identified scalable technologies, but also transformed NARA's constraints into the basis for an information management architecture for "collection based persistent object preservation." Given the outlines of this architecture, NARA formulated a second round of research to explore the possibility of implementing fundamental archival and records management rules within the architecture. Once again, the researchers not only addressed NARA's requirements, but used them to enrich the architectural concept to a level that is now described as "knowledge-based persistent object preservation." We have had similar experience with the research at Georgia Tech.

The process can be described as (1) NARA defines requirements that cannot be met currently; (2) research creates opportunities for not only addressing but also exceeding the requirements; and (3) NARA expands and refines requirements to encompass more of its mission and provide better service to the citizens. The problems NARA faces in the digital environment are so broad and complex that this iterative process can be pursued profitably as long as information technology and the ways the government uses it continue to evolve.

Because there is no foreseeable end to change in information technology, and more so because NARA has pressing and increasing operational needs, we cannot wait for the research to be completed before we undertake technology transfer to benefit progressively from the research results to date. One of the most important refinements of requirements that NARA needs to undertake is to develop formal models and rules for the archival and records management processes that will be executed in ERA. To handle exploding workload, NARA needs to be able to automate its processes as fully as possible. To ensure that the right processes are automated, NARA needs to apply the rigor that formal modeling methods impose. Similarly, to manage the resources that will be needed to develop ERA, NARA needs to articulate a high level concept for system design.

Interim deployments will capitalize on progressive research results. For example, when the researchers started investigating XML, they advised us that it would be about two years before the market delivered software products we could use in an operational environment. Two years have passed and there are now XML database management systems (dbms) on the market and well-established relational dbms have added input/output interfaces that ingest and export

information in XML format. Part of ERA configuration management will combine evaluation of research results with assessment of operational needs and market surveys to establish an appropriate sequence of interim deployments and ERA system development. The process and concept definition work planned for FY 2002 will establish a general framework for this incremental, evolutionary development approach. This will enable NARA to draw not only on research results, but also on the lessons learned from practical experience when we proceed to the detailed design of the ERA system. In the interim, progressive deployments, based on progressive research results and the appearance of commercial products incorporating the desired characteristics and functionalities, will enable NARA to obtain positive return on investment even before development of the full ERA system.

What portion of the funding requested for FY 2002 will be obligated during FY 2002?

We intend to obligate all FY 2002 funds within that fiscal year.

17. **With respect to the fourth category, what NARA FTE are associated with this item? What resources ($ and FTE) are in your base for maintaining current electronic records systems? Where are these resources specifically located in your budget? Provide a breakout of the requested increase for this category divided between resources needed to extend the life of current electronic records systems, those resources needed to deploy interim electronic records archives capabilities, and those resources needed to develop architecture, security, controls, standards, and rules to ensure the electronic records archive will work with other NARA systems. Why are architecture, security, controls, standard, and rules contained in this category as well as in the third category? Will this overlap lead to confusion and higher risks? What portion of the funding requested for FY 2002 will be obligated during FY 2002?**

There are 10 FTE in NARA's base responsible for current systems. We anticipate that 3 of the 16 ERA program management staff will be involved in interim deployments in FY 2002. Three additional FTE will be devoted to NARA architecture, security, controls, standards, and rules. For financial resources, see the attached table, which also answers question 12 above.

The architecture, security, controls, standards, and rules contained in this category are those that apply to NARA's enterprise information technology architecture and to other lifecycle management systems in that architecture. While ERA will be a major system, it will not be the only one in use at NARA. ERA will need to interoperate with other NARA systems, including general purpose information technology resources, such as networks and desktop computers, and with lifecycle management applications, such as the Archival Research Catalog, which identifies and describes for the public all NARA holdings, not just electronic records. This category thus covers the agency context in which ERA will operate, but not ERA itself.

18. **What is the sequencing of actions contained in the four categories? Do all actions represented in the four categories need to occur simultaneously? Which actions need to precede other actions?**

As described in response to question 1, the ERA program has a logical sequence from mission needs through research and exploratory development, to technology transfer and systems development. However, this sequence is not chronological in nature. As explained in response to question 16, the main lines of activity need to proceed in parallel. The one major dependency is the need to complete the articulation of the persistent object information management architecture and to validate that architecture from the perspective of computer science, systems engineering, and archival science, before proceeding with actual development of ERA.

NARA's three part strategy of extending existing systems, deploying interim solutions, and developing ERA provides needed flexibility to address pressing operational needs while proceeding at an appropriate pace with the major effort.

The basic functional concept for the ERA system provides further flexibility on sequencing. Under this concept, the system will be designed to incorporate functionality required to execute necessary and common processes for the largest portion of the workload. Major functions will be built into virtual workspaces, but workspace design will provide for use of specialized tools when needed. Tools can be developed independently of the base system. In fact, some tools will be developed as interim deployments.

19. How confident are you that XML is the right "language" for this effort? What are the risks that newer technology will replace XML?

The persistent object preservation architecture is explicitly formulated to provide maximum independence from any specific technology. Operationally, that independence translates into the ability to substitute newer technologies when it is advantageous to do so. XML is being explored in the research and exploratory development work, because it implements a basic approach to infrastructure independence, which is critical for archives of electronic records. That approach is to make the records and the collections of records being preserved self-describing and potentially self-validating. XML achieves this through tags, definitions and schemas that are formulated and encoded as plain text which a human can read in their native formats. Therefore, they are obviously not dependent on any specific software products. Our confidence in XML as something we are likely to use in an operational system is based on the predictions of industry analysts that XML will be one of the basic enabling technologies of e-commerce, coupled with mounting evidence that this is occurring. The feasibility of self-describing and self-validating records has been demonstrated by one of our collaborators, the U.S. Patent and Trademark Office (USPTO), which has implemented these capabilities in its Electronic Filing System. Nonetheless, NARA has made no commitment to XML. To date, we are evaluating its potential in the research context. If a superior approach has been developed by the time we reach final development of ERA, we can make the best choice at the time. If we implement XML and subsequently it is replaced in the market, the persistent object architecture will enable us to take advantage of newer technologies simply by updating the application programming interfaces, or other software mediators which connect those ERA components where XML is still used and those where other technologies are adopted. In the long run the architecture will also provide us with opportunities for migrating – economically – records being preserved in XML to other formats whenever the storage subsystem or storage media are refreshed.

20. Using XML to "wrap" data, do you also have to "wrap" the application for viewing or accessing the data?

The goal in transforming records to infrastructure independent, self-describing formats is to eliminate dependence on specific applications. Important tools for achieving infrastructure independence in accessing virtually unlimited varieties of data have already been delivered in our research collaboration with Defense Advanced Research Projects Agency (DARPA) and USPTO. The ongoing research is addressing various approaches for structuring, navigating, viewing, and delivering the records.

Clinton Presidential Library

21. Your FY 2002 budget justification (page 32) indicates the about $1.8 million was spent on the Clinton Presidential Library during FY 2000. What specific activities were funded in FY 2000 on the Clinton Presidential Library? Why were none of these FY 2000 activities nor any funding requirements identified as part of your FY 2000 or FY 2001 budget justifications?

There are a great deal of costs associated with the start-up of a new Presidential Library. Start-up costs include activities to safely move and house the Presidential records in temporary space until the permanent library is constructed. These costs for the Clinton Presidential Library in FY 2000 totaled $1,783,000, which include:

Personnel Relocations	$16,000
Travel	$1,000
Transportation	$8,000
Guard Service	$343,000
Telephone System	$37,000
Computer Systems*	$1,037,000
Move/Office Supplies	$53,000
Security System	$157,000
Furniture	$131,000

*Computer systems include servers and routers, workstations, data link installation, software, cabling and support.

To safely move all 635 tons of material by the end of the administration, NARA needed to begin the moves in November, and to do that, we had to have the building fully operational, with security, phones, furniture, etc. in place. Given the order lead-time, and the installation time, this required the orders to be placed before the end of FY 2000.

22. What portion of the almost $6 million provided for FY 2001 for the Clinton Presidential Library was for transporting the records of the Clinton Administration to Little Rock? Why are these funds retained in your base rather than non-recurred?

Approximately $2 million is for the transporting of records. When preparing the FY 2001 budget, NARA used the best information available to plan for the move of records and materials from the White House to the site of the Presidential Project. With the advantage of later, more detailed information and analysis, the FY 2001 funding requests for GSA Rent and for information technology systems and programs were understated significantly. As we indicated in our answer to last year's question on the Presidential Transition, the "primary weakness in analysis of what funding would be necessary for the transition was the lack of data on the various computer systems used within the Executive Office of the President." Now that we have ascertained those costs, we now know that the costs of these items in FY 2002 will match or exceed the amount required in FY 2001 for the move of the Clinton materials, thus the funding provided in FY 2001 needed to remain in our base.

23. What portion of the almost $6 million provided for FY 2001 for the Clinton Presidential Library pays for the renting and building out of a temporary storage facility in Little Rock? What are the general terms of the contract?

Lease charges in FY 2001 are $1,348,783*. The lease began on October 16, 2000, and runs for six years, of which three are firm. After 36 months the Government may terminate the lease at any time with 45 days notice. The annual rent for the first three years is $1,471,400 per year. This amount includes full amortization of the tenant improvements. Starting in year four the annual rent drops to $450,000 per year. The lease includes all services except security guards (maintenance, cleaning, landscaping, and utilities). Utility costs for this facility are somewhat higher than for a normal building of its size, as the storage areas must be maintained within very limited temperature and humidity ranges at all times.

* Because the lease started 10/16/00, GSA charged NARA for only 11 months rent in FY 2001.

24. For FY 2001, Congress provided $950,000 and 12 FTE to begin processing the records of the Clinton Administration, suggesting an average annual salary load of about $80,000 per FTE. For FY 2002, you are requesting $1,503,000 and 7 FTE to complete the staffing of the Clinton Presidential Library, suggesting an average annual salary load of about $215,000 per FTE. Provide an object class breakdown of both sets of funds. Describe what costs contribute to the apparent discrepancy of the data.

For FY 2001 the breakdown of the $950,000 is as follows:

Personnel Compensation	$602,000	an average of $50,000 per FTE
Relocation Costs	$323,000	
Other Contractual Services	$12,000	
Travel	$13,000	

For FY 2002 the breakdown of the $1,503,000 is as follows:

Personnel Compensation*	$540,000	an average of $77,000 per FTE
Transportation Costs	$25,000	
Communication Costs	$10,000	

Training	$10,000
Relocation Costs	$65,000
Other Contractual Services**	$694,000
Government Contracts	$62,000
Operation & Maintenance of Equipment	$81,000
Equipment Purchases	$16,000

*Includes the library director's position.
**Includes funding of the automated tracking and redaction system. This software has the capability to index, track, search, and redact classified and sensitive data. This tool will streamline the process of page-by-page review; thus, eliminating much of the labor associated with redacting records and speed the process.

25. **Provide a table showing the number of FTE associated with each of the Presidential Libraries for fiscal years 1999, 2000, 2001 (planned), and 2002 (planned).**

Library	1999	2000	2001	2002
Hoover	19	18	19	19
Roosevelt	22	23	25	25
Truman	31	32	34	34
Eisenhower	31	31	33	33
Kennedy	44	46	50	50
Johnson	25	26	28	28
Nixon	25	25	27	27
Ford	22	20	22	22
Carter	27	26	28	28
Reagan	26	23	24	24
Bush	29	28	30	30
Clinton	0	0	12	19
TOTAL	301	298	332	339

FTE includes Operating Expense positions and positions funded by the NARA Trust Fund.

26. **The FY02 budget request for the Clinton Presidential Library is almost $7.5 million. The FY02 budget requests for each of the other Presidential Libraries is less than $2 million. Why are the funding requirements for the Clinton Presidential Library more than 3 times that of the other Presidential Libraries? When do you anticipate the budget of the Clinton Presidential Library becoming more closely aligned to the budgets for the other Presidential Libraries?**

The Clinton Presidential Materials Collection is the largest collection of Presidential materials administered by NARA. The holdings of the Clinton Presidential Materials Project total approximately 67,000 cubic feet (equivalent to 50 long trailer loads). While the permanent library facility is being constructed, the Presidential records and other historical materials are located in an interim archival facility in Little Rock, Arkansas. The few years before the opening of any Presidential library are crucial to the future of that library. Fiscal years 2000, 2001, 2002,

and 2003 will serve as the catalyst for a successful opening. The funds in these years will provide the needed resources to set-up the temporary space. The FY 2002 funds requested, along with the other budget years prior to the opening, provide for the protection and preservation of the holdings of the Clinton Project. These funds provide for leasing the facility, physical alterations and additions, moving the records to the temporary space, and purchasing supplies and materials needed to transport the records. Also included in these years are such items as security services, various computer systems and databases, security clearances, personnel relocations, travel, furniture, hardware and software, supplies, shelving, telephone system, and personnel costs to staff the temporary facility. These funds also include the maintenance and upkeep of these systems.

Once the Clinton Library opens, its budget should be more closely aligned with the other established libraries, supporting staff library personnel, travel, and general operating costs associated with a functioning library.

27. What is the status of the construction of the actual Clinton Presidential Library? How many square feet will it be and how does this number compare with the size of other Presidential Libraries? When will the library be completed?

The Clinton Presidential Library Foundation has commissioned the architectural firm of Polshek Partnership LLP to design the future Clinton Presidential Center, which will include the Clinton Presidential Library. Based on the latest information from the architects, it is expected that design will be completed and a formal groundbreaking may occur by the end of this year. If the project progresses on a fast track, site work is likely to begin in 2002, substantial completion should occur in 2005, and NARA should take occupancy in 2005. NARA continues to provide technical guidance to the architects to ensure that our standards and program needs will be met in the new library facility.

As currently envisioned, the library facility to be provided by the Foundation to NARA will comprise roughly 68,000 occupiable square feet.

Other Presidential libraries administered by NARA vary greatly in size. The following list provides the approximate occupiable square feet maintained by NARA at each Presidential library:

Hoover: 34,767 sq. ft.
Roosevelt: 40,539 sq. ft.
Truman: 60,865 sq. ft.
Eisenhower: 81,466 sq. ft.
Kennedy: 120,981 sq. ft.
Johnson: 96,981
Ford Library and Museum (separate facilities): 70,791 sq. ft. combined
Carter: 63,721 sq. ft.
Reagan: 105,972 sq. ft.
Bush: 69,046 sq. ft.

Presidential Library Funding

28. In your FY 2001 budget justification (page 38), you estimated the FY 2001 funding level for the Presidential Materials Staff and the Planning and Direction function to be $814,000 and $1,221,000, respectively. In your FY 2002 budget justification (page 32) you estimate the FY 2001 funding level for these same items to be $1,241,000 and $1,976,000, respectively. Explain the apparent increase of more than $1 million total for these two items.

At the time the FY 2001 budget justification was prepared, all estimates were based on the latest information. We must redirect funds between program offices, from year-to-year, in accordance with our goals and objectives. The $1 million increase for these two program areas is solely the result of redirecting funding within the Office of Presidential Libraries. As this results in an increase in these program areas, it is offset by a decrease among the others. There is virtually no overall change in total program costs.

Archives Related Services

29. In your FY 2001 budget justification (page 42), you estimated that FY 2001 Program Direction associated with archives related services would be $1,328,000. In your FY 2002 budget justification (page 34), you estimate that the FY 2001 Program Direction associated with archives related services would be $1,950,000. Explain the apparent increase.

The increase in Program Direction is a matter of presentation. Archives Related Services receives 5 percent of the total Program Direction budget. In the FY 2001 budget justification we tried a new approach. The information technology costs that are normally spread from total Program Direction were spread "up-front" through the process of distributing other shared and uncontrollable costs. In the FY 2002 budget we realized that this was not the best approach and went back to adding the information technology costs to the total Program Direction budget and then spreading the total costs.

White House Records System and E-Mail Projects

On January 11, 2001, NARA entered into a memorandum of understanding with the Executive Office of the President concerning the continuation and completion, after January 20, 2001 of the tape restoration, 'multi-host,' and reformatting projects for Clinton-Gore Administration electronic mail records associated with the automatic records management system.

30. Briefly describe the purpose of the memorandum of understanding.

On January 20, 2001, all Presidential records of the Clinton administration came into the legal custody of the National Archives and Records Administration (NARA). Because processing of the electronic mail records of the administration was not complete by the end of the administration, these records must remain in the physical custody of the Executive Office of the President (EOP) until processing and preservation actions are complete. The Memorandum of Understanding was established to ensure that

1) "sole legal custody of all Clinton-Gore administration electronic mail records are governed by the Presidential Records Act" and,
2) the EOP would "complete the ongoing restoration and reformatting projects...associated with the Automated Records Management System (ARMS)."

31. Briefly describe the tape restoration project associated with the memorandum of understanding. What is the status of the project? When will it be complete? What FY 2001 costs are being incurred by NARA for this project?

The Tape Restoration Project processes backup tapes of email systems in the White House to obtain messages that were not included in the ARMS system because of various computer glitches. The project has successfully processed more than 4,500 tapes, and identified and restored more than three million messages from the 1995-1999 time period. The EOP is seeking a contractor to provide forensic restoration services for the remaining 200 tapes, which cannot be read by any current EOP equipment. The project cannot be completed until these tapes are processed or declared unrecoverable. NARA estimates that this will not occur this fiscal year. Because this project is funded by the EOP, NARA's FY 2001 costs related to this project should be under $100,000. These costs include searching the system in response to Congressional and court inquiries and ensuring the ongoing integrity of the data pending final delivery to NARA.

32. Briefly describe the "multi-host" project associated with the memorandum of understanding. What is the status of the project? When will it be complete? What FY 2001 costs are being incurred by NARA for this project?

The Multihost Anomaly repair project (MHA) processes backup tapes and other media to restore accurate messages to ARMS that were corrupted when originally processed into ARMS because of a computer glitch. The project has successfully processed more than 300 tapes, and identified and restored more than 700,000 messages from the April-May 2000 time period. The EOP is seeking a contractor to provide forensic restoration services for the remaining 35 tapes, which cannot be read by any current EOP equipment. The project cannot be completed until these tapes are processed or declared unrecoverable. NARA estimates that this will not occur this fiscal year. Because this project is funded by the EOP, NARA's FY 2001 costs related to this project should be under $50,000. These costs cover ensuring the ongoing integrity of the data pending final delivery to NARA.

33. Briefly describe the tape reformatting project associated with the memorandum of understanding. What is the status of the project? When will it be complete? What FY 2001 costs are being incurred by NARA for this project?

NARA entered into a separate MOU with the EOP in October 1999, to ensure that electronic records from ARMS are provided to NARA in a specified format for preservation processing by NARA. NARA has reviewed and provided guidance in response to tests of the tape reformatting process. To date, formal production of these has not begun. NARA does not expect this project to be completed until well into FY 2002 because some reformatting must occur after the completion of the TRP and MHA projects described above. NARA has reimbursed EOP $200,000 in FY 2000, and $300,000 in FY 2001 to accomplish this task.

34. Generally speaking, what records of the Clinton-Gore Administration constitute Presidential Records? Describe the legal custody of these records and NARA's responsibilities for responding to information requests and providing access to the Presidential Records.

Presidential records are defined by the Presidential Records Act (PRA) of 1978, 44 U.S.C. §§ 2201-2207 as:

> ...documentary materials, or any reasonably segregable portion thereof, created or received by the President, his immediate staff, or a unit or individual of the Executive Office of the President whose function is to advise and assist the President, in the course of conducting activities which relate to or have an effect upon the carrying out of the constitutional, statutory, or other official or ceremonial duties of the President.... (44 U.S.C. § 2201(2).)

The Presidential Records Act applies to all Presidential and Vice Presidential records created after January 20, 1981. These records can be in a variety of media, including textual, audiovisual, and electronic. The Clinton Presidential electronic records include those created on email systems (ARMS, NSC's email system), electronic databases, and office applications. The PRA applies to records created by components of the Executive Office of the President (EOP) that solely advise and assist the President. These components are not covered by the Federal Records Act. Even within the EOP, some components generate Federal records, while others generate Presidential records. The components of the Executive Office of the President that create Presidential records are: The White House Office, the Office of the Vice President, the Office of Policy Development, the Council of Economic Advisors, the President's Intelligence Oversight Board, the National Security Council, the President's Foreign Intelligence Advisory Board, and the National Economic Council.

The Archivist of the United States took legal custody of Clinton Presidential records and GoreVice-Presidential records on January 20, 2001. The Presidential Records Act establishes a process for restriction and public access to these records. Specifically, the PRA allows for public access to Presidential records, including through the Freedom of Information Act, beginning 5 years after the end of the Administration, but allows the President to invoke as many as six specific restrictions to public access for up to 12 years. The PRA also establishes procedures for Congress, courts, and subsequent Administrations to obtain special access to records that remain closed to the public, following a 30-day notice period to the former and current Presidents. NARA is currently involved in responding to special access requests from these entities.

35. Generally speaking, what records of the Clinton-Gore Administration constitute Federal Records? Describe the legal custody of these records. When will these records be formally accessioned into NARA?

The Federal records from the Clinton-Gore Administration include those from the Office of Administration, Office of Management and Budget, Office of the National Drug Control Policy, Office of Science and Technology Policy, Council on Environmental Quality, and Office of the United States Trade Representative as well as the many departments and agencies of the Executive Branch. Many of the electronic records of the White House offices are under the physical custody of NARA. The email records of these offices are still under the physical custody of the Executive Office of the President (EOP) as part of the Tape Restoration Project. All of these records remain under the legal custody of the EOP and will be in that status until they are formally accessioned into the holdings of NARA. Our processing plan calls for completion of accessioning of the electronic Federal records in FY 2002.

36. Provide a table showing NARA's costs associated with each aspect of this body of work for fiscal years 2000, 2001 (estimate), and 2002 (planned). Where are these resources located in your budget?

	FY 2000	FY 2001	FY 2002
TRP		$100,000	
Multihost Anomaly		$50,000	
Tape Reformatting	$200,000	$300,000	

The resources for the White House Records System and E-Mail Projects are located in the Program Direction sections of the Records Services and Archives Related Services activities. Funding is split 95 percent and 5 percent respectively.

37. Describe the relationship between the efforts referenced by this memorandum and the FY 2002 request for $1.135 million and 2 FTE to work with contractors on the preservation of White House records systems associated with the Clinton-Gore Administration.

The $1.135 million is proposed for development of a NARA system to store, preserve, and search the remaining electronic records of the Clinton administration. NARA has received these electronic records, but has no effective way to search these records in response to special access requests. The two FTE are intended as long-term operational and management support of all the systems of electronic records supporting the Clinton Library.

38. Where are these resources ($ and FTE) proposed to be specifically located in your budget and organizational structure?

All resources are proposed within the Office of Presidential Libraries budget, except one of the FTE will be designated as a system administrator in the Office of Human Resources and Information Services budget.

39. Inasmuch as this effort is aimed at records associated with the Clinton Presidential Library, why aren't the funds and FTE associated with the Clinton Presidential Library?

We are attempting to centralize information technology operations and preservation requirements associated with Presidential electronic systems in the DC area in an effort to share information technology services resources. All Clinton systems are physically located at Archives II in College Park, MD, with access provided to appropriate NARA staff through data telecommunications links. We intend to place additional systems supporting both current and future Presidential libraries in College Park as well. This will allow us to leverage our internal system administration and contract system operation resources most effectively. Therefore, all funds to support these operations are being placed in the central funds of the Office of Presidential Libraries.

40. If the main purpose of the $1.135 million effort is to provide a test-bed case for the electronic records archive, why aren't the funds and FTE associated with the electronic records archives effort?

The main purpose of the effort to build a searchable repository for the electronic records of the Clinton administration is so NARA can respond to special access requests effectively. We certainly expect our experience building this system to inform our development of ERA, but that is not the primary purpose of the effort.

Freedman's Bureau

41. What actions are being currently taken by NARA with respect to the records of the Freedman's Bureau? Where are the records located?

NARA has 1,155 cubic feet of textual records of the Bureau of Refugees, Freedmen, and Abandoned Lands (Freedmen's Bureau) in the National Archives Building in Washington, DC.

NARA's current actions on these records focus on two areas — preservation and access.

In the area of preservation: NARA is preparing the records of the Freedmen's Bureau field offices in Florida for microfilming. The preparation work involves confirming the identity of each recordkeeping system or records series, flattening any trifolded records, removing any staples and clips that may damage the records, reboxing records in acid-free boxes, and establishing the content of each roll of microfilm. The preparation work should be completed by July 1, when filming will begin. NARA is also preparing a descriptive pamphlet to accompany these records.

In the area of access: NARA is undertaking or has already completed a number of actions. NARA has recently published a reference information paper, entitled *Black Family Research*, that describes those Freedmen's Bureau records that are most useful for documenting the experience of individual African-Americans in the period immediately following the Civil War.

This publication is intended to introduce these valuable files to users who are new to archival research.

In the 1970s, NARA staff inventoried the records of the Freedmen's Bureau and published the result in four volumes as *Preliminary Inventory of the Records of the Bureau of Refugees, Freedmen, and Abandoned Lands, Washington Headquarters*, (1973) and *Preliminary Inventory of the Records of the Field Offices of the Bureau of Refugees, Freedmen, and Abandoned Lands*, (1973-74), consisting of Part 1, Alabama-Louisiana; Part 2, Maryland-South Carolina; and Part 3, Tennessee-Virginia and Records of the Field Offices of the Freedmen's Branch, Office of the Adjutant General, 1872-78. The supply of these finding aids has dwindled in recent years and, rather than just reprint them, NARA has decided to scan them to create electronic versions of the text that NARA can easily update, enhance, and use in a variety of ways. The scanning activity has presented challenges, but it is nearly 1/3 complete and NARA intends to finish it by October 1.

NARA is designing a series of web pages, which we hope will be posted by mid-summer, that will feature Freedmen's Bureau records. The pages will include digital images of typical records and explain how such records can be relevant to an individual's own personal family history.

Finding a Freedmen's Bureau record about a particular individual is difficult, because the records have never been indexed for this purpose. NARA recognizes both the desirability and the magnitude of such a project. Because it involves review of hundreds of thousands of potentially indexable documents, NARA has proposed that it be accomplished through partnership with non-government entities. NARA would facilitate the effort by providing indexing partners with microfilm and with run-time versions of a database for capturing index information. NARA has completed a pilot indexing effort covering Florida field office Applications for Rations of Freedmen.

42. What resources ($ and FTE) are currently being expended by NARA to preserve, safeguard, and enhance public access to the records of the Freedman's Bureau?

NARA is currently able to devote approximately 2 FTE to preservation and access activities associated with Freedman's Bureau records:

- Archivist (GS-13) who authored the Reference Information Paper, Black Family Research, and is compiling the descriptive pamphlet for the Florida microfilm.
- Archivist (GS-12) who is designing the web pages devoted to Freedmen's Bureau records.
- Archives specialist (GS-11) who is scanning, correcting, and enhancing the inventory finding aids created for Freedmen's Bureau records.

These NARA staff members work part-time on the Freedmen's Bureau records.

All work relating to preparation of the records for microfilming and entry of indexing information into the pilot database is being carried out for NARA by volunteers (approximately 25 overall) whose work is overseen by the archivists and archives specialist cited above.

Funds to cover the cost of filming the Florida field office records (about $10,000) have been provided to NARA by the University of Florida.

43. What is the status of the legislation to authorize NARA to use $3 million over a five-year period to microfilm the records of the Freedmen's Bureau, create a surname and locality index for the records of the Freedmen's Bureau, and put the index on line?

The Freedmen's Bureau Records Preservation Act, H.R. 5157, was passed by the 106th Congress and signed into law by the President Clinton on November 6, 2000. The Act is codified as Public Law 106-444.

Federal Register Electronic Systems

44. What are the specific functions and responsibilities of NARA with respect to the Federal Register?

The duties of the Administrative Committee of the Federal Register (ACFR) and the role of the Archivist as Chairman of the ACFR were established in 1935 under the Federal Register Act (FRA) 44 U.S.C. 1501–1511. The ACFR is a permanent executive/legislative branch authority charged with overseeing the functions of the Federal Register system, which includes publication of the *Federal Register,* the *Code of Federal Regulations* (CFR), *The United States Government Manual,* the *Public Papers of the Presidents* series, the *Weekly Compilation of Presidential Documents,* microfiche editions of the *Federal Register* and CFR, and online editions of all of the publications. ACFR members are the Archivist of the United States as Chairman, the Public Printer of the Government Printing Office, and a designee of the Attorney General. The Director of the Federal Register serves as Secretary of the Committee. The mission of the ACFR is to ensure that the legislative mandates of the Federal public information statutes (the FRA and the Administrative Procedure Act/Freedom of Information Act, 5 U.S.C. 551 – 559) are carried out by maintaining a uniform system for filing and publishing regulatory and Presidential documents and by guaranteeing public access to essential information. The ACFR also derives additional implied authority to provide online access to Federal Register publications from the GPO Access legislation, 44 U.S.C. 4101, and the Electronic Freedom of Information Act Amendments of 1996, Public Law 104-231; 110 Stat. 3048 (Approved Oct. 2, 1996). ACFR regulations are published in Title 1, Chapter I of the CFR. The Director of the Federal Register has day-to-day authority to implement and enforce ACFR regulations as "chief operating officer" of the Federal Register system under a general delegation of authority from the ACFR at 1 CFR 2.4. The ACFR's regulations are subject to the approval of the President, who has delegated this authority jointly to the Archivist and the Attorney General (E.O. 10530, Part V, 19 F.R. 2709). When the ACFR approves an amendment to its regulations in Title 1 of the CFR, the rule is signed by the Archivist (as Chairman) and by the ACFR members, and is also signed by the Archivist (as Archivist of the United States) and by the Attorney General under the authority delegated from the President.

45. What is the level of resources ($ and FTE, all sources of funds) that NARA uses for these functions? Identify the specific location within your budget of any of these resources that flow from direct appropriations.

The Federal Register is fully funded from direct appropriations. The estimate for FY 2001 is $6,063,000 and 62 FTE. Funding is located in the Federal Register section of the Archives and Related Services budget.

46. To what extent is NARA's traditional involvement with the Federal Register based on reimbursements from either the GPO, from the Federal agencies whose notices appear in the register, or from payments by customers who want to access the Federal Register?

No reimbursements are received from GPO or the Federal agencies whose notices appear in the Federal Register. No payments are received from customers who want to access the Federal Register.

47. If NARA receives reimbursements for its document and publications efforts related to the Federal Register, why aren't the requested funds being sought from added reimbursements from your federal and non-federal customers?

No reimbursements are received from GPO or the Federal agencies whose notices appear in the Federal Register. No payments are received from customers who want to access the Federal Register.

48. If approved, when would the project be complete? Provide a schedule of major milestones.

The Electronic Editing and Publishing System (eDOCS) is scheduled for full implementation by the end of FY 2003. In FY 2001 a blueprint for the system is being designed under a contract entered into by the Office of the Federal Register with Vredenburg, Inc. That blueprint will form the basis for the Statement of Work issued with a solicitation to build the system in FY 2002. In FY 2003 the new system will be fully tested and appropriate adjustments made to ensure its stability and completeness. Major milestones are as follows:

August 30, 2001 – Accept approved System Design Document
January 1, 2002 – Award contract to build eDOCS
September 30, 2002 – Complete installation of eDOCS software and hardware
January 1, 2003 – Complete switch-over to sole eDOCS production operations
September 30, 2003 – Complete all system adjustments required during testing

Electronic Access Project

49. Briefly describe this project.

By the end of FY 2003, NARA must automate certain public services to comply with the Government Paperwork Elimination Act (GPEA). These services were identified in the GPEA implementation plan NARA submitted to OMB in October 2000. The plan listed 49 types of

transactions conducted with the public and other agencies that could be offered on our web site. Of these, seven are already fully automated. In addition, GPEA requires that the following six types of transactions be automated by 2003:

- Agency request to accession records into records centers
- Researcher makes reference request
- Researcher provided copies of holdings
- Customer purchases merchandise
- Public views exhibit
- Public attends event

To date, NARA has already placed more than 12,000 pages on our web site, which includes some 125,000 archival documents through the Electronic Access Project. However, all of these are static HTML pages, which use a basic technology that has changed little in the past five years.

To automate these services, we must add functionality that goes well beyond static pages. These services will require web forms, dynamic pages that are assembled in response to user input and business rules, the ability to store and retrieve data, the ability to place orders and make payments, multimedia streaming, and the processing and bandwidth capacity to support these enhanced web services.

With the exception of our employee locator page and our site search engine, our web site has no dynamic pages and no capability to process data, application logic, payment authorizations or multimedia because the necessary infrastructure is not in place. Furthermore, the existing infrastructure cannot scale to meet the increased demands that would be placed on it if these services were added.

50. Provide a table showing the resources ($ and FTE) of this project for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate).

These dollars (below) represent the web content initiative only. The new requirements levied by GPEA do not come into play until 2002, and are represented in the 2002 budget request.

	FTE	Resources	Purpose
FY 1998	1.5	$260,000	Operations contractor; tools/servers
FY 1999	1.5	$574,899	Operations contractor; tools/servers
FY 2000	1.5	$311,922	Operations contractor; tools/servers; web design contractor
FY 2001	11	$811,024	Operations contractor; tools/servers; web design contractor
FY 2002	11	$825,000	Operations contractor; tools/servers; web design contractor

51. For FY 2001, Congress provided $1.3 million and 10 FTE for web site work and $0.3 million to acquire contractor support for NARA data administration program. Describe the status of this work. What has been accomplished and what will be accomplished?

Prior to receiving the FY 2001 funds, NARA had 1.5 FTE dedicated to web design and content development, this included managing a web design contract. The content for the site was being done on an ad hoc basis by program staff throughout the agency on a part-time basis. This created a situation where the accuracy, completeness, consistency, and timeliness of the information became questionable. In FY 2001, we have been able to dedicate an experienced web staff to content development and design. This has enabled us to improve the quality of the content, update information regularly, standardize processes, and work more successfully with program staff and our web design contractors. By the end of FY 2001, we will have standardized processes for web content management, evaluated and improved the content, centralized all web development to ensure the quality of the information, and redesigned our site to improve navigation, making information more accessible and easier to find.

NARA put together its first agency-wide Data Administration (DA) Program Plan in FY 1999. Prior to this effort, data administration was handled on a system-by-system basis. As part of the Systems Architecture, there was a need to create a target data architecture that would provide quality data that could be shared across information technology systems. As a result, the DA program was created. In FY 2001, the accomplishments will include a documented baseline data architecture which included the data analysis of over 30 information technology systems and 400 forms, the creation of an enterprise data model, and standard processes for capturing data information as part of the systems lifecycle. In addition, data administration policies, guidelines, and procedures have been updated to align with the systems development lifecycle.

52. For FY 2002, NARA is requesting almost $5 million and 8 FTE to fully develop an integrated NARA website. Are these FTE in addition to the 10 FTE provided for FY 2001? What added capabilities would an additional 8 FTE bring to the effort?

Yes, these FTE are an addition to the base. While the FY 2001 budget request focused on design and content, the FY 2002 request focuses on applying information technology to support the additional requirements of GPEA. Currently, our web site is comprised exclusively of static pages. As part of GPEA, our web site must support on-line ordering, electronic forms, access to databases, and webcasting. We cannot provide these products and services online without establishing an infrastructure to support them. An IT project will establish the infrastructure that will allow us to track updates and ensure privacy, security, and records management capabilities while improving efficiency in maintaining the web site. This level of infrastructure planning, testing, and implementation becomes more important as we rely on the web to conduct business.

Because most of this work will be accomplished with contractor support, the new FTEs will establish a on-going core technical government team to manage the business process design for on-line ordering and to evaluate and implement the web architecture required for e-business and webcasting, as well as the project management skills to establish requirements and evaluate

technical alternatives, and monitor the on-going development, enhancements, and operations of the system.

53. Is the almost $5 million requested for FY 2002 in addition to what was provided for FY 2001? What added benefits will this funding provide?

The budget in FY 2001 was used strictly to centralize and improve web content and design; it was not used for improvement to the technical capabilities of the web site. We have taken a very conservative approach to the services that we offer via the web. Currently our web site has no web forms, no dynamic pages that are assembled response to user input and business rules, no capability to process data, no capability to process application logic, no capability to process payment authorizations, and little multimedia capability. Our site consists of static pages, which makes it difficult to extend to dynamic interactions with on-line users.

The request for FY 2002 will be used to provide the hardware, software and services that are required to comply with GPEA. This IT project will be done with contractor support to do the business process redesign required for on-line ordering, and will evaluate and implement the web architecture required for on-line ordering, electronic forms, access to databases, and webcasting. The FTEs will be used to manage and monitor the contractor efforts and to ultimately manage the operations of the resulting systems and processes.

This funding will improve customer service by providing on-line capabilities to:

- Federal agencies to accession records in our records centers;
- Researchers to make reference requests and order copies of records;
- Customers to purchase merchandise;
- Public to view exhibits; and
- Public to attend events

It will provide the infrastructure and tools required to ensure accessibility, privacy and security.

54. What would be the impact of not providing the funds and FTE requested for FY 2002 but allowing NARA to retain the funds and FTE provided for FY 2001?

We will not have the hardware, software, services or the capability to comply with the requirements of GPEA, as outlined in our GPEA plan submitted to OMB in October 2000. Specifically, our web site has no web forms, no dynamic pages that are assembled response to user input and business rules, no capability to process data, no capability to process application logic, no capability to process payment authorizations, and little multimedia capability. These are required to conduct e-business.

55. Does your FY 2002 request represent the last increase you will request for your web work? What is the optimum long-term steady-state funding and FTE level for your web work? When do you think you will request sufficient funds to sustain the appropriate level of effort for your web work?

By mid 2004, we will have assessed the effects of GPEA: of providing on-line ordering of our products and services. With this experience we will understand the actual (as opposed to estimated) costs of the technical infrastructure required to operate and maintain our web site at service levels that support GPEA initiatives and our customers' growing demands.

REPAIRS AND RESTORATION

Main Building Renovations

56. What is the status of the renovation project? When will it be complete?

The renovation of the National Archives Building is proceeding on schedule. The design effort, which started in December 1998, was completed in March 2001, two months behind schedule. However, the award of the construction contract for the full renovation occurred in April 2001, on schedule. The construction activities actually started in February 2000 when the first construction contract was awarded to construct the swing space and start the interior demolition. In the fifteen months since that first construction award, five additional construction contracts have been awarded for specific aspects of the renovation, culminating in the full renovation contract just awarded in April 2001.

The construction projects awarded to date are:
1. Swing Space and Demolition - February 2000 - $5.8 million
2. Fiber Optic Lighting for Charters of Freedom and Rotunda - May 2000 - $1 million
3. Security Vault and Retraction for Charters of Freedom - June 2000 - $1.5 million
4. Mural Restoration - October 2000 - $2.5 million (private donations and grants)
5. Electrical Vault Construction - November 2000 - $2.5 million
6. Main Renovation - April 2001 - $75.8 million

The projected completion date of all of the construction work remains the summer of 2004. The work in the Rotunda and public spaces, all part of the Main Renovation project, is scheduled to be completed by September 2003, permitting the re-opening of the Rotunda and the re-display of the newly encased and conserved Charters of Freedom. The Rotunda and the Charters of Freedom will be fully accessible to the disabled when they re-open.

57. What is the status of efforts to gain private partners for the Charter Murals, the Constitution Avenue Theatre, and the American Idea permanent exhibit?

Supported by the National Archives Development Staff, the Archivist is leading the National Archives staff and the Board of the Foundation for the National Archives to identify, cultivate, and solicit private partners to meet these goals, now folded into the total *National Archives Experience*. In this reporting period, the Archivist has encouraged the Foundation Board which has responded positively to assume responsibility to help meet this capital goal and to continue to support *The National Archives Experience* after the Rotunda reopens in 2003.

Charter Murals

Funding for the $2.4 million to conserve the Charter murals has been secured. It includes both cash gifts and documented pledges that now are being completed.

Constitution Avenue Theater and the American Idea Permanent Exhibit

Since the inception of this effort, these objectives have been folded into *The National Archives Experience*, with the theater and permanent exhibit its two principal objectives.

To launch a campaign that, to be successful, must secure 30-50% in leadership gifts, the Archivist with the NARA Development Staff has been working to expand the Foundation Board with members who have the capacity of make these core gifts. Using proven effective campaign protocol, the Archivist, with support from staff and concurrence of the National Archives internal executive Leadership Team is leading the following activities:

- Deepening the Foundation for the National Archives Board's personal engagement in the effort that will secure their personal and financial commitment.
- Identifying and cultivating prospects who have the capacity to give to prepare them to respond positively to a solicitation. Activities include visits, sessions at the National Archives, consultations to set the vision for the final *National Archives Experience* product, and functions specifically designed to cultivate them for their financial support.
- Contracting with a fundraising counsel—George Brakeley, Chairman of Brakeley, John Price Jones—to guide us and assure we keep to the campaign timetable. His counsel will help the Board understand its responsibilities and organize our efforts to engage our most significant prospects to make the gifts that will meet the campaign goals. George Brakeley will begin in June 2001. His immediate tasks are to work with the Board and conduct the campaign assessment that will enable us to proceed confidently.
- Purchasing a donor-record system that will support a campaign and ongoing development program.
- Building internally a prospect list for cultivation and timely solicitation.

58. What is the status of your plans for displaying the Charters of Freedom while the renovation is underway? When will the Charters of Freedom be back on display in the Main Archives Building? What other traveling exhibits will NARA sponsor during the renovation?

This July, the Declaration of Independence, Constitution, and Bill of Rights will be removed from display at the National Archives Building on Constitution Avenue and sent to our facility in College Park, Maryland. They will receive conservation treatment and rehousing in newly designed state of the art encasements being constructed for them at the National Institute of Science and Technology (NIST). After very careful consideration of all the options, we decided that it would be impossible to provide adequate security and physical protection for them to be exhibited while the Rotunda is under renovation. A major portion of the renovation is dedicated to ensuring that the Charters have a secure and safe environment for long-term exhibit and preservation. Exhibition in the interim would compromise the safety of the documents and

provide conditions substantially less protective than those they have currently and those that will exist following renovation. We are very sensitive to the issue of public access to the documents. On June 12 we will launch a new door to our web site ("www.archives.gov") that is centered around easy access to the on-line Charters of Freedom exhibit and include new information and activities related to the Charters. This summer, the Reagan Library will open an exhibit featuring the Dunlap broadside of the Declaration of Independence, on loan from the Lear Family Foundation. We will facilitate the tour of the broadside through seven other Presidential libraries.

The Charters of Freedom are scheduled to be back on display in the fall of 2003. An exact date will be set when we have had an opportunity to review contractor progress at the end of this year.

The major traveling exhibit, *American Originals*, will launch its eight-city tour in New York in October. Other venues include Chicago, Columbus, Atlanta, Kansas City, San Antonio, Los Angeles and Hartford. The exhibit features a rotation of landmark documents, including a rare tour of the **Emancipation Proclamation**, which represent the diversity of holdings in the National Archives.

The exhibit, *Picturing the Century*, featuring one hundred years of Federal photography, is scheduled to go on tour this fall as well.

In addition to full scale traveling exhibits, we anticipate an increase in our loans of important historic documents to museums around the country, for the celebration of national events. We have already entered into a Memorandum of Understanding with the Lewis and Clark Bicentennial Commission. We expect to provide support for their exhibits during this period. Similarly, we are planning the loan of documents to the states of Louisiana, Arkansas and Missouri for their respective celebrations of the Louisiana Purchase.

Southeast Regional Archives Center

For FY 2001, Congress provided $1.5 million for building design and design management related activities for a new Southeast Regional Archives facility in Georgia.

59. What is the status of the design effort? How large a facility is being designed? What are the main features of the facility being designed?

There are several design-related activities currently underway. We have begun an environmental assessment of a proposed site that should be completed by August 2001. Simultaneously, we have proceeded with the concept design phase of the project. A review of the concept design is currently underway. We are scheduled to begin the design development phase in June.

We anticipate that the design will include a facility approximately 110,000 gross square feet in size. It will include stack space to accommodate approximately 230,000 cubic feet of permanently valuable records. It will also provide space for microfilm research; textual research; conference and meeting space for special programs; cold storage; and staff office space.

60. What are the construction costs and related costs associated with this project? Provide a detailed breakdown of these costs, including all costs not included in the $1.5 million provided during FY 2001.

As the building design and environmental assessment of the proposed site for the Southeast regional archives facility has not been completed, it would be premature to provide an official estimate at this time. The President's FY 2002 budget does not include funds for construction.

61. Did NARA request these funds from OMB for inclusion in its FY 2002 budget request? Why are these funds not included in NARA's FY 2002 budget request?

The National Archives and Records Administration budget was determined in light of the overall requirements and priorities of the Government, according to the guidelines issued by the President.

62. What will be the impact of not providing these funds for FY 2002? What are the disadvantages associated in delaying the funding for another year?

The current facility is a World War II warehouse that provides inadequate storage conditions for both temporary and archival records. We are in the process of vacating the temporary records from the East Point facility to another records facility suitable for storing temporary records. The archival records will also need to be removed from this inadequate facility. Nevertheless, for the FY 2002 budget the National Archives and Records Administration budget had to be determined in view of the overall requirements and priorities of the Government, according to the guidelines issued by the President.

NHPRC GRANTS

Your budget request includes a $2 million reduction (more than 30 percent cut) to the National Historic Publications and Records Commission grants program.

63. Briefly describe the program. What numbers of grants are awarded annually? What are the average grant size, the smallest grant size, and the largest grant size? What types of organizations compete for the grants? What is the process by which grants are determined?

The National Historical Publications and Records Commission (NHPRC), a statutory body administered by the National Archives and Records Administration, supports a wide range of activities to preserve, publish, and to promote widespread public access to documentary sources related to the history of the United States. Established by the Congress in 1934, the Commission is a 15-member body, chaired by the Archivist of the United States, and composed of representatives of the three branches of the Federal Government and of professional associations of archivists, historians, documentary editors, and records administrators.

NHPRC is the only grantmaking agency, public or private, whose only focus is the American documentary record. NHPRC is the funder of choice for small or first-time applicants for Federal assistance in the historical and archival communities. This is because the NHPRC staff offers considerable assistance to all potential applicants prior to the proposal submission deadline. Applicants have indicated that this assistance, in itself, constitutes yet another kind of Federal assistance.

NHPRC provides an essential – and, thus far, reliable – core of support for documentary editions projects which publish the papers of the Founding Fathers and such significant Americans as Andrew Jackson, Abraham Lincoln, Dwight D. Eisenhower, Jefferson Davis, Gen. Nathaniel Greene, John C. Calhoun, Samuel Gompers, Gen. George C. Marshall, Eleanor Roosevelt, Robert A. Taft, Martin Luther King, Jr., Susan B. Anthony and Elizabeth Cady Stanton. NHPRC partners with the states in developing a national archival infrastructure and supports state and local archival programs. This assistance includes a regrant program which generates matching funds, mostly from state legislatures, and reaches organizations not usually touched by the Commission's or other Federal programs. It annually involves greater and greater numbers of individuals and organizations in a concerted effort to safeguard the nation's records.

In recent years between 90 and 100 grants are awarded annually ranging from four-figure to mid six-figure amounts. The average grant size in FY 1999 and FY 2000, excluding larger grants earmarked by Congress, was $65,100. Grants are awarded to state and local governments and archives, colleges and universities, libraries, historical societies, and other non-profit organizations. The grant-making process entails state level review by historical advisory boards, peer review, followed by review by the Commission. Grants to states for "re-grant" funding go through the same Commission review process and are awarded competitively to the states. The states in turn grant these funds to worthy projects on a competitive basis. All projects are judged according to law, regulation, and a stringent set of guidelines published by the Commission.

64. Did NARA recommend a decrease in this program to OMB?

The National Archives and Records Administration (NARA) budget was determined in light of the overall requirements and priorities of the Government, according to the guidelines issued by the President. Individual line items within NARA's budget funded important, but competing priorities. As a result, funding for some programs was reduced to fund higher priority activities within NARA. For example, the Operating Expenses account in NARA received a sizeable increase for an important initiative for our future, the Electronic Records Archives. Thus, while the President's budget was able to sustain some funding for the NHPRC, a reduction from the FY 2001 level was necessary.

65. Why is this program targeted for such a relatively large decrease?

The National Archives and Records Administration (NARA) budget was determined in light of the overall requirements and priorities of the Government, according to the guidelines issued by the President. Individual line items within NARA's budget funded important, but competing priorities. As a result, funding for some programs was reduced to fund higher priority activities within NARA. For example, the Operating Expenses account in NARA received a sizeable

increase for an important initiative for our future, the Electronic Records Archives. Thus, while the President's budget was able to sustain some funding for the NHPRC, a reduction from the FY 2001 level was necessary.

66. Describe the impact of the reduction.

The proposed FY 2002 budget will fund fewer NHPRC grants at a time.

REVOLVING FUND

According to your first-quarter report for Fiscal Year 2001, the revolving fund lost $580,000 for this period, agencies remained slow in signing and funding records agreements, and the fund had $4.5 million in overdue billings at the close of the quarter.

67. How serious are these problems? Is the fund solvent? Will the fund work as anticipated?

Our cash position has been as low as $5 million during the current fiscal year due to slower than expected collections from the Department of Defense and their agencies. We are working to speed up both our billing and collection processes through operational improvements and follow up calls with DoD agencies. However, unless we are able to resolve our billing and collection problems, we have a limited ability to finance management system improvements and shelving for facility expansion necessary to meet customer expectations within our existing corpus.

Yes, the fund is solvent. Although the fund suffered a loss during the first quarter, our second quarter operations resulted in a net profit of more than $1 million. Our experience indicates that we have significant revenue increases in the second quarter that quickly offset the negative first quarter operating results. For FY 2001 we are currently projecting an operating profit similar to FY 2000 of about $1million.

We have no reason to believe that the Fund will not work as anticipated if DoD billing and collection problems can be resolved.

68. Provide a table showing for each major federal customer the amount of storage during FY 2000, FY 2001 (estimate), FY 2002 (estimate), and whether the customer has signed and funded an agreement for FY 2001.

Billing and Agreement Information
Top 15 Customers

Agreement	FY00 Total Revenue	FY01 Total Estimate	FY02 Total Estimate*	FY01 IAA Status **
Internal Revenue Service (Treasury)	$21,895,702.55	$25,873,269.00	$25,873,269.00	Unsigned
Department of the Army (DOD)	$14,307,701.77	$15,786,391.27	$15,991,631.69	Unsigned
Department of the Navy (DOD)	$ 8,690,950.04	$ 9,506,316.42	$10,987,762.17	Unsigned
Courts	$ 5,091,667.85	$ 5,280,720.30	$ 5,280,720.30	Unsigned
United States Air Force (DOD)	$ 5,090,597.63	$ 5,408,478.05	$ 5,550,897.81	Unsigned
Veterans Benefits Administration (DVA)	$ 4,244,872.14	$ 4,452,000.00	$ 4,452,000.00	Signed
Office of Personnel Management	$ 2,949,310.07	$ 2,907,411.25	$ 2,907,411.25	Signed
Veteran Health Administration (DVA)	$ 2,740,894.29	$ 2,079,208.48	$ 2,079,208.48	Signed
Social Security Administration	$ 2,534,768.18	$ 3,164,266.00	$ 3,164,266.00	Signed
Housing and Urban Development	$ 2,404,430.08	$ 2,500,000.00	$ 2,500,000.00	Signed
Department of Justice	$ 2,082,291.97	$ 2,142,566.58	$ 2,142,566.58	Signed
Immigration & Naturalization Service (DOJ)	$ 2,031,880.13	$ 2,100,966.76	$ 2,100,966.76	Signed
NARA Trust Fund	$ 1,577,251.63	$ 1,580,000.00	$ 1,580,000.00	Signed
Health Care Financing Administration (HHS)	$ 1,492,315.79	$ 1,542,000.00	$ 1,542,000.00	Signed
Financial Management Service (Treasury)	$ 1,122,720.48	$ 1,171,227.78	$ 1,171,227.78	Signed

* Except for the DoD, NARA and the customer agencies are currently in the process of generating FY 2002 cost estimates.
** NARA permitted to process billings pending signature of Interagency Agreement.

69. Are any additional Congressional actions necessary to assist in the recovery of overdue receivables?

During the first quarter of this fiscal year, many of our customers were slow to sign agreements, thereby hampering the billing and collection process. Once signed, however, a majority of our customers allowed the Records Center Revolving Fund to use the Online Payment and Collection (OPAC) to process our monthly billings, eliminating many of our accounts receivable balances. While the Department of Defense does comprise the majority of our outstanding accounts receivable balances, if DoD implements OPAC (it currently does not use the system), we anticipate that these outstanding balances will be resolved. We are working internally within the Administration to reach this goal.

70. A. Briefly describe your plans to alleviate storage needs at several facilities.

Short-term, NARA has taken two steps to meet its storage needs. In the Southeast Region, NARA signed an occupancy agreement for a temporary facility in Birmingham, Alabama. This 250,000 cubic foot (approx.) facility will provide relief to the Southeast Region's customers while a replacement records center is built in the Atlanta area. In the Great Plains Region, NARA will occupy two additional bays in its Lee's Summit facility. The additional 460,000 cubic feet (approx.) of capacity will alleviate nationwide storage needs while we bring new facilities into operation over the next several years. NARA is also evaluating space opportunities in Fort Worth and Philadelphia. These actions will allow NARA to meet its customers' needs while new building construction takes place in several parts of the country.

Longer-term, NARA will shortly sign agreements with GSA to acquire new space in the Dayton, Ohio area. This additional capacity will allow NARA to accommodate an IRS reorganization that will result in increased records retirement volumes to the Dayton Records Center. This building should be operational in late FY 2002. Planning work continues for a new Atlanta Records Center. NARA is developing concept documents for 15 foot and 21 foot shelving configurations to support a new advertisement for solicitations in the Atlanta area. This building will be operational in FY 2003. In the next several months, NARA expects to enter into contractual agreements to build or lease a new and expanded facility in the Denver area for the Rocky Mountain Region. In addition to providing additional capacity for existing growth, this replacement facility will also address long-term concerns about the existing facility and provide additional capacity required by the IRS reorganization. This building should be operational in FY 2004. Beyond the Atlanta, Dayton, and Denver projects, NARA will also develop solutions in the next 12 to 18 months to address longstanding issues at the Laguna Niguel and Fort Worth records center facilities. The Laguna Niguel and Fort Worth facilities will not meet FY 2009 facility standards; replacement planning will begin shortly to meet the FY 2009 deadline.

B. Briefly describe the results of the independent analysis of your facilities.

NARA contracted with Peck Peck & Associates to conduct facility compliance assessments of most of the Federal Records Centers. Seven assessments have been completed, and four more are in progress. We have not scheduled assessments for five facilities (FRC Atlanta, Military Personnel Records Center, St. Louis, FRC Fort Worth, FRC Denver, and FRC Laguna Niguel CA). As noted above, we have plans underway to replace the FRCs in Atlanta and Denver, and expect to begin action shortly to replace the FRCs in Fort Worth and Laguna Niguel. We also must replace the Military Personnel Records Center.

The seven assessments completed to date confirmed our belief that the facilities are substantially in compliance with our current facility standards, but significant work may be required to meet the environmental requirements that will become effective October 1, 2009. The few problems identified in the assessments as less than full compliance with the current standards are mostly of a maintenance or operational nature, and can be resolved without major effort. (Removing records from under HVAC equipment, repairing penetrations in fire walls, relocating shelving to meet exit requirements, etc.). The most significant problems with compliance with the standards that become effective in 2009 include relocation of HVAC and plumbing to reduce the potential for water damage to records and installing new HVAC systems that can maintain appropriate HVAC conditions for permanent records.

PUBLIC RELATIONS

71. Does the National Archives and Records Administration have a standard definition of what actions and functions constitute public relations-type activities (as differentiated from a public response-type activity, such as answering phone calls)? If so, what is it?

NARA uses OPM's definition as a guideline for its public affairs functions. Applied to the mission of the National Archives and Records Administration, the public affairs staff alerts the public, through the media, to openings, recent declassifications, and new accessions of materials into the National Archives. The staff also publicizes new exhibitions, such as "Treasures of Congress" and "American Originals," that highlight original documents relating to American history.

72. Using a standardized definition, what total level of funding within each account of NARA (all sources of funds) is devoted to public relations-type activities?

The total annual funding for the six public affairs positions, nationwide, is $260,206 for Direct Operating Expenses, $37,494 for funding from the Trust Fund, and $52,751 for funding from the Revolving Fund.

73. Using a standardized definition, how many positions within each part of NARA are devoted to public relations-type activities?

The National Archives and Records Administration in Washington, D.C. has two full-time public affairs positions. Nationwide, the Presidential library system has four full-time public affairs positions.

74. For each part of NARA, list the geographic locations where these positions are located and the number of positions at each geographic location.

Beyond the two positions in Washington, D.C., there is one position at the Herbert Hoover Library in West Branch, Iowa; one position at the Dwight Eisenhower Library in Abilene, Kansas; one position at the John F. Kennedy Library in Boston, Massachusetts; and one position at the Jimmy Carter Library in Atlanta, Georgia.

GUIDANCE REGARDING LIMITED ENGLISH PROFICIENCY

75. Has the National Archives and Records Administration issued policy guidance for recipients of federal financial assistance as pertaining to limited English proficiency and Title VI of the Civil Rights Act of 1964?

The Department of Justice has approved our guidance, but we have not yet published it in the Federal Register.

76. If not, does NARA have any plans to issue such guidance and/or develop regulations concerning this topic?

Yes, we will be publishing our guidance in the Federal Register. Changes will be made to our regulations covering the National Historical Publications and Records Commission (NHPRC) to reflect the limited English proficiency (LEP) guidance.

77. If so, provide a copy of the guidance for the record.

A copy of our guidance is attached. Attachment 3.

78. Does the policy guidance create new obligations for recipients?

Yes, in certain circumstances current and future NHPRC grantees will be required to address how they will provide reasonable access to persons with LEP.

79. Does the policy guidance incorporate regulations or involve the issuing of regulations?

No, the guidance does not incorporate regulations. However, slight changes will be made to our existing regulations covering the NHPRC.

80. Does NARA feel that it already has "implementing regulations" for this specific (external) topic? If so, what are they and to what extent are these regulations specific to NARA? What specific statutory authority has been provided NARA to externally implement any part of Title VI?

No, NARA has not issued implementing regulations. NARA has no specific statutory authority to implement any part of Title VI other than the authority provided by Title VI.

81. Does NARA have any specific regulations (implementing or otherwise) of its own on this topic? If so, provide a copy of the regulations for the record. If not, is NARA planning to issue regulations on this topic? If so, what is the status of those plans? When will these regulations be issued?

No, NARA does not have specific regulations on this topic. We will make changes to our regulations for the NHPRC and expect to publish a proposed rule by the end of the summer.

82. What specific actions are required on the part of recipients of Federal financial assistance through this policy guidance?

Recipients will apply the four-factor analysis to decide what steps are necessary and reasonable to provide meaningful access to their programs and activities for persons with LEP. Once the recipient has identified what language services, if any, are reasonable, the recipient will prepare a written policy on language assistance for persons with LEP.

83. What specific programs does NARA administer that provides federal financial assistance to non-Federal recipients?

The National Historical Publications and Records Commission (NHPRC).

84. Provide a table listing all NARA programs and accounts that provide federal financial assistance and showing for fiscal years 1998, 1999, 2000, 2001 (estimate),

and 2002 (estimate) the amount of federal financial assistance provided and the total program or account funding levels (reference all sources of funds).

See attached table. Attachment 4.

85. Provide a table listing for these NARA programs and accounts the number of individual persons, companies, or institutions that received federal financial assistance and the total value of that assistance for fiscal years 1999, 2000, 2001 (estimate), and 2002 (estimate).

See attached table. Attachment 4.

86. Describe the kinds of specific actions (including hiring and training staff) and the related costs that will be incurred by persons, companies, or institutions in order for them to comply with the policy guidance.

NHPRC grant applicants will be required to identify in their grant proposals instances where, when weighing the four-factor analysis outlined in DOJ's LEP guidance, they would provide access to their programs by individuals with LEP. Existing grantees may also have to modify their programs based on the four-factor analysis.

87. Provide a table that shows estimated costs that will be incurred by small, medium, and large non-Federal entities as a result of following the guidance for each of the specific actions described above.

We cannot estimate costs that would be incurred by our grant entities because no LEP individuals have been identified in these programs thus far.

88. Will NARA enforce compliance of its policy guidance and/or regulations among its recipients of federal financial assistance? What specific authority does NARA have for enforcing compliance?

36 CFR 1210.62 identifies enforcement provisions for NHPRC grants. Currently, it does not include enforcement provisions regarding LEP programs. Upcoming revisions to our regulations will include enforcement provisions for these programs.

89. What specific group within NARA will enforce compliance? What are the specific resources associated with this group for fiscal years 1999, 2000, 2001 (estimate), and 2002 (planned)? Where are the associated FTE geographically located?

NHPRC, with assistance from our General Counsel's office, will enforce compliance. Resources for this activity are minimal.

90. What specific resources ($ and FTE) will it take to enforce compliance? Provide a breakout of the expenses including travel, training, and specific contracting services.

No additional resources will be required to enforce compliance.

91. What specific factors will be used to determine compliance? What process will be used to determine compliance?

Grantees are required to submit a narrative progress report every six months. For those recipients who have an LEP component in their program, NHPRC will require them to report on their LEP activities during each reporting period.

92. Provide a breakout of the total costs ($) expected to be incurred by non-Federal recipients of Federal financial assistance in responding to and supplying materials for the NARA assessment and compliance efforts.

We cannot estimate costs that would be incurred by our grant entities because no LEP individuals have been identified in these programs thus far.

93. What, if any, resources ($ and FTE) are being devoted in FY 2001 and will be devoted in FY 2002 for providing technical assistance? What training needs are associated with this effort? Where are these funds specifically located in your current and proposed budgets? Where are these FTE specifically located within NARA's the organizational structure?

None.

94. What cost-benefit analysis has been done to justify these costs for technical assistance? What group(s) performed the analysis? Provide a copy of the cost-benefit analysis for the record.

None.

95. Provide a table estimating the total new or added costs (including hiring and training staff) that are being or will be incurred by NARA (by impacted account) and the new or added costs that will be incurred by persons, companies, or institutions receiving federal financial assistance from each as a result of their compliance with the policy guidance.

None that we can identify.

96. Has NARA solicited comments about the policy guidance? If so, describe the comments NARA has received concerning the policy guidance.

No. We expect the guidance to be published in the Federal Register at which time the public will have 60 days to comment.

97. What legal standing does the policy guidance have?

NARA's LEP guidance is not enforceable at law. The guidance imposes no requirements on NHPRC grant recipients, nor does it impose a penalty for failure to follow the guidance. Rather, the guidance encourages grant recipients to take reasonable steps to ensure they provide meaningful access to its programs and activities to LEP persons.

98. What is the impact of the recent Supreme Court ruling in Alexander v Sandoval on NARA's plans to develop, implement, or enforce this policy guidance?

This ruling has no effect on NARA's LEP guidance.

99. What plans are being developed by NARA to reprogram or transfer funds during FY 2001 for the purposes of meeting the resource requirements related to this policy guidance?

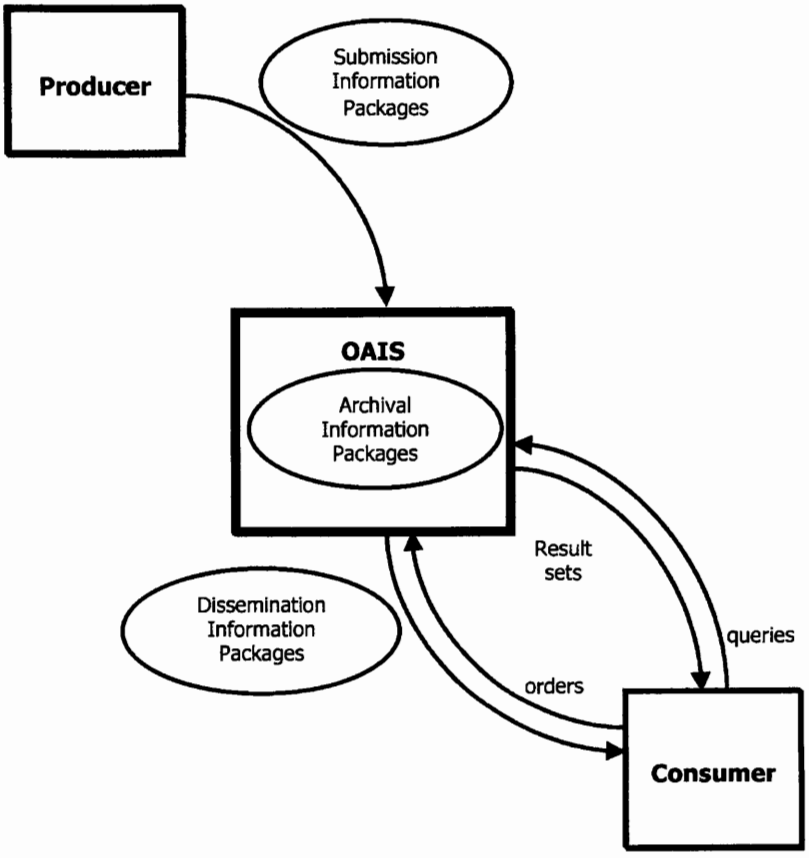
No plans are being developed to reprogram or transfer funds.

100. What plans are being developed by the Administration to submit a budget amendment for the purposes of meeting the FY 2002 resource requirements related to this policy guidance?

We know of no plans to submit a budget amendment.

Attachment 1 Questions 12 and 17 All dollars in thousands	Item	Category	FY 2002 Budget Requested Increase	Proposed Application of Base in FY 2002	Total Estimated FY 2002 Resources Available	Base FTE	FY 2002 Requested FTE	TOTAL FTE
1. Applied Research, Engineering and Demonstration Systems	1	National Science Foundation (NSF) / National Partnership for Advanced Computational Infrastructure (NPACI) / San Diego Supercomputer Center (SDSC)		0	4,000			
	2	Army Research Laboratory (ARL)/Georgia Tech Research Institute (GTRI)		0	1,000			
	3	Open Archival Information System (OAIS)/Consultative Committee on Space Data Systems (CCSDS)		0	25			
	4	Electronic Records Archives Collaborations		0	28			
CATEGORY TOTAL			**5,100**	**0**	**5,053**			
2. Electronic Records Archives Program Management	5	Government Personnel		1,202	1,778	8	8	16
	6	Contractor Personnel		500	4,291			
	7	Office Supplies		0	47			
	8	Workstations (PCs)		0	210			
	9	PMO Software, Upgrades, and Maintenance		0	100			
	10	Training		0	50			
	11	Travel		0	54			
	12	Furniture		0	126			
CATEGORY TOTAL			**4,550**	**1,702**	**6,656**	**8**	**8**	**16**
3. Initial Electronic Records Archives Program Process Design and Concept Development	13	Pre-Concept Work		0	296			
	14	ERA Business Development Activity		0	1,164			
	15	Risk Reduction Studies		0	280			
	16	Market Survey		0	303			
	17	ERA Concept Definition		0	1,150			
CATEGORY TOTAL			**3,900**	**0**	**3,193**			
4. Extend Life of Current Electronic Records Systems; Deploy Interim Electronic Records Archives Capabilities; Develop architecture, security, controls, standards and rules to ensure the Elecronic Records Archives works with other NARA systems								
4.2. Deploy Interim Electronic Records Archives Capabilities	18	Deploy Interim Capabilities		0	2,600			
4.1 Extend Life of Current Electronic Records Systems	19	Extend Life of Current Electronic Records Systems		1,600	2,600	10		10
4.3 Develop architecture, security, controls, standards and rules to ensure the Elecronic Records Archives works with other NARA systems	20	Develop architecture, security, controls, standards and rules to ensure the Electronic Records Archives works with other NARA systems		0	3,000		3	3
CATEGORY TOTAL			**6,450**	**1,600**	**8,400**	**10**	**3**	**13**
GRAND TOTAL			**20,000**	**3,302**	**23,302**	**18**	**11**	**29**

Attachment 2. Question 16. The Open Archival Information System Reference Model



BILLING CODE 7515-01U Attachment 3 Question 77

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

National Historical Publications and Records Commission

Services for Persons with Limited English Proficiency; Comment Request

AGENCY: National Archives and Records Administration

ACTION: Notice

SUMMARY: The National Archives and Records Administration (NARA) is publishing policy guidance on Title VI's prohibition against national origin discrimination under any program or activity that receives NARA financial assistance through the National Historical Publication and Records Commission (NHPRC) as such policy affects persons with limited English proficiency (LEP). The public is invited to comment on NHPRC-assisted programs and activities available to persons with LEP and on steps that NHPRC could take to ensure that persons with LEP have meaningful access to such services. NHPRC will use the information gathered from this notice and other outreach efforts to improve its plan to improve access to these programs and activities by eligible LEP persons.

DATES: This guidance is effective immediately. Written comments must be submitted on or before sixty (60) days from the date of this publication. NARA will review all comments and determine whether modifications to the policy guidance are necessary.

ADDRESSES: Interested persons should submit written comments to:

Comments on Services for Persons with Limited English Proficiency, ATTN: Diane Dimkoff (NWCC), Room 2400, National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001; or faxed to 301-713-7482. You may also comment via the

73-567 D-01--43

Internet to [comments@nara.gov]. Please submit Internet comments within the body of your email message or attach comments as an ASCII file avoiding the use of special characters and any form of encryption. Please also include "Attn: Limited English Proficiency" and your name and return address in your Internet message. If you do not receive a confirmation from the system that we have received your Internet message, contact Diane Dimkoff at 301-713-6107.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Diane Dimkoff by telephone, or by fax at 301-713-7482. Arrangements to receive the policy in an alternative format may be made by contacting the named individual.

SUPPLEMENTARY INFORMATION: Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq. and its implementing regulations provide that no person shall, on the basis of race, color, or national origin, be denied the benefits of, be excluded from participation in, or be subject to discrimination under any program or activity that receives federal financial assistance.

The purposes of this policy guidance are to clarify the responsibilities of recipients of federal financial assistance from NARA's National Historical Publications and Records Commission, and to assist them in fulfilling their responsibilities to persons with limited English proficiency, pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations.

Dated:

John W. Carlin,

Archivist of the United States.

GUIDANCE TO RECIPIENTS OF

THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

FEDERAL FINANCIAL ASSISTANCE:

PROVIDING MEANINGFUL ACCESS TO

INDIVIDUALS WITH LIMITED ENGLISH PROFICIENCY

("LEP GUIDANCE FOR NHPRC RECIPIENTS")

I. INTRODUCTION

This guidance is based on Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq., and regulations that implement Title VI. Title VI was intended to eliminate barriers based on race, color, and national origin in Federally-assisted programs or activities. In certain circumstances, failing to ensure that persons with LEP can effectively participate in or benefit from Federally-assisted programs and activities or imposing additional burdens on persons with LEP constitutes national origin discrimination.

In August, 2000, the President signed Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency. Under that Executive Order, every Federal agency that provides financial assistance to non-Federal entities must issue guidance on how their recipients can, consistent with long-standing obligations under Title VI and their fundamental mission, provide reasonable, yet meaningful access to persons with LEP.

The essence of the meaningful access requirement is "reasonableness." In some circumstances, a NHPRC recipient directly serving significant numbers of LEP persons may be

obligated to provide language assistance services, including, as appropriate, written translations of documents, procedures and/or forms critical to accessing NHPRC-supported archives. In many other circumstances, however, NHPRC recipients will have little or no obligation to provide language services beyond those many already provide.

This does not mean, however, that the four-factor analysis set out in this Guidance should be read as limiting recipient discretion to provide language assistance services in an effort to broaden its services to the communities it serves. Recipients are encouraged to exercise their flexibility under this Guidance to beyond mere minimal compliance and to create model programs for LEP access.

As required under Executive Order 13166 and the companion DOJ LEP Guidance issued in August, 2000, recipients should apply a four-factor test to decide what steps are necessary and reasonable to provide meaningful access to their programs and activities for persons with LEP. Once the recipient has identified what language services, if any, are reasonable, the recipient should prepare a written policy on language assistance for persons with LEP (an "LEP policy"). This plan need not be intricate. It may be as simple as being prepared to use one of the commercially available language lines to obtain interpreter services.

II. THE FOUR-FACTOR ANALYSIS

"Reasonable steps to ensure meaningful access" will vary depending on a number of factors. NHPRC recipients should apply the following four factors to the various contacts that they have with the public to decide what reasonable steps they should take to ensure meaningful access for persons with LEP. This balancing test preserves recipient management discretion and flexibility in determining how to best address the language needs of the LEP communities when deciding

what documents to translate, and when oral translation is necessary.

A. The number or proportion of LEP persons served or encountered in the eligible service population.

One factor in determining what language services recipients should provide is the number or proportion of persons with LEP eligible to be served or encountered by the recipient in carrying out its operations. The greater the number or proportion of persons with LEP, the more likely language services are needed.

B. The frequency with which LEP individuals come in contact with the program.

Recipients should assess, in some fashion, the frequency with which they have contact with LEP language groups. The more frequent the contact, the more likely that language services are needed. The steps that are reasonable for a recipient that serves one person with LEP a year may be very different from those expected from a recipient that serves several persons with LEP each day. For instance, a NHPRC-supported project to arrange and describe a collection consisting primarily of documents originally created in the Spanish language could provide finding aids that are linguistically accessible for Spanish persons with LEP.

C. The nature and importance of the program, activity, or service provided by the program.

The more important the activity, information, service, or program, or the greater the possible consequences of the contact to the LEP individuals, the more likely language services are needed. A recipient should determine if a denial or delay of access to services or information could have serious implications for the LEP individual. This factor weighs heavily in favor of providing language services in situations where the failure to provide such services could have an

adverse effect on health, safety, economic security, and other critical areas. Typically, recipients of NHPRC funds provide significant cultural and societal services but such services do not rise to the same level of importance as do the previously mentioned critical areas. In such circumstances, the resources available to the recipient and the cost of providing the services will weigh more heavily in considering what, if any, language services to provide to frequently encountered LEP language groups.

D. The resources available to the recipient.

A recipient's level of resources may have an impact on the nature of the steps it should take. Smaller recipient entities with more limited budgets are not expected to provide the same level of language services as larger recipient entities with larger budgets. However, such small recipients should still consider what language services are needed and what they are able to provide. Resource issues can sometimes be minimized by technological advances and sharing of resources and translations.

III. APPLICATION OF THE FOUR FACTORS TO NHPRC RECIPIENTS

NHPRC recipients include, but are not limited to state, county, and local historical societies and archives; universities; colleges; and libraries. All aspects of a program or activity that receives NHPRC assistance are covered by Title VI. Thus, recipient activities vary widely and the results of the application of the four factors varies as well.

NHPRC recipients' Title VI obligations in many cases will be satisfied by making available oral language assistance or commissioning translations on an as-needed basis. There are many circumstances where, after an application and balancing of the four factors noted above, Title VI would not require translation at all. For instance, based on a typical application

of the nature and importance of the activity to persons with LEP and the resources available, Title VI does not require an archivist to translate archived collections, but it does require the implementation of appropriate language assistance measures to permit a person with LEP to have access to publicly accessible archives.

IV. LEGAL BACKGROUND

Further legal background for this guidance can be found in the Department of Justice Policy Guidance document, titled "Enforcement of Title VI of the Civil Rights Act of 1964 - National Origin Discrimination Against Persons With Limited English Proficiency Policy Guidance", reprinted at 65 FR 50123 (August 16, 2000).

National Historical Publications and Records Commission

Grant Funds, 1998 to 2002 (in dollars)

Fiscal Year	Authorization	Administration Budget	Appropriation	Carryover	Total Available	Funds Expended	Refunds	Balance End of FY	No. of Grants
1998	10,000,000	4,000,000	5,500,000	67,893	5,567,893	5,678,332	164,067	53,628	104
1999	10,000,000	6,000,000	10,000,000	53,628	10,053,628	6,344,900	212,029	3,920,757	88
2000	10,000,000	6,000,000	6,250,000	1,920,757	8,170,757	8,237,201	138,489	72,045	117
2001	10,000,000	6,000,000	6,436,000	72,045	6,508,045	Est. 6,600,000			Est. 95
2002	10,000,000	4,436,000				Est. 4,436,000			Est. 65

Notes:

FY 1998 appropriation of $5.5 million included $100,000 in a directed grant.
FY 1999 appropriation of $10 million included $4 million in a directed grant.
FY 2000 appropriation of $6.25 million included $250,000 in a directed grant, and rescinded $2 million from FY 1999 directed grant.
Public Law 106-410, dated January 24, 2000, authorized appropriations for the NHPRC for fiscal years 2002 through 2005.
FY 2001 appropriation of $6.45 million was cut by .0022 in an across-the-board recision for all agencies. It also included $450,000 for two directed grants.

National Archives and Records Administration

2002 BUDGET

Congressional Justification

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
2002 CONGRESSIONAL JUSTIFICATION

Table of Contents

	Page
SUMMARY OF 2002 BUDGET:	
FY 2002 Budget Request Executive Summary	1
Strategic Overview of NARA Activities	3
Summary of 2002 Budget Request (Dollars)	8
Justification of Requested Increases	11
Meet Electronic Records Challenges	11
Expand Opportunities for Access	15
Meet Storage and Preservation Needs of Growing Quantities of Records	18
Performance Costs—Fiscal Year 2000	20
Performance Costs—Fiscal Year 2001	22
Performance Costs—Fiscal Year 2002	24
Highlights of 2002 Request	26
OPERATING EXPENSES, DIRECT:	
Analysis of Requested Level for 2002	27
Summary Explanation of Changes Requested for 2002	28
Records Services	29
Archives Related Services	34
Archives II Financing	37
Distribution of Estimates by Object Class	39
Explanation of Distribution by Object Class	40
Appropriation Language	42
Space Costs as a Proportion of Direct Budget	43
REPAIRS AND RESTORATION:	
Analysis of Requested Level for 2002	44
Background and Justification of Requested Increases	45
Distribution and Explanation of Estimates by Object Class	46
Appropriation Language	47
NHPRC GRANTS	48
ADVANCES AND REIMBURSEMENTS	53
REVOLVING FUND:	
Income/Cost Comparison & Budget Estimates for 2002	59
Overview of NARA Revolving Fund Programs	60
Performance Costs & Explanation of Changes from 2001 to 2002	61
Distribution of Estimates by Object Class	62
Explanation of Distribution by Object Class	63
GIFT FUND	64
TRUST FUND	67

April 2001

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

FY 2002 BUDGET REQUEST

EXECUTIVE SUMMARY

The National Archives and Records Administration (NARA) ensures that Federal officials and the American public have ready access to essential evidence in the form of records that document:

- the rights of American citizens
- the actions of Federal officials, and
- the national experience.

To carry out that mission, NARA must strive to achieve the four broad goals of our Strategic Plan:

- Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.
- Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.
- All records will be preserved in an appropriate environment for use as long as needed.
- NARA's capabilities for making the changes necessary to realize our vision will continuously expand.

Fiscal Year 2002 is the fourth year for which we have sought increased funding in a phased program to meet the goals of our Strategic Plan. Our request will allow us to:

- Deliver direct access to records and services for citizens and Federal officials.
- Support Presidential initiatives on information technology and electronic government.
- Take the next steps on critical programs begun with bipartisan support.

For FY 2001 our enacted appropriations for all accounts totaled $316,918,000.

- Operating Expenses, NARA: $208,946,000
- NHPRC Grants: $6,436,000
- Repairs and Restoration: $101,536,000

For FY 2002 we are requesting appropriations in all accounts of $259,326,000.

- Operating Expenses, NARA: $244,247,000
- NHPRC Grants: $4,436,000
- Repairs and Restoration: $10,643,000

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The following summarizes our requested appropriations increases:

To Meet Electronic Records Challenges: $21,372,000

- Begin building an Electronic Records Archives
- Extend the life of existing electronic records systems, particularly White House records systems
- Build a NARA Records Management Application of use to other agencies

To Expand Opportunities For Access: $7,915,000

- Complete the staffing and equipping of the Clinton Presidential Library
- Automate the Federal Register publication production program
- Enable citizens and Federal agencies to access NARA services electronically

To Meet Storage and Preservation Needs of Growing Quantities of Records: $5,693,000

- Construction of an addition to the Gerald R. Ford Museum
- Renovation of the Eisenhower Center (Library and Museum)

To Protect Base Programs by Funding Employee Pay Raise Amounts, Facility Rate Increases, and Information Technology Changes: $6,014,000

Approval of these increases will enable us to:

- Address the dramatic challenges of managing electronic records,
- Build a safe and secure electronic commerce infrastructure, and
- Be more efficient and responsive to our customers.

STRATEGIC OVERVIEW

MISSION, GOALS, AND PROGRESS

Mission: The National Archives and Records Administration (NARA) is our national recordkeeper. An independent agency created by statute in 1934, NARA safeguards records of all three branches of the Federal Government. Our mission is to ensure that Federal officials and the American public have ready access to essential evidence in the form of records that document—

- the rights of American citizens
- the actions of Federal officials, and
- the national experience.

We carry out this mission through a national network of archives and records services facilities stretching from Washington, DC, to the West Coast, and from Atlanta to Anchorage, including ten Presidential Libraries documenting administrations back to Herbert Hoover. Additionally, we publish the *Federal Register*, administer the Information Security Oversight Office (ISOO), and make grants for historical documentation through the National Historical Publications and Records Commission (NHPRC). We preserve and make available, in response to hundreds of thousands of requests, the records on which the entitlements of citizens, the credibility of government, and the accuracy of history depend.

Goals: NARA's goals are set forth in a Strategic Plan, which is our agency's guidepost as we work to fulfill our mission of "ready access to essential evidence." In FY 2000, we revised and updated our 3-year-old Strategic Plan. The Government Performance and Results Act requires an update, but we also wanted to revise it to acknowledge what we had achieved, assess the new conditions facing us today, and build on the progress we have made so far in implementing our original plan.

We believed the basic direction of the plan was solid and the comments we received from customers, stakeholders, and staff confirmed that. We did not change our mission or our four strategic goals:

- *Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.*
- *Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.*
- *All records will be preserved in an appropriate environment for use as long as needed.*
- *NARA's capabilities for making the changes necessary to realize our vision will continuously expand.*

Achieving our goals means we must improve front-end records management in the Federal Government, meet the special challenges posed by electronic records and electronic government, expand public access to records, and meet storage and preservation needs of growing quantities of records. What progress have we made?

To Improve Records Management: Thanks to support from the Congress and the Administration we have created and are now expanding an initiative to provide *targeted assistance* to Federal agencies nationwide with urgent records management needs. With funds appropriated in FY 1999 and 2000, we hired 30 senior records analysts in the Washington, DC area and at regional sites around the country. Additional funding in FY 2001 is allowing us to cement this new direction in records management by ensuring that we have targeted assistance staff in every NARA region around the country.

Through targeted assistance partnerships our records management experts spend time on-site at the offices of other Federal agencies nationwide and train personnel, help plan records inventories, assist in scheduling records for disposal or transfer to NARA, and aid in writing records management plans. In FY 2000 we established 173 targeted assistance partnerships with Federal offices around the country and increased the number of agency staff trained in records management and electronic records management by 17 percent.

The program has drawn praise from the agencies receiving the help. The Special Trustee of the Bureau of Indian Affairs wrote us that "the working relationship that we entered into with NARA has been exceptional and beneficial." A Johnson Space Center official said our staff had "represented NARA with a professionalism they should be proud of." And an official at the Federal Emergency Management Agency said that our targeted assistance expert "inspired our entire staff to become involved in the arduous but necessary work of inspecting, analyzing, disposing, archiving, and setting up our records."

In addition to giving help to agencies now, we are evaluating whether we need to make changes in the policies and processes related to the disposition of records in the electronic age through our *Initiatives Relating to the Changing Federal Recordkeeping Environment.* With contract assistance we are gathering and analyzing information about the views and perceptions of Federal agencies concerning the creation, maintenance, use, and disposition of their records. Concurrently, NARA staff are examining agency work processes and the records generated by those processes to determine actual recordkeeping practices. This two-pronged information collection project will give us data necessary to explore what the Federal Government's policies should be in the 21st century for determining the disposition of records, the processes that will best implement those policies, and the tools needed to support revised policies and processes.

To Meet Electronic Records Challenges: Every day, throughout the Government, electronic records are being created at a dizzying pace. The challenge for NARA, which will eventually receive these records, is to determine not only how to preserve so many records but also how to preserve them so that they can be accessed with technologies not yet available or imagined. To do so, we plan to design and build an "archives of the future," the *Electronic Records Archives*, where the records of digital government are assembled, managed, preserved, and available to anyone, anywhere, anytime. Without an Electronic Records Archives, we will not be able to preserve and provide ready access to the electronic records of our government.

To this end, in FY 2000 with support from the Congress and the Administration, NARA took significant steps forward:

- We became a co-sponsor, with the National Science Foundation (NSF), of the National Partnership for Advanced Computational Infrastructure. The NSF created the partnership to take advantage of emerging opportunities in high-speed computing and communications; it will pursue leading-edge research using some of the world's most powerful computers. Most of the partnership's work is being done at the Supercomputer Center at the University of California at San Diego, but other NARA-specific aspects are being studied at the University of Maryland in College Park, the University of California at Berkeley, and the University of Urbino in central Italy.

- We formed partnerships with the National Aeronautics and Space Administration and various agencies of the Department of Defense. And we are a member of the Federal Geographic Data Committee, made up of 17 agencies, which promotes the coordinated use, sharing, and dissemination of geospatial data.

- Our grant-making affiliate, the National Historical Publications and Records Commission, made a "scalability" grant of $300,000 in FY 2000 to the San Diego Supercomputer Center to devise ways to scale the technology we develop for our Electronic Records Archives for use in smaller archives, such as those in state and local governments, libraries, universities, and other places.

Further support in FY 2001 is allowing us to begin to develop the infrastructure to plan and develop the Electronic Records Archives.

We also took steps to help agencies now deal with their electronic records. After endorsing a standard for electronic records management that we helped the Department of Defense develop, we also endorsed a DOD process for evaluating the ability of software products to meet that standard. Such products may have applicability outside the Federal Government as well as within it. Moreover, we launched an effort to use our own agency to test the implementation of *records management applications*. We hope our own experience will prove useful to other agencies and result in guidance to help address the electronic records challenges we all face.

To Expand Opportunities For Access: Thanks again to support from the Congress and the Administration, during FY 2000 we made additional gains beyond the progress we reported for FY 1999. Here are some highlights:

- We added 17 new staff positions to our research rooms nationwide and developed our *Extended Hours Program* in our regional archives to better meet the needs of our customers. We also opened *Customer Service Centers* in the National Archives Building and the National Archives at College Park. Among our customer service achievements, we answered 92 percent of our archival written requests within 10 working days and furnished 92 percent of requested items in our research rooms within 1 hour of the request or of the scheduled service time.

- At the National Personnel Records Center in St. Louis, we deployed several new correspondence response teams as part of our major effort to *improve reference services for America's veterans*. Based on lessons learned from implementing our re-engineered processes, we have refined our approach. As more teams are trained and gain experience through FY 2001, we expect the progress to accelerate so veterans and their families can get their needed records more quickly.

- We *expanded our online services* by improving our web site through the addition of new features and online versions of popular exhibits, such as "Treasures of Congress." We are in the midst of redesigning the site to make it easier to navigate and updating the content with new FY 2001 funding.

- We increased the ability of individuals to find out about our holdings via the Internet. People who want to do research in our collections can search more than 400,000 descriptions of our records through the NARA Archival Information Locator (NAIL), which is a prototype for our *Archival Research Catalog* (ARC). We expect ARC to be publicly available later this year. We also developed a prototype system for providing online access to electronic databases, which will work in coordination with ARC and the Electronic Records Archives. This system will, for the first time, allow researchers to search for and view specific electronic records online.

- We ensured that researchers had *access to many more records* in FY 2000. We released more Nixon materials to the public, declassified Vietnam War-era records at the Ford Library, released more Eisenhower, Kennedy, and Johnson recordings—and as an agency declassified more pages than any other Federal agency but one. In particular, as part of our support to the Nazi War Criminal Records Interagency Working Group, we opened thousands of records, including 400,000 pages of World War II Office of Strategic Services records.

- In preparation for FY 2002, we duplicated more than 60 percent of the *1930 census* microfilm rolls that must be ready for reference service in April 2002, when these popular records are opened to the public.

- In compliance with the Presidential Records Act, we took custody of the *Clinton Administration's records*, which we began receiving in November 2000, continuing through January 2001. We shipped these records to our Clinton Presidential Materials Project facility in Little Rock, where NARA staff are processing the records for release under the Act.

- We made significant additions to the *Federal Register* publications available online, including 150 of the 202 volumes of the *Code of Federal Regulations*, four more years' worth of Executive Orders (now covering 1953 to 2001), and the entire set of the *Public Papers of the Presidents* for the Clinton Administration. We also used the Internet to provide unprecedented access to information about the Electoral College and our role in the Presidential election process.

To Meet Storage and Preservation Needs Of Growing Quantities of Records: Our major initiative in this area, which has tremendous support from the Congress and the Administration, is the *renovation of the National Archives Building*. We completed the concept design and final design for the renovation and started work on several pre-construction contracts. The major construction contract for the renovation will be awarded this spring, and we remain on schedule to complete the renovation in 2004. The work will include correcting mechanical, electrical, plumbing, and fire-safety deficiencies; retrofitting the Rotunda to display our Charters of Freedom (the Declaration of Independence, the Constitution, and the Bill of Rights) in new encasements currently under preparation; bringing the building into full compliance with the Americans with Disabilities Act; upgrading storage conditions to meet modern archival standards, and providing sufficient exhibit and public-use space to accommodate increasing numbers of visitors. The Rotunda and the redisplay of the Charters of Freedom will reopen to the public in 2003.

We are also working on the design for new regional archives facilities in Atlanta and Anchorage.

While renovating the National Archives Building, we are also *re-encasing the Charters of Freedom*. In FY 2000 we designed and built two prototype encasements for the Charters, and conservators in our Document Conservation Lab successfully removed two of the seven Charters pages from their deteriorating encasements, cleaned and repaired the two documents, and placed them in new encasements. We unveiled the first encasement to the public in September. A new exhibit in the Rotunda and a Charters web page now offer the public further information about the Charters and our work to make them safe for continued display.

We established a *preservation program for veterans' records* we house in St. Louis, where we are adding staff for the program. Already, we are ahead of schedule on the first preservation project—the duplication of more than 14,000 reels of microfilm containing Air Force flight records. And in the Washington area, we moved 23,000 cubic feet of acetate-based motion pictures, aerial film, microfilms, and still photos into cold storage, which could extend their useful life by as much as 400 years. All together, with the funds appropriated by the Congress for the *preservation of at-risk archival holdings*, in FY 2000 we preserved 35,864 cubic feet of previously identified at-risk records.

Finally, based on recommendations from our Physical Security Task Force, we have put together and started implementing a *plan to strengthen security* at the National Archives Building and the National Archives at College Park. This will enhance employees' and customers' personal safety and help meet Government concerns about terrorism. During FY 2001, we are looking at security in our regions, and in FY 2002 we will do the same in the Presidential libraries.

In summary, in all areas—records management, electronic records, access, storage, and preservation—we are fulfilling the promises we made that were the basis for Congress and the Administration providing the increases we requested for FY 2000. With appropriations approved for FY 2001, we are expanding successful programs and continuing progress toward reaching our strategic goals. With funds we are seeking for FY 2002, we will be able to take further steps to meet the significant challenges we face to provide ready access to essential evidence in the 21st century.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

SUMMARY OF 2002 BUDGET REQUEST

(dollars in thousands)

	Request		Cumulative Appropriation		Refer to
	FTE	Amount	FTE	Amount	Page
BASE LEVELS:					
Operating Expenses - Direct	1,362	$208,946	1,362	$208,946	27
Annualization of 2001 Pay Raise	-	927	1,362	209,873	
2002 Pay Raise	-	2,607	1,362	212,480	
One Extra Compensable Work Day in 2002	-	363	1,362	212,843	
Facility Rate and Information Technology Changes	-	2,117	1,362	214,960	
Adjusted Operating Expenses Direct	1,362	$214,960	1,362	$214,960	
Repairs and Restoration	-	$4,950	1,362	$219,910	44
NHPRC Grants	-	6,436	1,362	226,346	48
Operating Expenses - Reimbursable	67	-	1,429	226,346	53
Revolving Fund	1,165	-	2,594	226,346	59
Trust Fund	120	-	2,714	226,346	67
Total Base Levels, All Funds	2,714	$226,346	2,714	$226,346	

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

SUMMARY OF 2002 BUDGET REQUEST (CONTINUED)

(dollars in thousands)

	Request		Cumulative		Refer to
	FTE	Amount	FTE	Amount	Page
OPERATING EXPENSES DIRECT INCREASES:					
Meet Electronic Records Challenges	13	$21,372	13	$21,372	11
Expand Opportunities for Access	19	7,915	32	29,287	15
Total Operating Expenses Increases	32	$29,287	32	$29,287	
REPAIRS AND RESTORATION INCREASES:					
Gerald R. Ford Museum Addition/Renovation	-	4,405	-	4,405	18
Dwight D. Eisenhower Library and Museum Renovation	-	1,288	-	5,693	19
Total Repairs and Restoration Increases	-	$5,693	-	$5,693	
NHPRC GRANTS:					
Grants Reduction	-	$-2,000	-	$-2,000	48
Total Grants	-	$-2,000	-	$-2,000	
REVOLVING FUND:					
Revolving Fund Operations	-	-	-	-	59
Total Revolving Fund	-	$0	-	$0	

1361

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

SUMMARY OF 2002 BUDGET REQUEST (CONTINUED)

(dollars in thousands)

	Request		Cumulative Appropriation		Refer to
	FTE	Amount	FTE	Amount	Page
BUDGET AUTHORITY :					
Total Operating Expenses - Direct	1,394	$244,247	1,394	$244,247	27
Total Repairs and Restoration	-	10,643	1,394	254,890	44
Total Grants	-	4,436	1,394	259,326	48
Total Reimbursable	67	0	1,461	259,326	53
Total Revolving Fund	1,165	0	2,626	259,326	59
Total Trust Fund	120	0	2,746	259,326	67
TOTAL 2002 APPROPRIATIONS	2,746	$259,326	2,746	$259,326	28
Less Redemption of Debt	-	-6,612	2,746	252,714	37
Total 2002 Other Authority	2,746	$252,714	2,746	$252,714	

NOTE: Archives II principal for redemption of debt, $6,612, is excluded from Budget Authority amounts in accordance with OMB guidelines.

1362

JUSTIFICATION OF REQUESTED INCREASES

In the first section of this document, we gave an overview of our mission, goals, and progress toward meeting the objectives in our Strategic Plan. In this section, we identify the next steps needed to reach our strategic goals. The funding increases we request for FY 2002 will help us:

- Meet electronic records challenges
- Expand opportunities for access, and
- Meet storage and preservation needs of growing quantities of records.

MEET ELECTRONIC RECORDS CHALLENGES

For FY 2002, NARA requests $21,372,000 and 13 FTE for the next steps in our effort to manage, preserve, and provide access to electronic records. The requested increase is needed to

- *begin building an Electronic Records Archives so that the Federal Government can preserve and make accessible to the public permanently valuable electronic records*
- *extend the life of existing electronic records systems, particularly White House records systems, until the Electronic Records Archives is fully developed*
- *help agencies manage their electronic records by testing and building a NARA Records Management Application of use to others.*

Electronic Records Archives

Building an Electronic Records Archives (ERA) may be the most critical effort to ensure the preservation of and access to Government records since the establishment of the National Archives in 1934. It is certainly the most challenging. When it was created, the National Archives was able to build on principles, standards, and best practices for managing, preserving and making available paper records, which had been developed in the archival profession and in other national and state archives. But there are no comparable solutions applicable to the vast quantities of electronic records being created in multiplying formats. The pace of technological progress and the spread of electronic government initiatives makes the need for electronic records solutions urgent. Among other problems, this progress makes the formats in which the records are stored obsolete within a few years, threatening to make them inaccessible even if they are preserved intact. Computer scientists, electrical engineers, and archivists who are working in partnership with NARA to find ways of managing, preserving, and providing continued access to electronic records consider it one of the most challenging problems they face.

Developing sustainable solutions for electronic records is critical, particularly in the digital government environment. It is NARA's mission to guarantee the continuing accessibility of the electronic records of all three branches of the Federal Government. If we cannot do this, citizens, corporations, and the Government will lose essential evidence necessary to document their legal rights; the Government will suffer loss of both accountability and credibility; and as a Nation our ability to learn about and understand our national experience will be diminished substantially. Moreover, as the basic

business of government shifts more and more to electronic government and a reliance on information technology, activities such as conducting elections, collecting taxes, providing veterans' benefits, and protecting our environment will suffer in both efficiency and effectiveness unless agencies are able to create, maintain, and readily access reliable electronic records.

Recognizing the problem, the Administration; Congress; Federal agencies such as the National Science Foundation (NSF), Defense Research Projects Agency (DARPA), United States Patent and Trademark Office (USPTO), and the Army Research Laboratory; other national and state archives; and academic partners such as the San Diego Supercomputer Center, the Georgia Tech Research Institute, the University of California at Los Angeles and the State University of New York at Albany are working with NARA to find solutions for electronic records that are sustainable over the long term. Progress in these collaborations enabled NARA to announce in March 2000 that we foresee the possibility of implementing an Electronic Records Archives within a few years. A successful ERA would preserve multiple varieties of electronic records, free them from the format in which they were created, retain them indefinitely, and enable requesters to read them on computer systems now and in the future. NARA is fully committed to continued collaborations in research and development of the technologies necessary to build ERA.

The positive prospects for successful implementation of ERA are based on research that indicates that the requirements for managing, preserving, and providing access to electronic records can be satisfied using technologies being developed for the next generation national information infrastructure, which will enable electronic commerce and electronic government. NARA is benefiting from much larger research and development efforts being pursued by other agencies such as National Aeronautics and Space Administration (NASA), NSF, Department of Energy (DOE) and Department of Defense (DOD). NARA's request for funds for ERA represent a marginal addition to enable us to capitalize on the Federal investment reflected in the Federal Government's coordinated multiagency research in advanced computing and communications funded at more than $1.5 billion in FY 2000 and targeted at more than $2 billion in FY 2001.

For FY 2002, NARA requests $20,000,000 and 11 FTE for the next steps in building an Electronic Records Archives.

These resources will support activities in five areas:

- collaborative applied research and development of sustainable solutions
- initial development of the data and technology infrastructure within NARA needed to enable us to take advantage of the research and development results
- initial development of targeted pilots to apply research results to high priority needs including access to electronic records accessioned by NARA since 1970, access to electronic personnel files of veterans at the National Personnel Records Center, and processing of electronic records of prior Administrations
- initial development of the organizational infrastructure and skills NARA needs to plan and manage the development and implementation of this major project and coordinate and integrate it with other archival, electronic records, and performance management initiatives
- definition of an architecture, concept of operations, and lifecycle costs for the Electronic Records Archives.

These resources will allow NARA, with help from our partners, to define a research agenda of archival and technical questions for ERA development, collaborate in sponsoring research to answer these questions, and translate the research results into engineering solutions that work. This will include establishing a program management structure for planning and overseeing this strategic initiative and ensuring solid return on investment, developing a business model for substantial improvements in basic records management and archives functions, beginning the design and development of the information technology infrastructure needed to support NARA's use of ERA, and starting to create ERA prototypes and pilots. To move from the research arena to productive capability, NARA will need to rely even more heavily on the capabilities and expertise of other agencies and the private sector both in systems development and in operation.

The success of such work is essential. An ERA will give future generations access to the records of Government that protect their rights, hold public officials accountable, and document our nation's history—records that otherwise would become unusable. Federal agencies will be able to transfer to NARA a great variety of records they create in electronic form, which they cannot do now. Researchers using NARA's archival facilities and Presidential libraries will be able to access Federal and Presidential records via the Internet. NARA also requires that ERA be scalable both upward to meet NARA's exponentially growing workload and downward to be useful in smaller archives, including the archives of state and local governments, libraries, universities, and private institutions. Moreover, developing the technologies needed for preservation and sustained access to electronic records is key to NARA's ability to meet its responsibilities for providing leadership and direction for the management of electronic records throughout the Government and across their entire lifecycles. The ERA initiative is the beginning of our work in this area.

White House Electronic Records Systems

Long before the Electronic Records Archives is fully operational, NARA will be in possession of a major new body of electronic records that by law must be preserved and made accessible. In January 2001 all Presidential records from the Clinton White House transferred to our legal custody. The day it opens, the Clinton Presidential Library will be responsible for a collection of electronic records that is thousands of times larger than everything the National Archives and all other Presidential libraries have received in electronic form.

The Presidential Records Act requires that an Administration's records be processed for meeting requests under the Freedom of Information Act within five years of a President's departure from office. We now have 8 years' accumulation of such records to process, including the output of more than 40 computer systems containing nearly 400 "gigabytes" (400 billion "bytes") of data and more than 30 million electronic mail records. To make this material ready for access, our staff must make preservation copies of it; review it to identify portions that, under the law, can be opened to the public as Presidential records, and describe those records for public access. As with other special needs described under the Electronic Records Archives initiative, we will build an interim repository to preserve and make accessible the Clinton White House electronic records that will also inform development of the Electronic Records Archives.

For FY 2002, NARA requests $1,135,000 and 2 FTE to hire and work with contractors to preserve White House records systems.

NARA archival and technical experts will work with the contract staff who developed the White House systems to create a test-bed repository of electronic records from the Clinton White House. We will make preservation copies of these records either in native format or a more neutral format, such as ASCII text. Then we will load these records into the test-bed repository and build one or more user interfaces to provide read-only access to them. This will enable our staff to review the collections, identify material restricted under the Presidential Records Act and exempted under the Freedom of Information Act, and begin to describe records that can be publicly released in preparation for opening at least 10 percent of them by 2006 and for meeting FOIA requests for others.

Demands for these records are likely to be heavy from historians and other scholars, journalists, members of the Administration working on memoirs, and other researchers. The funds we request are essential for meeting those demands and complying with Federal law.

Records Management Application

As we recognized in our Strategic Plan, we can provide records management advice most effectively and authoritatively if we use our own agency as a test bed, a model for others of affordable, workable records management practices. Advice we offer other agencies will have no credibility unless we use it with our own records. One of the biggest challenges facing Federal agencies today, NARA included, is how to manage electronic records in conformity with Government recordkeeping requirements. The ability of Federal agencies to maintain electronic records as long as needed to meet legal, business, and archival requirements is essential for e-government. That ability depends on the development of successful electronic records management applications.

With funding and FTE received in FY 2001, we are beginning development of an application that may prove useful to other agencies. We also are launching a business-process improvement study (BPI) to renovate NARA's own records management system in the era of electronic records.

For FY 2002, NARA requests $237,000 to complete testing and begin implementation of an Electronic Document Management System/Records Management Application NARA-wide.

We will conduct a pilot during FY 2002 and FY 2003. If the pilot demonstrates the feasibility of implementing an RMA and that NARA will substantially benefit from the use of such a system, we will expand the pilot to more offices in FY 2004 and begin operational deployment in FY 2005. Throughout the process, from the BPI study to implementation of the pilot and later to operational deployment, we will share the results and lessons we learn not only with the Federal community, but also the many other entities interested in electronic records management. Thus, from our own experience, we will provide improved guidance to agencies on electronic recordkeeping requirements and serve as a test bed for a records-management application for Federal records.

EXPAND OPPORTUNITIES FOR ACCESS

For FY 2002, NARA requests $7,915,000 and 19 FTE to expand our services to our public and Federal agency customers nationwide. Specifically, we need funds to

- *complete the staffing and equipping of the Clinton Presidential Library*
- *automate the* Federal Register *publication production program, including the electronic* Code of Federal Regulations, *to improve our* Federal Register *services to Federal agencies and the public*
- *enable citizens and Federal agencies to access NARA services where and when they need them in compliance with the requirements of the Government Paperwork Elimination Act.*

Clinton Presidential Library

As required by the Presidential Records Act, NARA must preserve and provide access to the records of the Presidents. In 10 Presidential libraries and 1 Presidential materials project, NARA safeguards the records of 11 administrations from Hoover through Bush. Because we are legally required to preserve and provide access to Presidential records, funds must be added to our base budget at the end of each Presidential administration to cover the costs of staffing and running a new Presidential library. If funding is not provided, we are forced to divert funds from other base programs.

The Presidential Records Act (PRA) also requires that a President's records be available for requests under the Freedom of Information Act (FOIA) within five years after that President leaves office. Five years after Presidents Reagan and Bush left office, fewer than 10 percent of their records had been opened, largely because of the absence, at the end of the President's term, of NARA staff trained to accomplish the exacting reviews mandated under the PRA and FOIA. In FY 2000 we took steps to improve access to Presidential records by hiring or reallocating several people who we trained to work on Presidential records. In FY 2001 we received funding and 12 FTE for the baseline staff needed to take custody of and begin processing the Clinton Presidential records.

For FY 2002, NARA requests $1,503,000 and 7 FTE to complete the staffing of the Clinton Presidential Library and finance preparatory operations.

Building on the base funding we received in FY 2001, these additional funds will enable us to hire and train enough archival staff to occupy and open the permanent Presidential library. With this support, we will be able to preserve, process, and open 10 percent of the Clinton Presidential records by the end of the 5-year period specified in the Presidential Records Act. We will develop an automated tracking and redaction system that will replace current labor intensive manual processes by scanning and electronically removing any restrictioned materials in more than thirty thousand cubic feet of textual records.

Federal Register Electronic Systems

NARA publishes the *Federal Register*, the *Code of Federal Regulations*, and related publications essential for businesses, legal work, and the operation of our Government on a daily basis. Informing citizens of their rights and legal responsibilities is the heart of the *Federal Register* mission and remains one of NARA's critical ongoing responsibilities. Our Strategic Plan states that we will work

1367

in partnership with the Government Printing Office (GPO) to ensure that all *Federal Register* online and print publications are current and easy to use and search. During the past decade, the Office of the Federal Register, working with GPO, has re-engineered processes and used existing resources to their full extent to increase efficiency and improve services. We now need to automate the remaining processes and take advantage of the Internet's infrastructure to further improve the timeliness and accessibility of our services for both Federal agencies and the public.

Several aspects of the production of *Federal Register* publications are still paper-based. Automating our process will help us produce our publications at far less cost. Additionally, many of the Federal agencies that publish material in the *Federal Register* are located outside Washington, DC, and must rely on mail or messenger services to submit their legal documents to us. Even the Social Security Administration, located in Baltimore, must send a driver to our offices in Washington to transmit urgent, signed original documents. Secure electronic submission of documents for publication, bearing legally accepted electronic signatures, would eliminate the impact of geographic distance and dependence on local transportation and messenger services to transmit critical or time-sensitive documents.

We also want to improve the currency of our online *Code of Federal Regulations*, which reflects the print version and, therefore, is already out of date when individual volumes go online. The current online *CFR* was searched more than 90 million times in 1999 by the public, businesses, Congress, executive agencies, the media, and anyone concerned about rights or responsibilities under the laws and regulations of the U.S. Government. Our customers expect and deserve the online *CFR* to be as current as possible.

With contractor support NARA is studying how best to implement an Electronic Editing and Publishing System (e-DOCS) to automate publication production operations. Additionally, in partnership with GPO, NARA is developing an electronic *Code of Federal Regulations* (e-CFR) that will serve as the official, authoritative, and current source of all codified Federal regulations. The *e-CFR* will be updated on a current basis for immediate availability online. It also will serve as the source file for publishing the annual, revised printed edition of the *Code of Federal Regulations*.

For FY 2002, NARA requests $1,442,000 and 4 FTE to implement an e-DOCS system and support the e-CFR database.

The funds requested will be used for contractor services to purchase, install, and test the e-DOCS system. The funds also will finance staff to support system maintenance; perform document scanning; create an electronic public inspection "desk;" and provide complex technical editing of *Federal Register* documents and *CFR* material, including the e-*CFR* database. This funding will result in the following:

- Installation of the hardware and software necessary for electronic editing and publishing of *Federal Register* regulatory publications.
- Secure electronic submission of documents, bearing legally acceptable electronic signatures, from Federal agencies to the *Federal Register*.
- Electronic indexing, tracking, and editing of *Federal Register* documents, further automating the production process, and improving daily online updating of the *Code of Federal Regulations*.

- Improved availability of current, online regulatory information for the public, which made 142 million retrievals from the Federal Register databases in 1999.
- *Federal Register* compliance with the Government Paperwork Elimination Act.

Electronic access is exponentially multiplying the use of *Federal Register* publications by everyone who is affected by the actions of the Federal Government. Our request will be an investment to improve our efficiency and extend the reach of the *Federal Register* to even more people.

Electronic Government

To help fulfill our mission of ready access to essential evidence that documents the rights of American citizens, the actions of Federal officials, and the national experience, our Strategic Plan calls for us to expand and enhance our web site. Web technology broadens our ability to serve all citizens; not just those who can afford to visit us. For NARA, the web is more than a vehicle for sharing public affairs information; it is a strategic tool for carrying out our core mission.

Development of our web site is critical for fulfilling our Strategic Plan objective to build a nationwide, integrated online information delivery system that educates citizens about NARA and its facilities, services, and holdings, and makes available digital copies of high-interest documents. Many performance targets listed in our Strategic Plan are tied to the use of web technology, such as making 70 percent of NARA services and descriptions of 95 percent of our archival holdings available online by 2007. Through our web site, we are now able to make information available about and from our holdings to staff, the public, and Federal officials in our research rooms and at their offices, homes, and schools. Customers send research requests by email. Researchers search electronic databases for records held in our various archives and Presidential libraries. "Virtual visitors" view our Online Exhibit Hall. Teachers and students make use of our Digital Classroom. Federal agencies use our web site to get the latest on records management guidance. And we use our web site for quick communication with staff, Federal agencies, and the public on "hot topics" and strategic initiatives, while also requesting and getting input via the web on such initiatives.

Our web site also will be the central vehicle through which we automate certain public services to comply with the Government Paperwork Elimination Act (GPEA). In the GPEA implementation plan NARA submitted to the Administration, we identified 49 types of transactions conducted with the public and other agencies that could be offered on our web site. Of these, seven are already fully automated, but without additional resources we face major hurdles in expanding our public services on the web.

We do have more than 8,500 pages and 125,000 digital images of archival documents on our web site. All of these, however, are static HTML pages, which use a basic technology that has changed little in the past five years. With the exception of our employee locator page and our site search engine, our web site has:

- no web forms
- no dynamic pages that are assembled in response to user input and business rules
- no capability to process data
- no capability to process application logic
- no capability to process payment authorizations
- no multimedia

This is because the necessary infrastructure is not in place. Furthermore, the existing infrastructure cannot scale to meet the increased demands that would be placed on it if we add the services identified in our GPEA plan.

For FY 2002, NARA requests $4,970,000 and 8 FTE to fully develop an integrated NARA web site and meet the requirements of the Government Paperwork Elimination Act.

The funds requested would allow us to automate our large-volume, recurring user transactions by 2003, as required by the Act. We have identified six such types of transactions:

Transaction	GPEA Solution
1. Agencies request records be accessioned into records centers	Web forms for accessioning records
2. Researchers make reference requests	Web forms for ordering materials and expansion of online catalog
3. Researchers order copies of holdings	Web e-commerce forms for fulfilling orders
4. Customers purchase merchandise	Develop online store capabilities
5. Public views exhibit	Static HTML pages
6. Public attends event	Video streaming

To automate these services, we would add functionality to our web site through new software applications that go well beyond static pages. And before any transaction could be automated, we would need to implement a more robust infrastructure and acquire the tools to develop interoperable, scalable and portable applications.

How important is this? A *New York Times* writer said of our online services: "This was the most gratifying use of my tax dollars since the Park Service started building bike paths." Because of the usefulness of our web site to students and teachers, it won an "A" rating this year from Education World. And after using some of our online information, a researcher emailed us this message: "Thanks for allowing us to access this most important database. This assures me that we are a government 'of the people, by the people'."

MEET STORAGE AND PRESERVATION NEEDS OF GROWING QUANTITIES OF RECORDS

Gerald R. Ford Museum (Grand Rapids, Michigan)

For FY 2002, NARA requests $4,405,000 for the construction of an addition to the Gerald R. Ford Museum in Grand Rapids, Michigan.

The Ford Museum lacks adequate permanent collection storage space for artifacts (some artifacts are currently stored at the Gerald R. Ford Library in Ann Arbor, Michigan due to insufficient space at the museum); the storage conditions do not comply with the current storage standards for Presidential Libraries; the original planning of the museum did not include temporary exhibit space; there is insufficient conference space for public programs; and access for the disabled from the elevators to the permanent exhibit space on the second floor is awkward (and the only public restrooms are back on the first floor adjacent to the museum shop). As currently configured, NARA cannot take full advantage of the new $4 million museum exhibit provided by the Ford Foundation.

The proposed project would include an 8,200-square-foot 2-story addition plus renovations to the existing space. The renovations will include 4,500 square feet of properly conditioned artifact storage and will help in freeing up space at the Ford Library in Ann Arbor, Michigan for new textual materials (with the transfer of artifacts to the museum). Other existing areas will be re-oriented for improved accessibility and the construction of new education/conference space. The addition will house relocated administrative offices including space for the Ford Foundation and temporary exhibit functions. The museum gift shop will gain storage space to consolidate the inventory and allow the staff to buy in bulk thereby saving money. A new counter will be added for the collection of entrance fees to the museum. And an elevator will be added to improve access to the second floor exhibit space.

Funds of $700,000 were approved in the final Congressional action on NARA's FY 2001 appropriation, for the design of a 10,000 square foot extension to the Museum. FY 2002 funds will provide for the award of the construction of the extension.

Dwight D. Eisenhower Library and Museum (Abilene, Kansas)

For FY 2002, NARA requests $1,288,000 for renovation of the Eisenhower Center (Library and Museum) in Abilene, Kansas.

NARA is faced with a severe problem in the preservation of the Library's audiovisual holdings. Currently the audiovisual materials are stored in textual stack areas that do not provide adequate cooling to prevent deterioration of original films, color negatives, still photographs, slides, and video tapes. There is inadequate storage to appropriately house the artifacts that comprise the Eisenhower collection so the transfer of materials from the Library to the Museum is not a viable option.

To improve conditions at the Eisenhower Center, we are proposing a project that will first renovate the Presidential gallery to accommodate a new exhibit that will be provided by the Eisenhower Foundation. We will construct cold storage space in the stack area of the Library for the protection of the audiovisual materials that are currently at risk. With the construction of the cold storage space it will be necessary to perform alterations to the Library and Museum stack areas to increase storage space. These alterations will include the installation of compact shelving to achieve additional storage without having to add space to the buildings.

Because we are faced with the urgent need to protect the audiovisual holdings, we are proposing a schedule based on beginning design during 2001. We would complete design by late September 2001 and immediately begin procurement for a construction contract in early FY 2002. Construction completion would be by late 2003.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2000

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 1: Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.														
Records Services	$14,690	136	-	-	-	-	-	-	-	-	-	-	$14,690	136
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$14,690**	**136**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$14,690**	**136**
Goal 2: Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.														
Records Services	$90,095	670		-	-	-	$3,436	54	$15,883	114	$58,148	1,098	$167,562	1,936
Archives Related Services	9,445	79	-	-	$8,418	-	125	-	-	-	-	-	17,988	79
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$99,540**	**749**	**$0**	**0**	**$8,418**	**0**	**$3,561**	**54**	**$15,883**	**114**	**$58,148**	**1,098**	**$185,550**	**2,015**
Goal 3: All records will be preserved in appropriate space for use as long as needed.														
Records Services	$36,775	305	$20,460	-	-	-	-	-	-	-	$40,453	13	$97,688	318
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	24,284	-	-	-	-	-	-	-	-	-	-	-	24,284	0
Total	**$61,059**	**305**	**$20,460**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$40,453**	**13**	**$121,972**	**318**

1372

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2000 (CONTINUED)

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 4: NARA will continuously expand its capabilities to make the changes necessary to realize our vision.														
Records Services	-	-	-	-	-	-	-	-	-	-	-	-	$0	0
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Summary of Goals 1 through 4														
Records Services	$141,560	1,111	$20,460	0	$0	0	$3,436	54	$15,883	114	$98,601	1,111	$279,940	2,390
Archives Related Services	9,445	79	0	0	8,418	0	125	0	0	0	0	0	17,988	79
Archives II Facility	24,284	0	0	0	0	0	0	0	0	0	0	0	24,284	0
GRAND TOTAL	$175,289	1,190	$20,460	0	$8,418	0	$3,561	54	$15,883	114	$98,601	1,111	$322,212	2,469

* Does not include Redemption of Debt.

1373

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2001

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 1: Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.														
Records Services	$17,396	157	-	-	-	-	-	-	-	-	-	-	$17,396	157
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$17,396**	**157**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$17,396**	**157**
Goal 2: Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.														
Records Services	$105,682	771	-	-	-	-	$2,902	67	$15,439	120	$55,884	1,151	$179,907	2,109
Archives Related Services	9,393	84	-	-	$6,436	-	300	-	-	-	-	-	16,129	84
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$115,075**	**855**	**$0**	**0**	**$6,436**	**0**	**$3,202**	**67**	**$15,439**	**120**	**$55,884**	**1,151**	**$196,036**	**2,193**
Goal 3: All records will be preserved in appropriate space for use as long as needed.														
Records Services	$47,504	350	$101,536	-	-	-	-	-	-	-	$41,795	14	$190,835	364
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	22,887	-	-	-	-	-	-	-	-	-	-	-	22,887	0
Total	**$70,391**	**350**	**$101,536**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$41,795**	**14**	**$213,722**	**364**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2001 (CONTINUED)

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 4: NARA will continuously expand its capabilities to make the changes necessary to realize our vision.														
Records Services	-	-	-	-	-	-	-	-	-	-	-	-	$0	0
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Summary of Goals 1 through 4														
Records Services	$170,582	1,278	$101,536	0	$0	0	$2,902	67	$15,439	120	$97,679	1,165	$388,138	2,630
Archives Related Services	9,393	84	0	0	6,436	0	300	0	0	0	0	0	16,129	84
Archives II Facility	22,887	0	0	0	0	0	0	0	0	0	0	0	22,887	0
GRAND TOTAL	$202,862	1,362	$101,536	0	$6,436	0	$3,202	67	$15,439	120	$97,679	1,165	$427,154	2,714

* Does not include Redemption of Debt.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2002

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 1: Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.														
Records Services	$17,968	157	-	-	-	-	-	-	-	-	-	-	$17,968	157
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$17,968**	**157**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$17,968**	**157**
Goal 2: Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.														
Records Services	$116,575	787	-	-	-	-	$2,841	67	$14,824	120	$57,956	1,151	$192,196	2,125
Archives Related Services	12,508	89	-	-	$4,436	-	301	-	-	-	-	-	17,245	89
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**$129,083**	**876**	**$0**	**0**	**$4,436**	**0**	**$3,142**	**67**	**$14,824**	**120**	**$57,956**	**1,151**	**$209,441**	**2,214**
Goal 3: All records will be preserved in appropriate space for use as long as needed.														
Records Services	$68,225	361	$10,643	-	-	-	-	-	-	-	$44,417	14	$123,285	375
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	22,359	-	-	-	-	-	-	-	-	-	-	-	22,359	0
Total	**$90,584**	**361**	**$10,643**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$44,417**	**14**	**$145,644**	**375**

1376

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
INCLUDES ALL FUNDS

PERFORMANCE COSTS — FISCAL YEAR 2002 (CONTINUED)

(dollars in thousands)

ACTIVITIES	Salaries & Expenses*		Repairs & Restoration		NHPRC		Advances & Reimbursements		Trust Fund		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Goal 4: NARA will continuously expand its capabilities to make the changes necessary to realize our vision.														
Records Services	-	-	-	-	-	-	-	-	-	-	-	-	$0	0
Archives Related Services	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Archives II Facility	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Summary of Goals 1 through 4														
Records Services	$202,768	1,305	$10,643	0	$0	0	$2,841	67	$14,824	120	$102,373	1,165	$333,449	2,657
Archives Related Services	12,508	89	0	0	4,436	0	301	0	0	0	0	0	17,245	89
Archives II Facility	22,359	0	0	0	0	0	0	0	0	0	0	0	22,359	0
GRAND TOTAL	$237,635	1,394	$10,643	0	$4,436	0	$3,142	67	$14,824	120	$102,373	1,165	$373,053	2,746

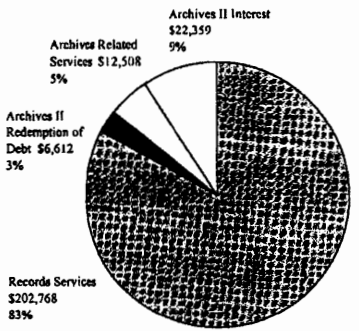
* Does not include Redemption of Debt.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

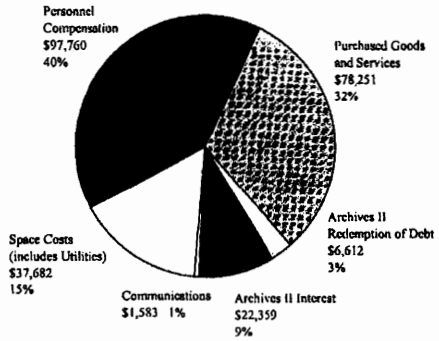
Highlights Of 2002 Request -- Operating Expenses

(dollars in thousands)

2002 Request
Costs by Program Area



2002 Request
Costs by Major Cost Element



TOTAL $244,247

1378

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

ANALYSIS OF REQUESTED LEVEL FOR 2002
(dollars in thousands)

	FTE	Amount
Fiscal Year 2001 Level Authorized by Public Law 106-554	1,362	$209,393
Reduction pursuant to the Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554	-	-447
Revised Fiscal Year 2001 Availability	1,362	208,946
Estimates for Fiscal Year 2002	1,394	244,247
Total Change, 2001 to 2002	32	$35,301

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002
(dollars in thousands)

	Obligations						Increases or Decreases (-) for 2002					
	2000 Actual		2001 Estimate[1]		2002 Estimate		Total Changes		Program Changes		Other Changes	
Activity	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Records Services:												
Records Services - Washington, DC	643	$71,902	707	$82,388	716	$96,595	9	$14,207	9	$11,328	-	$2,879
Regional Records Services	197	29,126	250	37,306	257	47,299	7	9,993	7	8,956	-	1,037
Presidential Libraries	257	38,750	293	47,506	304	55,107	11	7,601	11	5,981	-	1,620
Information Security Oversight Office	14	1,782	28	3,382	28	3,767	-	385	-	263	-	122
Subtotal, Records Services	1,111	141,560	1,278	170,582	1,305	202,768	27	32,186	27	26,528	0	5,658
Archives Related Services:												
Federal Register	66	7,711	70	7,623	75	10,404	5	2,781	5	2,496	-	285
National Historical Publications and Records Commission	13	1,734	14	1,770	14	2,104	-	334	-	263	-	71
Subtotal, Archives Related Services	79	9,445	84	9,393	89	12,508	5	3,115	5	2,759	0	356
Archives II Facility Interest Payments [2]	-	24,284	-	22,887	-	22,359	-	-528	-	-528	-	-
Total Obligations	1,190	$175,289	1,362	$202,862	1,394	$237,635	32	$35,301	32	$29,287	0	$6,014
Archives II/Redemption of Debt	-	5,598	-	6,084	-	6,612	-	528	-	528	-	-
Total Request - 2002	1,190	$180,887	1,362	$208,946	1,394	$244,247	32	$35,301	32	$29,287	0	$6,014

[1] 2001 excludes carryover of 2000 funds of $195. [2] See explanation of Archives II financing on page 37. Note: See each activity for prorated amount of program direction.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR 2002

(dollars in thousands)

Activity	Records Services		Archives Related Services		Total	
	FTE	Amount	FTE	Amount	FTE	Amount
Program Changes:						
Meet Electronic Records Challenges	12	$20,303	1	$1,069	13	$21,372
Expand Opportunities for Access	15	6,225	4	1,690	19	7,915
Total Program Changes	**27**	**$26,528**	**5**	**$2,759**	**32**	**$29,287**
Other Changes:						
Annualization of 2001 Pay Raise	-	$863	-	$64	-	$927
2002 Pay Raise	-	2,426	-	181	-	2,607
One Extra Day's Pay	-	338	-	25	-	363
Facility Rates and Information Technology Changes	-	2,031	-	86	-	2,117
Total Other Changes	**0**	**$5,658**	**0**	**$356**	**0**	**$6,014**
Total Changes Compared to 2001	**27**	**$32,186**	**5**	**$3,115**	**32**	**$35,301**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

RECORDS SERVICES

Analysis of Resources

(dollars in thousands)

Activity	Obligations						Increases or Decreases (-) for 2002					
	2000 Actual		2001 Estimate [1]		2002 Estimate		Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Records Services – Washington, D.C.	573	$58,853	622	$65,622	622	$67,835	0	$2,213	0	0	0	$2,213
Regional Records Services	142	18,808	183	24,048	183	24,559	0	511	0	0	0	511
Presidential Libraries	229	33,591	260	40,877	267	43,737	7	2,860	7	1,503	0	1,357
Information Security Oversight Office	12	1,479	26	2,992	26	3,098	0	106	0	0	0	106
Subtotal	956	112,731	1,091	133,539	1,098	139,229	7	5,690	7	1,503	0	4,187
Program Direction*	155	28,829	187	37,043	207	63,539	20	26,496	20	25,025	0	1,471
Total	1,111	$141,560	1,278	$170,582	1,305	$202,768	27	$32,186	27	$26,528	0	$5,658
*Includes Office of Inspector General	10	$977	10	$1,160	10	$1,208	0	$48	0	$0	0	$48

[1] 2001 excludes carryover of 2000 funds of $83 in Records Services and $107 in Program Direction.

BACKGROUND

Records Services programs cover selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government and the historical materials and Presidential records in Presidential Libraries; for preparing related publications, exhibits, and public programs; and for conducting the appraisal of Federal records. Included is the systematic review of all classified records in the National Archives over 25 years old, and the implementation and monitoring of security classification programs in both Government and industry. Such programs are administered through NARA's Office of Records Services-Washington, D.C.; Office of Regional Records Services; Office of Presidential Libraries; and the Information Security Oversight Office.

1. **Records Services-Washington, D.C.** — This program provides Federal agencies and the public with access to records of the Federal Government. Information regarding these records and reproductions of them are also provided through mail, e-mail, telephone, and fax. Records are arranged and descriptions of their contents are prepared to provide access and facilitate use of the records. Descriptions of

materials are published in guides, inventories, special lists, other publications, and electronically. Exhibits provide additional public access to archival holdings.

This program also appraises records of the Federal Government for disposition and establishes government-wide policies, standards, procedures, and regulations to ensure adequate and appropriate documentation of the Government's activities. Assistance is provided to Federal agencies to ensure the proper creation, maintenance, use, and disposition of agency records, including the development and implementation of records administration programs, as mandated by law.

Included is a declassification program that makes available to the public historically valuable information in previously classified Federal Government records and donated historical materials by declassifying information without endangering national security. Much of the work is performed in the Washington metropolitan area on records in the National Archives at College Park. Some of this work also is accomplished at the Presidential Libraries of recent Presidents. Under Executive Order 12958, effective October 16, 1995, the program is focused on the systematic review and declassification of classified information in archival records more than 25 years old. The program also provides for review of records requested by researchers in accordance with procedures under Executive Order 12958 and the Freedom of Information Act.

Records Services - Washington, D.C. Program Costs
(dollars in thousands)

Activity	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Reference Services / Access	$19,924	$22,547	$23,291	$744
Preservation 1/	8,663	10,761	11,116	355
Records Life Cycle System	10,395	12,299	12,704	405
Records Declassification	2,599	3,587	3,705	118
Public Programs	1,733	2,050	2,117	67
Rent and Recurring Reimbursable Payments to the Federal Buildings Fund	171	240	251	11
O&M - NARA Buildings	12,983	11,461	12,033	572
Common Distributable	2,385	2,677	2,618	-59
Total Program Costs	$58,853	$65,622	$67,835	$2,213

1/ Excludes Presidential Libraries.

2. **Regional Records Services** — Outside the Washington, D.C. area, NARA operates a system of individual regional records services facilities in ten regions. Each of the ten regional administrators oversees a program encompassing the full life cycle of records from creation through ultimate disposition and use. Included are records management activities with records creators, records processing, archival accessioning, and provision of records access to the public. Historically valuable records, particularly those of regional interest, are maintained in regional archives, which arrange and preserve the records and prepare finding aids to facilitate their use, make the records available for use in research rooms, answer written and oral requests for information contained in the holdings, and, for a fee, provide copies of the records In addition, many important original records held in NARA facilities in the Washington, D.C., area are available on microform in regional facilities.

Regional records services facilities provide reference services on over 500 thousand cubic feet of records, which includes retrieving records for the agency of origin, preparing authenticated reproductions of documents, and furnishing information from records. The facilities also dispose of records of transitory value and transfer into archival custody those that have enduring value. The facilities also offer to Federal agencies in the regions technical assistance workshops and advice on records creation and management.

3. **Presidential Libraries** — This program provides for the operation of ten Presidential Libraries, the Presidential Materials Staff in Washington, D.C., and the retention and processing of Nixon Presidential materials. Presidential records, manuscripts, books, prints, films, and other historical materials received from former Presidents or acquired from their contemporaries pursuant to the Presidential Records Act of 1978 are arranged, described, preserved, and processed for opening to the public. Finding aids are published and assistance is provided to scholars and other researchers. The libraries also solicit donations of historical materials relating to Presidents and the Presidency. The Presidential Libraries have programs of exhibits, publications, scholarly symposia, conferences, and related activities based upon their holdings. Preservation actions include making copies of Presidential films and tapes, conserving museum items, and preserving color photos.

Selected library holdings at the close of 2000 were as follows:

	(thousands)
Pages of manuscripts	323,177
Volumes	501
Still pictures	5,800
Museum objects	403
Motion picture film footage	14,537

Exhibits in Presidential Libraries were viewed by 1,188,432 visitors in 2000.

Presidential Libraries Program Costs
(dollars in thousands)

Activity	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Hoover	$1,017	$1,083	$1,127	$44
Roosevelt	796	848	886	38
Truman	1,255	1,336	1,391	55
Eisenhower	1,497	1,593	1,654	61
Kennedy	1,501	1,587	1,648	61
Johnson	1,721	1,832	1,899	67
Nixon Pres. Materials	2,010	1,854	1,925	71
Ford	1,321	1,406	1,459	53
Carter	1,500	1,596	1,657	61
Reagan	1,507	1,604	1,666	62
Bush	1,334	1,420	1,475	55
Clinton	1,783	5,923	7,426	1,503
Presidential Materials Staff	899	1,241	1,297	56
Planning and Direction	1,437	1,976	2,032	56
Rent and Recurring Reimbursable Payments to the Federal Buildings Fund	6	1,525	1,556	31
O&M - NARA Buildings	687	687	721	34
O&M - Libraries	12,990	13,041	13,597	556
Common Distributable	330	325	321	-4
Total Program Costs	$33,591	$40,877	$43,737	$2,860
Preservation included above.	$1,254	$500	$500	$0

4. **Information Security Oversight Office (ISOO)** — The Information Security Oversight Office provides oversight for the information security program established by Executive Order 12958 and reports annually to the President on the status of that program. This involves monitoring the information security programs of approximately 80 executive branch agencies. It is also responsible for policy oversight for the National Industrial Security Program established under Executive Order 12829.

5. **Program Direction** — This activity provides general direction and program support for all NARA programs. Direction is provided by the Archivist and a policy, communications, legal, and administrative staff. The Archivist's staff coordinates the offices' programs; provides legal advice; promotes the efficient utilization of resources; maintains liaison activities with the Congress; provides policy on budget and human resources matters; conducts audits; manages facilities and the procurement program; evaluates programs; and coordinates information technology systems. An additional major responsibility of this staff is to coordinate and oversee the agency's strategic planning process. This includes management of strategic and annual performance plans, all related customer service programs, and performance measurement systems.

NARA is committed to streamlining operations, enhancing productivity, and creating innovation. NARA is continuing business process design efforts in both archival and administrative areas as part of an on-going effort to improve management oversight and internal efficiency. NARA is also creating an agency-wide information technology architecture that will make possible access to shared reference data throughout the records life cycle in a consistent and compatible manner; promote the technological integration of all sites; and involve technologies that are secure, maintainable, and reusable.

In response to the Administration's policy of reducing administrative support costs, NARA has a cross-servicing agreement with GSA for payroll and accounting services. NARA continues to contract out Washington, D.C. area mailroom services and certain other administrative services. Human resources management services are provided nationwide through a centralized employment policy branch in Washington, D.C., and an operations branch in St. Louis, Missouri.

Program direction staff are responsible for all aspects of facility management for the National Archives Building and the Archives II facility, including security, operation, and maintenance. In addition, staff provides management oversight for major repair and alteration projects at the National Archives Building, the Archives II facility at College Park, Maryland and Presidential Libraries located at facilities around the country.

Records Services Performance Costs

(dollars in thousands)

Activity	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	$14,690	$17,396	$17,968	$572
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	90,095	105,682	116,575	10,893
All records will be preserved in appropriate space for use as long as needed.	36,775	47,504	68,225	20,721
NARA will continuously expand its capabilities to make the changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$141,560	$170,582	$202,768	$32,186

EXPLANATION OF CHANGES, 2001 VERSUS 2002

Program changes. The budget request reflects an increase of $26,528,000 and 27 FTE. This includes increases of $20,303,000 and 12 FTE to meet electronic records challenges, and $6,225,000 and 15 FTE to expand opportunities for access.

Other changes. A net increase of $5,658,000 includes increases of $863,000 for annualization of the 2001 pay raise, $2,426,000 for the 2002 pay raise, $338,000 for one extra day's pay, and $2,031,000 for facility rates and information technology changes.

ARCHIVES RELATED SERVICES

Analysis of Resources

(dollars in thousands)

Activity	Obligations						Increases or Decreases (-) for 2002					
	2000 Actual		2001 Estimate[1]		2002 Estimate		Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Federal Register	60	$6,497	62	$6,063	66	$7,729	4	$1,666	4	$1,442	-	$224
National Historical Publications and Records Commission	11	1,431	12	1,380	12	1,435	-	55	-	-	-	55
Subtotal	71	7,928	74	7,443	78	9,164	4	1,721	4	1,442	-	279
Program Direction *	8	1,517	10	1,950	11	3,344	1	1,394	1	1,317	-	77
Total	79	$9,445	84	$9,393	88	$12,508	5	$3,115	5	$2,759	0	$356
* Includes Office of Inspector General	1	$51	1	$61	1	$63	-	$2	-	-	-	$2

[1] 2001 excludes carryover of 2000 funds of $5.

BACKGROUND

Archives Related Services include two special services that are archival related in the Federal government. One is the publication of the *Federal Register*, the *Code of Federal Regulations*, the *U.S. Statutes at Large*, and Presidential documents. The other is the administration and reference services portion of the budget for the National Historical Publications and Records Commission. This Commission makes grants nationwide to preserve and publish records that document American history.

1. **Federal Register** — This program provides for the editing, compilation, and publication of Federal regulations in the *Federal Register* and the *Code of Federal Regulations*; laws in slip form and the *U.S. Statutes at Large*; Presidential documents in the *Weekly Compilation of Presidential Documents* and *Public Papers of the Presidents*; a compilation of Privacy Act issuances; and statements of Federal agency organization and functions in the *United States Government Manual*.

1386

The program also provides leadership and assistance to agencies in drafting regulations; assists the public in using its publications by providing finding aids; and conducts educational programs for the public on how to use the *Federal Register*. In Presidential election years, the *Federal Register* program administers the Electoral College process.

2. **National Historical Publications and Records Commission (NHPRC)** — The NHPRC makes grants nationwide to preserve and publish records that document American history. Administered within the National Archives and Records Administration, which preserves Federal records, the NHPRC helps state and local governments and private non-profit institutions preserve non-Federal records, helps historians publish the papers of major figures in American history from George Washington to Martin Luther King, Jr., and helps archivists, records managers, and documentary editors improve their techniques, training, and ability to serve a wide range of information users–teachers, students, lawyers, judges, legislators, journalists, documentary film and TV producers, genealogists, and government officials as well as historians and other scholars. The Commission is a statutory body chaired by the Archivist of the U.S. Its 15 members represent the President, the Congress, the Supreme Court, the Departments of State and Defense, the Library of Congress, and six national associations of archivists and historians. The Commission uses grants to leverage funding contributions from state legislatures, local governments, private donors, universities and other institutions, who provide on the average more than 50 percent of the costs of projects assisted by the NHPRC. The Commission's grant appropriation will advance the progress the NHPRC is making in carrying out its strategic plan, which currently gives priority to funding publication of the papers of the Founding Fathers, helping archivists develop techniques for preserving, appraising, and providing access to electronic records, and helping to strengthen the nation's archival infrastructure by supporting state historical records advisory boards in developing statewide programs for historical documentary preservation. The administrative costs of the Commission's small staff are covered here, within the administrative budget of the National Archives and Records Administration.

3. **Program Direction** — The description for this activity can be found on pages 32 and 33 of the Records Services section.

Archives Related Services Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	$9,445	$9,393	$12,508	$3,115
All records will be preserved in appropriate space for use as long as needed.	-	-	-	-
NARA will continuously expand its capabilities to make changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$9,445	$9,393	$12,508	$3,115

EXPLANATION OF CHANGES, 2001 VERSUS 2002

Program changes. The budget request reflects an increase of $2,759,000 and 5 FTE. This includes $1,069,000 and 1 FTE to meet electronic records challenges, and $1,690,000 and 4 FTE to expand opportunities for access.

Other changes. An increase of $356,000 includes $64,000 for the annualization of the 2001 pay raise, $181,000 for the 2002 pay raise, $25,000 for one extra day's pay, and $86,000 for facility rates and information technology changes.

ARCHIVES II FINANCING

(dollars in thousands)

BACKGROUND

PL 100-440 (102 Stat. 1743-44), the NARA appropriation section, provided authorization for the construction of Archives II as follows:

> "That notwithstanding the provisions of 31 U.S.C. 1341(a)(1) or any other provision of law, the Archivist of the United States is authorized, pursuant to 44 U.S.C. 2903, to enter into a contract for construction and related services for a new National Archives facility in Prince George's County, Maryland, on a site provided, without charge, to the United States by the University of Maryland or the State of Maryland, which site may be transferred to the United States by less than fee simple estate, but shall remain available to the United States so long as it shall be used as a National Archives facility. The contract shall provide, by lease or installment payments payable out of annual appropriations over a period not to exceed thirty years, for the payment of the purchase price and associated costs, which shall not exceed $205,000,000 plus escalation to the midpoint of construction, and reasonable interest thereon. The contract shall further provide that title to the building shall vest in the United States at or before the expiration of the contract term upon fulfillment of the terms and conditions of the contract."

The authorizing language for Archives II permitted the Archivist to enter into a contract for construction and related services either by lease or by installment payments payable out of annual appropriations over a period not to exceed 30 years.

Budget authority equal to the debt issue was scored in the year Certificates of Participation were issued (1989). Obligations reflect interest payments made to certificate holders and payments made for accrued interest and premiums when securities are purchased on the secondary market. Outlays reflect payments to certificate holders, payments for accrued interest and premiums paid when securities are purchased, and payments to GSA to repay amounts spent on construction. Outlays are reduced by offsetting collections in the form of interest earned on the funds that are invested until needed to make payments. Beginning in 1994, the Archives sought appropriations for the annual payments to be made under the terms of the Certificates of Participation. In accordance with OMB's guidance, the total payment ($29 million) must be separated into a principal and interest component. The portion that represents principal is to be treated as an appropriation for the redemption of debt and excluded from the budget authority and outlay amounts. The portion that represents interest will be reported as budget authority and outlays.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

2002 BUDGET DISPLAY

	2000 Actual	2001 Estimate	2002 Estimate
Appropriation for Redemption of Debt	$5,598	$6,084	$6,612
Budget Authority	$23,373	$22,887	$22,359
Obligations	$24,284	$22,887	$22,359
Outlays	$16,761	$23,739	$22,359

FISCAL YEAR 2002 (and beyond) REQUIREMENT:

Beginning in 1990, the Archives began certificate payments utilizing funding from the debt issue. However, beginning in fiscal year 1994 funding was required from appropriated funds as funds raised by the debt issue and/or the interest earned thereon were depleted. Final payment is anticipated in the year 2019 for the Archives II facility.

Total funding in 2002 includes $22,359,000 in budget authority for the payment of interest to certificate holders and $6,612,000 for the redemption of debt.

Archives II Financing Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	-	-	-	-
All records will be preserved in appropriate space for use as long as needed.				
Budget Authority	$23,373	$22,887	$22,359	$-528
Redemption of Debt	5,598	6,084	6,612	528
NARA will continuously expand its capabilities to make changes necessary to realize our vision.	-	-	-	-
Total Request Performance Costs	$28,971	$28,971	$28,971	$0

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS

(dollars in thousands)

	Object Classification	2000 Actual	2001 Estimate	2002 Estimate
11.1	Full-Time Permanent	$59,702	$69,822	$74,883
11.3	Other than Full-Time Permanent	1,352	1,581	1,696
11.5	Other Personnel Compensation	1,262	1,476	1,583
11.9	**Total Personnel Compensation**	**62,316**	**72,879**	**78,162**
12.1	Personnel Benefits	14,095	18,220	19,540
13.0	Benefits for Former Personnel	54	56	58
21.0	Travel and Transportation of Persons	926	1,287	1,332
21.0	Motor Pool Travel	99	112	115
22.0	Transportation of Things	127	2,135	167
23.1	Rental Payments to GSA	3,543	6,082	5,818
23.3	Communications, Utilities and Misc. Charges	7,753	8,541	9,478
24.0	Printing and Reproduction	3,179	3,290	3,455
25.1	Advisory and Assistance Services	1,276	1,340	9,117
25.2	Other Services	13,233	16,394	22,607
25.3	Purchases of Goods and Services from Government Accounts	3,443	3,615	3,858
25.4	Operation & Maintenance of Facilities	26,084	27,388	29,186
25.7	Operation & Maintenance of Equipment	4,192	6,002	7,474
26.0	Supplies and Materials	3,673	3,986	4,585
31.0	Equipment	6,673	8,573	20,324
32.0	Land and Structures	321	75	-
41.0	Grants	16	-	-
42.0	Insurance Claims and Indemnities	2	-	-
	Subtotal Obligations	**151,005**	**179,975**	**215,276**
43.0	Interest and Dividends - Archives II	24,284	22,887	22,359
99.0	**Total Obligations Related to B.A.**	**175,289**	**202,862**	**237,635**
43.0	Archives II/Redemption of Debt	5,598	6,084	6,612
	Total Request	**$180,887**	**$208,946**	**$244,247**

EXPLANATION OF DISTRIBUTION BY OBJECT CLASS

11 **Personnel Compensation** - $78,162,000. For 1,394 FTE, of this amount, $2,167,000 is for 32 additional FTE.

12 **Personnel Benefits** - $19,540,000. Includes $541,000 in benefits for additional personnel. Provides for the government's contribution to the retirement fund; health benefits; group life insurance; FICA and Medicare hospital insurance; accident compensation; and moving allowances.

13 **Benefits for Former Personnel** - $58,000. Provides for unemployment compensation payments to former Federal employees.

21 **Travel and Transportation of Persons** - $1,447,000. Provides $1,287,000 for travel required to conduct activities of NARA, including inspection and oversight of field activities and $115,000 for motor pool services. Also, includes increases of $25,000 to Meet Electronic Records Challenges, and $20,000 to Expand Opportunities for Access.

22 **Transportation of Things** - $167,000. Provides for accessioning and transfer of records, supplies and equipment by commercial carrier.

23.1 **Rental Payments to GSA** - $5,818,000. For payment to the Federal Buildings Fund for space rental.

23.3 **Communications, Utilities and Miscellaneous Charges** - $9,478,000. Includes $928,000 for equipment rental; $1,103,000 for communications services, including local and long distance telephone charges; $480,000 for postage and overnight delivery service costs; and $6,457,000 for utilities to operate the National Archives building, Presidential Libraries, and the Archives II facility. Also includes increases of $500,000 to Meet Electronic Records Challenges, and $10,000 to Expand Opportunities for Access.

24 **Printing and Reproduction** - $3,455,000. Provides for printing *Federal Register* publications by GPO, document containers' labels, archival inventories, finding aids, and administrative instructional materials. Includes printing for records services operation and for reproducing handbooks, reports and regulations.

25.1 **Advisory and Assistance Services** - $9,117,000. Provides analytical and technical support for the quality control and administration of the Archives II facility support contract. Also provides management and professional support services, including acquisition support, that advise, assist, and train staff to achieve efficient and effective management and operation of their responsibilities to carry out the mission of the agency. Also includes increases of $6,220,000 to Meet Electronic Records Challenges, and $1,490,000 to Expand Opportunities for Access.

25.2 **Other Services** - $22,607,000. Includes $17,214,000 for various contractual services, with non-Federal sources. Also includes increases of $2,887,000 to Meet Electronic Records Challenges, and $2,506,000 to Expand Opportunities for Access.

25.3 **Purchases of Goods and Services from Government Accounts** - $3,858,000. Includes payments to GSA for accounting and payroll services, to OPM for security checks and clearances, and the U.S. Public Health Service for basic occupational health center services. Other interagency agreements are also included. Also includes an increase of $62,000 to Expand Opportunities for Access.

25.4 **Operation and Maintenance of Facilities** - $29,186,000. Provides facility program management, building systems operations and maintenance, housekeeping, supply support, transportation services, physical fitness center at Archives I and II, and cafeteria operations at Archives II. Also includes security (guard service) for the Presidential Libraries and Archives I and II, buildings operation and maintenance and building supplies for the Presidential Libraries and Archives I and II through commercial contractors and the Federal Buildings Fund (GSA); and for payment to the Federal Buildings Fund for recurring reimbursable services.

25.7 **Operation and Maintenance of Equipment** - $7,474,000. Provides for a contractor to operate the Government Owned Contractor Operated (GOCO) Data Center. The data center will provide operation and maintenance of data communications and administrative processing to support all organizations in the Archives II facility. Also includes increases of $1,031,000 to Meet Electronic Records Challenges, and $81,000 to Expand Opportunities for Access.

26 **Supplies and Materials** - $4,585,000. Includes $3,309,000 for program supplies, including cardboard document containers, records repair and encapsulation supplies, and exhibit supplies; and $876,000 for administrative supplies and materials. Also includes an increase of $400,000 to Meet Electronic Records Challenges.

31 **Equipment** - $20,324,000. Includes $6,761,000 for information technology and administrative equipment; and $2,241,000 for program and preservation equipment. Also includes increases of $9,061,000 to Meet Electronic Records Challenges, and $2,261,000 to Expand Opportunities for Access.

43 **Interest and Dividends** - $28,971,000. $22,359,000 for interest payments to certificate holders and $6,612,000 for the redemption of debt on the Archives II facility.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
OPERATING EXPENSES (DIRECT)

APPROPRIATION LANGUAGE

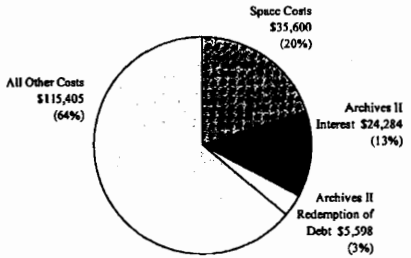
For necessary expenses in connection with the administration of the National Archives (including the Information Security Oversight Office) and archived Federal records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, [$209,393,000]: ***$244,247,000: Provided,*** That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings. *(1 U.S.C. 106a, 106b, 112, 113, 201; 3 U.S.C. 6, 11-13; 4 U.S.C. 141-146; 5 U.S.C. 552, App. 1; 25 U.S.C. 199a; 44 U.S.C. 710, 711, 729, Chapters 15, 21, 22, 25, 29, 31, 33; Public Law 98-497, Public Law 93-526, Public Law 105-246, Executive Orders 11440, 10530, 11030, 12656, 12829, 12958, 13142; Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

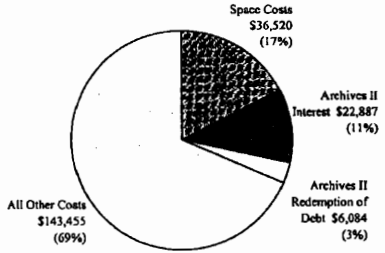
Space Costs as a Proportion of Direct Budget -- Operating Expenses

(dollars in thousands)

2000 Actual $180,887



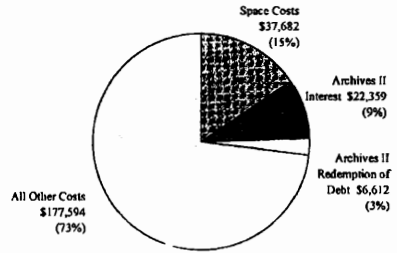
2001 Estimate $208,946



	2000 Actual	2001 Estimate	2002 Estimate
Rent *	$3,543	$6,082	$5,818
Operation and Maintenance Costs	31,674	29,881	31,279
Recurring and Non-Recurring Reimbursable	383	557	585

* Excludes Rent costs paid from the Revolving Fund: 2000 - $37.7 million, 2001 - $36.9 million and 2002 - $39.4 million.

2002 Estimate $244,247



NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
REPAIRS AND RESTORATION

ANALYSIS OF REQUESTED LEVEL FOR 2002

(dollars in thousands)

	Amount
Level Appropriated by Public Law 106-554 (Treasury, Postal Service, and General Government Appropriations Act of 2001)	$95,150
Reduction pursuant to The Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554	-224
Level Appropriated by Public Law 106-346 (Department of Transportation and Related Agencies Appropriations Act of 2001)	6,610
Revised Fiscal Year 2001 Availability	$101,536
Estimates for Fiscal Year 2002	$10,643
Total Change, 2001 to 2002	**$-90,893**

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002

(dollars in thousands)

Activity	2000 Actual Amount	2001 Estimate Amount	2002 Estimate Amount	Total Changes Amount
REPAIRS AND RESTORATION FUND:				
Archives Facilities and Presidential Libraries	$20,460	$101,536	$10,643	$-90,893
Total Repairs and Restoration	**$20,460**	**$101,536**	**$10,643**	**$-90,893**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
REPAIRS AND RESTORATION

BACKGROUND

In the fiscal year 1996 Treasury, Postal Service, and General Government Appropriations Act, Congress provided a separate account for the repairs and restoration of Archives facilities and Presidential Libraries, which will remain available until expended. The purpose of this account is to provide ongoing funds specifically for the repairs, alteration, and improvement of Archives facilities and Presidential Libraries nationwide. It will better enable the National Archives and Records Administration (NARA) to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and also maintain the structural integrity of the buildings.

JUSTIFICATION OF REQUESTED INCREASES

In 2002 the request of $10,643,000 includes $4,950,000 for the ongoing repairs and restoration program, which allows NARA to plan effectively for the systematic repair and restoration of the Presidential Libraries, the National Archives Building, and Archives II, buildings that NARA is responsible for operating and maintaining.

In addition to funding the ongoing repairs and restoration requirements for these NARA facilities, the request includes $4,405,000 for an addition to the Gerald R. Ford Museum, and $1,288,000 for renovation of the Eisenhower Center.

Repairs and Restoration Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed	-			-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed	-	-	-	-
All records will be preserved in appropriate space for use as long as needed.	$20,460	$101,536	$10,643	$-90,893
NARA will continuously expand its capabilities to make the changes necessary to realize our vision.	-		-	-
Total Performance Costs	$20,460	$101,536	$10,643	$-90,893

EXPLANATION OF CHANGES, 2001 VERSUS 2002

The budget request reflects a decrease of $90,893,000 over the FY 2001 level. This includes increases of $4,405,000 for the Gerald R. Ford Museum addition, and $1,288,000 for the Eisenhower Center renovation. These increases are offset by decreases of $87,776,000 for the Archives I renovation, $6,610,000 for Kennedy Library repairs, $1,500,000 for the Southeast Regional Archives, and $700,000 for the Gerald R. Ford Museum renovation.

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS

(dollars in thousands)

Object Classification	2000 Actual	2001 Estimate	2002 Estimate
23.3 Communications, Utilities and Misc. Charges	$1	-	-
26.0 Supplies and Materials	89	-	-
31.1 Equipment	21	-	-
32.0 Land and Structures	20,349	$101,536	$10,643
Total	**$20,460**	**$101,536**	**$10,643**

EXPLANATION OF DISTRIBUTION BY OBJECT CLASS

32.0 **Land and Structures - $10,643,000.** Includes $4,950,000 for the ongoing repairs and restoration program; $4,405,000 for the Gerald R. Ford Museum addition; and $1,288,000 for the Eisenhower Center renovation.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
REPAIRS AND RESTORATION

APPROPRIATION LANGUAGE

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, [$95,150,000] *$10,643,000*, to remain available until expended [of which $88,000,000 is to complete renovation of the National Archives Building]. *(Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

[For an additional amount for repairs to the John F. Kennedy Presidential Library, $6,610,000, to remain available until expended. *(Department of Transportation and Related Agencies Appropriation Act, 2001, as enacted by section 101(a) of P.L. 106-346.)*]

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
GRANTS

ANALYSIS OF REQUESTED LEVEL FOR 2002

(dollars in thousands)

	Amount
Level Appropriated by Public Law 106-554 (Treasury, Postal Service, and General Government Appropriations Act of 2001)	$6,450
Reduction Pursuant to The Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554	-14
Revised Fiscal Year 2001 Availability	$6,436
2002 Estimate	$4,436
Total Changes, 2001 to 2002	**$-2,000**

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002

(dollars in thousands)

Activity	2000 Actual Amount	2001 Estimate Amount	2002 Estimate Amount	Total Changes Amount
NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION:				
Grants	$8,418	$6,436	$4,436	$-2,000
Total Grants	**$8,418**	**$6,436**	**$4,436**	**$-2,000**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION GRANTS

BACKGROUND

The mission of the National Historical Publications and Records Commission (NHPRC): The NHPRC's statutory mission is to ensure understanding of our nation's past by promoting the identification, preservation, and dissemination of essential historical documentation nationwide. The NHPRC provides leadership in the education of archivists and documentary editors and in the development of improved tools and techniques for their work; and makes possible the publication of the papers of major leaders and events in American history.

Promoting the identification, preservation, and dissemination of essential historical documentation: The National Archives and Records Administration and the NHPRC together are ensuring that essential American historical documentation -- the raw material of history -- is available for future generations of Americans. NARA protects Federal records of historical value; NHPRC helps non-Federal institutions identify, preserve and make broadly accessible other records of historical value through grants to archival institutions and manuscript repositories, and through publications in multiple formats.

Publishing the Papers of American Leaders: With NHPRC assistance, historians are locating, transcribing, and publishing the papers of George Washington, John Adams, Benjamin Franklin, Thomas Jefferson, James Madison, and papers that document the Ratification of the Constitution, the First Federal Congress, and the early Supreme Court. The NHPRC also supports editing projects for the papers of Andrew Jackson, James K. Polk, Dwight D. Eisenhower, Gen. George C. Marshall, Sen. Robert Taft, and Dr. Martin Luther King, Jr., among others. President Ronald Reagan wrote, "I have a great hope for the children of America, that they too will read the works of Madison and Monroe and Washington and Jefferson and Adams and Hamilton. For in their letters to each other and in their essays, in their agreements and in their opinions, all so passionately stated, the image of an age can be discerned."

Overcoming the obstacles and taking advantage of the opportunities posed by electronic technologies: The NHPRC is providing leadership to the nation's archivists, records managers, and documentary editors by funding research-and-development projects focusing upon appraising, preserving, disseminating, and providing access to important documentary sources in electronic form in accord with an established and well-publicized research agenda for addressing the archival problems associated with the electronic records. The NHPRC is funding a project to enable a non-Federal U.S. team to participate in an international research initiative on the preservation of authentic electronic records, another project to examine whether the solutions being developed by the San Diego Supercomputer Center for NARA's Electronic Records Archives will be scalable for non-Federal archives, and a number of projects to assist state archives and other non-profit institutions to explore the best ways to solve the problems posed by electronic records.

Partnering with states to strengthen the nation's archival infrastructure: Through partnerships with State Historical Records Advisory Boards, the NHPRC helps states survey their documentary resources and needs, set priorities, and develop statewide strategic plans to preserve these records and make them more accessible. An increasing number of state legislatures now are moving to implement these plans by appropriating matching funding funds for NHPRC regrants.

JUSTIFICATION OF THE REQUEST

NHPRC's authorization and plan: The NHPRC is authorized to receive appropriations totaling $10 million per year through fiscal year 2005. The Congress authorized appropriations in recognition of the need to carry out a strategic plan for American historical documentation that the Commission members adopted and presented to Congress. The plan sets forth three broad goals and an outline of other projects eligible for support within the Commission's statutory mission.

The current request: The Administration's budget request of $4,436,000 for NHPRC grants for fiscal year 2002 will enable the Commission to achieve some progress on the three goals of the NHPRC Strategic Plan:

- To ensure the timely completion of eight on-going projects to publish the papers of George Washington, John Adams, Benjamin Franklin, Thomas Jefferson, James Madison, and papers that document the Ratification of the Constitution, the First Federal Congress, and the early Supreme Court.
- To promote broad public participation in historical documentation by collaborating with State Historical Records Advisory Boards to plan and carry out jointly funded programs to strengthen the nation's archival infrastructure and expand the range of records that are protected and accessible.
- To enable the nation's archivists, records managers, and documentary editors to overcome the obstacles and take advantage of the opportunities posed by electronic technologies by continuing to provide leadership in funding research-and-development on appraising, preserving, disseminating, and providing access to important documentary sources in electronic form.

Administration and Reference Services

Administration and Reference Services, which represents staffing and other operating expenses for the National Historical Publications and Records Commission, are included in the Archives and Related Services Operating Expenses portion of the National Archives and Records Administration budget.

Grants Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	$8,418	$6,436	$4,436	$-2,000
All records will be preserved in appropriate space for use as long as needed.	-	-	-	-
NARA will continuously expand its capabilities to make changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$8,418	$6,436	$4,436	$-2,000

EXPLANATION OF CHANGES, 2001 VERSUS 2002

Program changes. The budget request reflects a decrease of $2,000,000 from the FY 2001 level.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
GRANTS

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS

(dollars in thousands)

Object Classification	2000 Actual	2001 Estimate	2002 Estimate
41.0 Grants, Subsidies and Contributions	**$8,418**	**$6,436**	**$4,436**

EXPLANATION OF DISTRIBUTION BY OBJECT CLASS

41.0 Grants, Subsidies and Contributions. Includes $4,436,000 for NHPRC grants activity.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
GRANTS

APPROPRIATION LANGUAGE

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, [$6,450,000] *$4,436,000* to remain available until expended (*Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)*

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ADVANCES AND REIMBURSEMENTS

ANALYSIS OF REQUESTED LEVEL FOR 2002

(dollars in thousands)

	FTE	Amount
2001 Level of Reimbursable Services	67	$3,202
2002 Level of Reimbursable Services	67	3,142
Change from 2001 to 2002	**0**	**$-60**

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002

(dollars in thousands)

Activity	Summary						Increases or Decreases (-) for 2002					
	2000 Actual		2001 Estimate		2002 Estimate		Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Records Services	54	$3,436	67	$2,902	67	$2,841	0	$-61	-	$-	-	$-61
Archives Related Services	-	125	-	300	-	301	0	1	-	-	-	1
Total	**54**	**$3,561**	**67**	**$3,202**	**67**	**$3,142**	**0**	**$-60**	**0**	**$0**	**0**	**$-60**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ADVANCES AND REIMBURSEMENTS

OVERVIEW OF NARA REIMBURSABLE PROGRAMS

Beginning in 2000, the National Archives and Records Administration (NARA) established a working capital fund. The working capital fund is available for the expenses and equipment necessary to provide for accessioning, reference, refiling, storage, servicing, preservation, disposal, and related services for all temporary and pre-archival Federal records to be stored or currently stored at Federal national and regional records services centers by Federal agencies and other instrumentalities of the Federal Government. (See the Revolving Fund section of this overall Agency budget request.)

Records Services includes the reimbursable activity at thirteen (13) regional archives facilities, NARA's Central Office archives facilities, and select participating Presidential Libraries. Services provided include photocopy services on the agency's permanently archived records for the National Archives Trust Fund Board. The Board reimburses these programs for service costs incurred. In addition, these organizations offer specialized training and workshops on archiving potentially permanent Federal records, and provide reimbursable services to agencies for special projects. Also, declassification services are offered, providing records review prior to their accessioning into NARA.

Archives Related Services includes reimbursement from other Federal organizations for administrative overhead and shared utilities.

Advances and Reimbursements Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	$3,561	$3,202	$3,142	$-60
All records will be preserved in appropriate space for use as long as needed.	-	-	-	-
NARA will continuously expand its capabilities to make the changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$3,561	$3,202	$3,142	$-60

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ADVANCES AND REIMBURSEMENTS

SUMMARY EXPLANATION OF CHANGES FROM 2001 TO 2002

(dollars in thousands)

Activity	Records Services		Archives Related		Total	
	FTE	Amount	FTE	Amount	FTE	Amount
Decreased Cost of Goods and Services	-	$-61	-	$1	-	$-60
Total Changes, 2001 to 2002	**0**	**$-61**	**0**	**$1**	**0**	**$-60**

EXPLANATION OF CHANGES, 2001 VERSUS 2002

The reimbursable program for 2002 is estimated at $3,142,000, a decrease of $60,000 from the 2001 reimbursable program. Change includes a decrease of $60,000 for the reduced cost of goods and services.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ADVANCES AND REIMBURSEMENTS

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS

(dollars in thousands)

	Object Classification	2000 Actual	2001 Estimate	2002 Estimate
11.1	Full-time Permanent	$1,757	$1,734	$1,712
11.3	Other than Full-time Permanent	232	146	143
11.5	Other Personnel Compensation	181	20	20
11.9	**Total Personnel Compensation**	**2,170**	**1,900**	**1,875**
12.1	Personnel Benefits	428	499	494
13.0	Benefits for Former Personnel	-	-	-
21.0	Travel and Transportation of Persons (Reimbursable)	53	51	53
21.0	Travel and Transportation of Persons (Motor Pool)	4	-	-
22.0	Transportation of Things	-	-	-
23.1	Rental Payments to GSA	-	-	-
23.3	Communications, Utilities, and Miscellaneous Charges	142	187	187
24.0	Printing and Reproduction	29	20	21
25.2	Other Services	286	127	127
25.3	Purchases of Goods and Services from Government Accounts	5	2	2
25.4	Operation and Maintenance of Facilities	40	18	18
25.7	Operation and Maintenance of Equipment	-	-	-
26.0	Supplies and Materials	385	398	365
31.0	Equipment	19	-	-
32.0	Shelving	-	-	-
42.0	Insurance Claims and Indemnities	-	-	-
99.0	**Total Obligations**	**$3,561**	**$3,202**	**$3,142**

EXPLANATION OF DISTRIBUTION OF OBJECT CLASS

11 **Personnel Compensation** - $1,875,000. For 67 FTE.

12 **Personnel Benefits** - $494,000. Provides for the government's contribution to the retirement fund; health benefits; group life insurance; and FICA and Medicare hospital insurance.

21 **Travel and Transportation of Persons** - $53,000. Provides for travel required for administration of reimbursable programs and technical assistance projects.

23.3 **Communications, Utilities, and Misc. Charges** - $187,000. Provides for equipment rental, overnight delivery charges, and utility costs.

24 **Printing and Reproduction** - $21,000. Includes printing costs for technical assistance reports and electrostatic copying.

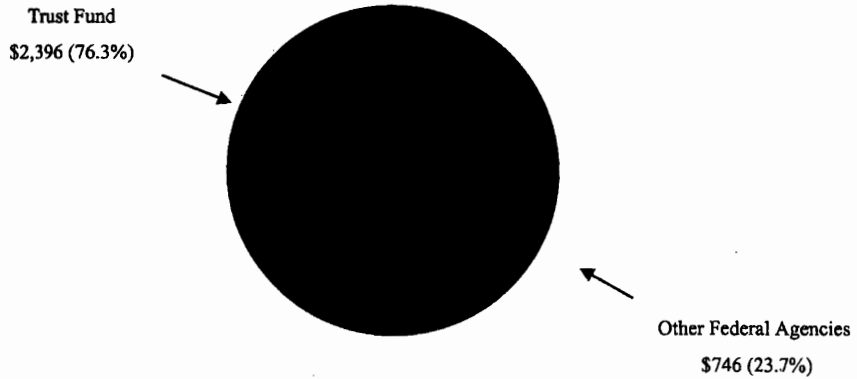
25.2 **Other Services** - $127,000. Provides for commercial contractual services, including registration fees associated with training.

25.3 **Purchases of Goods and Services from Government Accounts** - $2,000. Provides for payments to other Federal agencies for the cost of goods and services, such as security checks and clearances, and training.

25.4 **Operation and Maintenance of Facilities** - $18,000. Provides for operation and maintenance services beyond those provided under normal rent payments.

26 **Supplies and Materials** - $365,000. Includes program and administrative supplies and materials.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Major Reimbursable Customers 2002
(dollars in thousands)



Total: $3,142

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
REVOLVING FUND

INCOME/COST COMPARISON SUMMARY FOR 2002

(dollars in thousands)

	2000 Actual	Change 2000 vs. 2001	2001 Estimate	Change 2001 vs. 2002	2002 Estimate
Income/Cost Comparison - Summary:					
Operating Income	$94,859	$2,820	$97,679	$4,694	$102,373
Operating Expense	94,703	2,976	97,679	4,694	102,373
Net Profit or Loss (-)	**$156**	**$-156**	**$0**	**$0**	**$0**

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002

(dollars in thousands)

Activity	Summary						Increase/Decrease (-) for 2002	
	2000 Actual		2001 Estimate		2002 Estimate			
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Accession, Reference, Refile, and Disposal Service	1,098	$58,148	1,151	$55,884	1,151	$57,956	0	$2,072
Storage Services	13	40,453	14	41,795	14	44,417	0	2,622
Total Obligations	**1,111**	**$98,601**	**1,165**	**$97,679**	**1,165**	**$102,373**	**0**	**$4,694**

OVERVIEW OF NARA REVOLVING FUND PROGRAMS

The Federal Government is in a race with records that we are in danger of losing. Federal departments and agencies are struggling to manage increasing volumes of paper records, to cope with mushrooming quantities and proliferating forms of electronic records, to reduce backlogs of public requests for records through the Freedom of Information Act and E-FOIA, and to comply with orders from courts and the Congress to protect and/or produce records. Under Federal law, NARA shares responsibility with all Federal agencies to manage these records effectively.

NARA takes care of some two million cubic feet of *archival* records in our legal and physical custody. Funding for these records comes from the direct operating expenses appropriation. But in our records services centers, we store nearly ten times as many temporary and pre-archival records that belong to other Federal agencies, who have been increasing demand for such space currently by 2.0 percent per year. Our records services centers are now full.

The revolving fund allows NARA to utilize in its operations any receipts which are generated by the activities of the fund. In addition, costs are distributed fairly and at savings to the government. It also improves services to individual agencies by being able to provide more space to meet agency demands, to provide for better quality space where appropriate and to improve accession, reference, refile, disposal and other services for records stored in records services centers.

Regional records services facilities maintain low cost storage to which Federal agencies retire certain noncurrent records for specified periods. For such records, the regional records services facilities provide reference services on over 20 million cubic feet of records in NARAs custody, including loan or return of records to the agency of origin; prepare authenticated reproductions of documents; and furnish information from records. Alone, the National Personnel Records Center provides for the maintenance and reference service on 173 million military and civilian personnel records. The facilities also dispose of records of transitory value and transfer into archival custody those that have enduring value. The facilities also offer to Federal agencies in the regions technical assistance workshops and advice on records creation, maintenance, storage, disposition, and vital records.

AUTHORIZING LANGUAGE

Under the provisions of Public Law 106-58, the National Archives and Records Administration implemented a Revolving Fund for the storage and servicing of Federal records at all NARA records centers. As of October 1, 1999, the NARA records center program operates on a full cost recovery basis by charging user fees to other agencies.

The NARA Records Center Revolving Fund utilizes operations effectively by providing services on a standard price basis to Federal agency customers by maintaining low cost, quality storage and accession, reference, refile, and disposal services for records stored in service centers.

Revolving Fund Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	$58,148	$55,884	$57,956	$2,072
All records will be preserved in appropriate space for use as long as needed.	$40,453	$41,795	$44,417	$2,622
NARA will continuously expand its capabilities to make the changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$98,601	$97,679	$102,373	$4,694

EXPLANATION OF CHANGES, 2001 VERSUS 2002

Total obligations for 2002 are estimated at $102,373,000, which reflects the third year of operation for the Revolving Fund. This represents a net increase of $4,694,000. This includes an increase of $994,000 associated with pay raise, and $3,700,000 cost of goods and services, as well as Rent.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
REVOLVING FUND

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS
(dollars in thousands)

Object Classification	2000 Actual	2001 Estimate	2002 Estimate
11.1 Full-time Permanent	31,530	$31,495	$32,108
11.3 Other than Full-time Permanent	2,902	4,696	4,870
11.5 Other Personnel Compensation	1,553	1,096	1,136
11.9 Total Personnel Compensation	35,985	37,287	38,114
12.1 Civilian Personnel Benefits	8,546	8,521	8,679
13.0 Benefits for Former Personnel	907	237	246
21.0 Travel and Transportation of Persons	339	461	449
21.0 Motor Pool Travel	53	74	76
22.0 Transportation of Things	594	685	699
23.1 Rental Payments to GSA	37,667	36,928	39,441
23.3 Communications, Utilities, and Misc. Charges	2,207	2,425	2,717
24.0 Printing and Reproduction	235	336	390
25.2 Other Services	6,896	6,651	7,208
25.7 Operations and Maintenance of Equipment	969	1,385	1,413
26.0 Supplies and Materials	822	1,389	1,615
31.0 Equipment	499	600	612
32.0 Land and Structures	2,693	700	714
43.0 Interest and Dividends	189	-	-
99.0 Total Obligations	$98,601	$97,679	$102,373

EXPLANATION OF DISTRIBUTION BY OBJECT CLASS

11 **Personnel Compensation** - $38,114,000. For 1,165 FTE.

12 **Personnel Benefits** - $8,679,000. Provides for the governments contribution to the retirement fund; health benefits; group life insurance; and FICA and Medicare hospital insurance.

13 **Benefits for Former Personnel** - $246,000. Provides for unemployment compensation payments to former Federal employees.

21 **Travel and Transportation of Persons** - $525,000. Provides $449,000 for travel required for administration of revolving fund programs and technical assistance projects and $76,000 for motor pool services.

22 **Transportation of Things** - $699,000. For accessioning and transfer of records, supplies, and equipment by commercial carrier.

23.1 **Rental Payments to GSA** - $39,441,000. Provides for payments to the General Services Administration, Federal Building Fund for rental space.

23.3 **Communications, Utilities, and Misc. Charges** - $2,717,000. Provides for equipment rental, overnight delivery charges, and utility costs.

24.0 **Printing and Reproduction - $390,000.** Includes reproduction of records, printing costs for technical assistance reports, and electrostatic copying

25.2 **Other Services - $7,208,000**. Provides for commercial contractual services, such as training, security clearances, and ADP equipment maintenance.

25.7 **Operation and Maintenance of Equipment** - $1,413,000. Includes funding for a contractor to provide operation and maintenance of data communications and administrative processing to support the organizations.

26 **Supplies and Materials** - $1,615,000. Includes program and administrative supplies and materials.

31 **Equipment** - $612,000. Includes ADP equipment in records services centers applicable to the revolving fund program.

32 **Land and Structures** - $714,000. Includes purchase of shelving applicable to the revolving fund program.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
GIFT FUND

ANALYSIS OF ESTIMATED LEVEL FOR 2002
(dollars in thousands)

	2000 Actual	2001 Estimate	2002 Estimate
Financing:			
Prior Year Carry Forward	$7,071	$7,994	$6,188
Permanent Indefinite Budget Authority [1]	3,703	1,911	1,272
Recovery of Prior Year Obligations	10	-	-
Total Availability	**10,784**	**9,905**	**7,460**
Obligations	2,790	3,717	1,479
Unobligated Balance	**$7,994**	**$6,188**	**$5,981**

[1] Includes donations and interest earned on investments. 2000 Actual includes interest earned on Bush Library Endowment in the amount of $277,582; Harry S. Truman Institute donation of $1,523,472; AT&T Corporation donation of $625,000; and Knight Foundation donation of $250,000. AT&T Corporation donation of $250,000 included in 2001 and $125,000 in 2002.

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002
(dollars in thousands)

Activity	Summary			Increases or Decreases (-) for 2002
	2000 Actual	2001 Estimate	2002 Estimate	
	Amount	Amount	Amount	Amount
Historical Research, Conferences, Archival and Cultural Events, and Publications	$102	$1,544	$927	$-617
Presidential Libraries	2,688	2,173	552	-1,621
Total Obligations	**$2,790**	**$3,717**	**$1,479**	**$-2,238**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION GIFT FUND

SUMMARY JUSTIFICATION OF 2002 BUDGET ESTIMATE

The National Archives Gift Fund was established to administer incoming gifts and bequests. Expenditures are made for various programs, including historical research, conferences, archival and cultural events, and publications.

Gifts of money and property are made by individuals and organizations for the benefit of archival and records activities and are expended from the Gift Fund as authorized by the Archivist or in accordance with donor restrictions, if any. Permanent indefinite budget authority is provided from donated funds and interest earned on investments.

In accordance with 44 U.S.C. 2112, the Bush Presidential Library received a $4,477,233 endowment from the Bush Library Foundation. The money was deposited in the Gift Fund and invested in accordance with established National Archives Trust and Gift Fund procedures. Income earned on the investment, which is estimated to be $278,000 annually, will be used to offset a portion of the Library's operation and maintenance costs.

NARA has received donations of $625,000 from the AT&T Corporation to preserve the Charters of Freedom for continued display and to create exhibits to explain their meaning. (The donation is expected to be a total of $1,000,000 received between FY 1999 and FY 2002).

Total obligations for FY 2002 are estimated at $1,479,000, a decrease of $2,238,000 compared to FY 2001 estimated obligations of $3,717,000. A major portion of the decrease is attributable to the donations from the Harry S. Truman Institute and the National Park Service for contractual work completed in FY 2001.

AUTHORIZING LANGUAGE

The National Archives Trust Fund Board may solicit and accept gifts or bequests of money, securities, or other personal property, for the benefit of or in connection with the national archival and records activities administered by the National Archives and Records Administration (44 U.S.C. 2305).

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
GIFT FUND

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS
(dollars in thousands)

Object Classification	2000 Actual	2001 Estimate	2002 Estimate
21.0 Travel/Transportation of Persons	$60	$47	$49
22.0 Transportation of Things	5	3	3
23.3 Communications, Utilities, and Misc. Charges	-	21	9
24.0 Printing and Reproduction	88	100	128
25.2 Other Services	2,488	3,094	1,193
26.0 Supplies and Materials	117	95	75
31.0 Equipment	32	357	22
41.0 Grants, Subsidies and Contributions	-	-	-
99.0 Total Obligations	$2,790	$3,717	$1,479

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TRUST FUND

ANALYSIS OF ESTIMATED LEVEL FOR 2002

(dollars in thousands)

	2000 Actual	Change 2000 vs. 2001	2001 Estimate	Change 2001 vs. 2002	2002 Estimate
Income/Cost Comparison - Summary:					
Operating Income	$14,266	$-97	$14,169	$282	$14,451
Operating Expense	15,609	457	16,066	-454	15,612
Net Operating Income or Loss (-)	-1,343	-554	-1,897	736	-1,161
Non-Operating Income or Loss (-)	857	-71	786	3	789
Net Profit or Loss (-)	$-486	$-625	$-1,111	$739	$-372
Total Outlays	$-629	$-2,046	$-2,675	$938	$-1,737

DIGEST OF BUDGET ESTIMATES BY ACTIVITIES FOR 2002

(dollars in thousands)

Activity	Summary						Increase/Decrease for 2002	
	2000 Actual		2001 Estimate		2002 Estimate			
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Sales	26	$9,923	26	$8,923	26	$8,247	0	$-676
Presidential Libraries	88	5,960	94	6,516	94	6,577	0	61
Total Obligations	114	$15,883	120	$15,439	120	$14,824	0	$-615

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TRUST FUND

OVERVIEW OF NARA TRUST FUND PROGRAMS

The Trust Fund receives, holds, and disburses monies collected from: sales of reproductions of records and sales of publications and historical mementos in the National Archives, the regional records services facilities, and the Presidential Libraries; admission fees to the Presidential Libraries; and fees for archival training and conferences.

Reproduction of Records. Reproductions of all varieties of records, including documents, photographs, maps, motion pictures, and ADP tapes in the National Archives, the regional records services facilities, and the Presidential Libraries, are made upon request and sold to the public, to scholars and to Federal agencies. These reproductions are used for scholarly research, genealogy and family history, to illustrate books and articles, and to make new motion pictures and video productions.

Publications and Historical Mementos. The fund publishes or purchases for resale books and other printed materials based upon the records in the National Archives and the Presidential Libraries. These publications include facsimiles of the Declaration of Independence and the Constitution, genealogical guides, and memoirs of former Presidents. The fund also manufactures or purchases for resale items for visitors to the National Archives Exhibit Hall and the Presidential Libraries. Such items include post cards, color slides, posters, and souvenirs.

Admission Fees. Fees are charged for admission to the exhibits at most of the Presidential Libraries and for educational workshops at other NARA locations.

AUTHORIZING LANGUAGE

The Archivist of the United States furnishes, for a fee, copies of unrestricted records in the custody of the National Archives (44 U.S.C. 2116). Proceeds from the sale of copies of microfilm publications, reproductions, special works, and other publications, and admission fees to Presidential Library museum rooms are deposited to this fund (44 U.S.C. 2112, 2307).

Trust Fund Performance Costs
(dollars in thousands)

Goals and Activities	2000 Actual	2001 Estimate	2002 Estimate	Change from 2001
Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.	-	-	-	-
Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.	$15,883	$15,439	$14,824	$-615
All records will be preserved in appropriate space for use as long as needed.	-	-	-	-
NARA will continuously expand its capabilities to make the changes necessary to realize our vision.	-	-	-	-
Total Performance Costs	$15,883	$15,439	$14,824	$-615

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TRUST FUND

SUMMARY EXPLANATION OF CHANGES FROM 2001 TO 2002

(dollars in thousands)

Activity	Sales		Presidential Libraries		Total	
	FTE	Amount	FTE	Amount	FTE	Amount
Program Changes:						
Decreased Cost of Sales and Reproductions	-	$-157	-	-	-	$-157
Increased Cost of Sales, Reproductions and Library Museum Activities	-	-	-	$192	-	192
Other Changes:						
One-time Equipment Purchases	-	-190	-	-125	-	-315
Decreased Cost of Other Goods and Services	-	-329	-	-6	-	-335
Total Changes, 2001 to 2002	0	$-676	0	$61	0	$-615

EXPLANATION OF CHANGES, 2001 VERSUS 2002

Total obligations for 2002 are estimated at $14,824,000, a net decrease of $615,000 from 2001 estimated obligations of $15,439,000. The $157,000 decreased cost of sales and reproductions results primarily from the closure of the Museum Shop during Archives I renovation. Decreases also include $315,000 for one-time equipment purchases, and $335,000 for the decreased cost of other goods and services. These are offset by $192,000 for the increased cost of sales, reproductions, and library museum activities.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TRUST FUND

DISTRIBUTION OF ESTIMATES BY OBJECT CLASS

(dollars in thousands)

Object Classification	2000 Actual	2001 Estimate	2002 Estimate
11.1 Full-time Permanent	$2,892	$3,464	$3,482
11.3 Other than Full-time Permanent	568	576	588
11.5 Other Personnel Compensation	175	87	86
11.9 Total Personnel Compensation	[illegible]	[illegible]	[illegible]
12.1 Civilian Personnel Benefits	857	907	911
13.0 Benefits for Former Personnel	22	23	24
21.0 Travel and Transportation of Persons	101	101	110
22.0 Transportation of Things	12	69	83
23.3 Communications, Utilities, and Misc. Charges	325	369	372
24.0 Printing and Reproduction	577	645	441
25.1 Advisory and Assistance Services	44	50	50
25.2 Other Services	2,717	2,914	3,095
25.3 Purchases of Goods and Services from Government Accounts	4,329	3,865	3,809
25.7 Operations and Maintenance of Equipment	184	79	81
26.0 Supplies and Materials	1,926	1,765	1,479
31.0 Equipment	1,154	525	213
99.0 Total Obligations	$14,886	$15,410	$14,824

FISCAL YEAR 2002

ANNUAL PERFORMANCE PLAN

Submitted to the Congress
April 9, 2001

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

TABLE OF CONTENTS

Preface ii

Strategic Goal 1: Essential Evidence 1

Target 1.1: Targeted assistance 1
Target 1.2: Schedule new records 3
Target 1.3: Close out schedule items 6

Strategic Goal 2: Access 9

Target 2.1: Customer service 9
Target 2.2: Online services 14
Target 2.3: Online catalog 15
Target 2.4: ISOO 17
Target 2.5: Declassification 18
Target 2.6: Presidential records 21
Target 2.7: NHPRC grants 23

Strategic Goal 3: Space and Preservation 25

Target 3.1: Holdings in appropriate space 25
Target 3.2: Preservation of at-risk holdings 31
Target 3.3: Preservation of electronic records 33

Strategic Goal 4: Infrastructure 37

Target 4.1: Performance and development plans 37
Target 4.2: Equal employment opportunity 39
Target 4.3: Federal Register production 41
Target 4.4: Computers and communications 43

PREFACE

The National Archives and Records Administration is a public trust on which our democracy depends. We enable people to inspect for themselves the record of what Government has done. We enable officials and agencies to review their actions and help citizens hold them accountable. We ensure continuing access to essential evidence that documents:

- the rights of American citizens,
- the actions of Federal officials,
- the national experience.

To ensure ready access to essential evidence, the National Archives and Records Administration (NARA) establishes policies and procedures for managing U.S. Government records. We assist and train Federal agencies in documenting their activities, administering records management programs, scheduling records, and retiring non-current records to regional records services facilities for cost-effective storage. We appraise, accession, arrange, describe, preserve, and make available to the public the historically valuable records of the three branches of Government. We manage a nationwide system of Presidential libraries, records centers, and regional archives. We administer the Information Security Oversight Office and make grants to non-Federal institutions to support historical documentation through the National Historical Publications and Records Commission. We publish the *Federal Register, Statutes at Large,* Government regulations, and Presidential and other public documents.

We serve a broad spectrum of American society. Genealogists and family historians; veterans and their authorized representatives; academics, scholars, historians, and business and occupational researchers; publication and broadcast journalists; the Congress, the Courts, the White House, and other public officials; Federal Government agencies and the individuals they serve; state and local government personnel; professional organizations and their members; supporters' groups, foundations, and donors of historical materials; students and teachers; and the general public—all seek answers from the records we preserve.

To be effective, we must determine what evidence is essential for documentation, ensure that Government creates such evidence, and make it easy for users to access that evidence regardless of where it is, or where they are, for as long as needed. We also must find technologies, techniques, and partners worldwide that can help improve service and hold down costs, and we must help staff members continuously expand their capability to make the changes necessary to realize the vision.

Our Mission:

NARA ENSURES, FOR THE CITIZEN AND THE PUBLIC SERVANT, FOR THE PRESIDENT AND THE CONGRESS AND THE COURTS, READY ACCESS TO ESSENTIAL EVIDENCE.

Our Strategic Goals:

- *One:* Essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed.

- *Two:* Essential evidence will be easy to access regardless of where it is or where users are for as long as needed.

- *Three:* All records will be preserved in an appropriate environment for use as long as needed.

- *Four:* NARA's capabilities for making the changes necessary to realize our vision will continuously expand.

These goals and the strategies to achieve them are detailed in *Ready Access to Essential Evidence: The Strategic Plan of the National Archives and Records Administration, 1997-2007*, updated and reissued September 2000. This annual performance plan is based on the goals, strategies, and long-range performance targets in our Strategic Plan, and builds on performance in FY 2001. It details the actions and outcomes that must occur in FY 2002 for us to move forward on meeting the goals and targets in our Strategic Plan. In addition to listing performance goals and measures for evaluating our performance, the plan describes the processes, skills, and technologies, and the human, capital, and informational resources needed to meet the year's performance goals. Also our budget is linked to the plan's performance goals. We received no aid from non-Federal parties in preparing this plan.

Following is a summary of the resources, by budget authority, we are requesting to meet our FY 2002 objectives.

Operating Expenses	$237,635,000
Repairs/Restorations	$10,643,000
Grants	$4,436,000
Total Budget Authority	$252,714,000
Redemption of Debt	$6,612,000
Total Appropriation	$259,326,000
Total FTE	2,746

This is a high-level summary of our resource requirements. The numbers are linked to strategic goals in the pages that follow.

We continue using four mechanisms to measure actual performance: (1) periodic management reviews, (2) formal audits of operations, (3) expansion and refinement of our performance measurement system, and (4) systematic sampling of measurement system effectiveness. In FY 1999, with contract support from Acton Burnell, Inc., we deployed our agency-wide Performance Measurement and Reporting System. This system allows us to define and consistently measure data critical to the analysis of our performance objectives. Every year we integrate and expand the system further so that our strategic performance is measured using more of a balanced scorecard approach for tracking cycle times, quality, productivity, cost, and customer satisfaction for our products and services.

Furthermore, we review customer feedback concerning our performance and take action to respond to customer service needs. We continue to support this agency-wide plan with detailed performance plans at the office level and below. Taken together, the program evaluations, audits, measurement system, customer feedback, and office-level plans and reports enable us to identify program areas that need attention, analysis, and possible re-engineering.

We must succeed in reaching our goals because the National Archives and Records Administration is not an ordinary Federal agency. The records we preserve document the rights of American citizens, the actions of Federal officials, and the national experience. We serve not just today's citizens, but all who are yet to come. We must not only preserve past documents already in our care, but also prepare to manage tomorrow's records in new and challenging forms. This plan is our 2002 road map for making that a reality.

STRATEGIC GOAL 1 ESSENTIAL EVIDENCE WILL BE CREATED, IDENTIFIED, APPROPRIATELY SCHEDULED, AND MANAGED FOR AS LONG AS NEEDED.

Long Range Performance Targets

1.1. By 2007, 100 percent of targeted assistance partnership agreements deliver the results promised.

1.2. By 2007, 60 percent of approved new records schedule items cover records created within the last 2 years.

1.3. By 2007, the median time to process records schedule items is 120 calendar days or less.

FY 1999 Resources Available to Meet This Goal: $12,075,000; 127 FTE
FY 2000 Resources Available to Meet This Goal: $14,690,000; 136 FTE
FY 2001 Resources Available to Meet This Goal: $17,396,000; 157 FTE
FY 2002 Resources Required to Meet This Goal: $17,968,000; 157 FTE

FY 2002 Budget Linkage: pages 11-14

Long Range Performance Target 1.1. By 2007, 100 percent of targeted assistance partnership agreements deliver the results promised.

FY 99 Performance

- NARA hired initial 13 senior records analysts to implement targeted assistance initiative for Federal agencies.
- NARA completed preliminary plan for implementing targeted assistance initiative.

FY 00 Performance

- NARA established 173 targeted assistance partnerships with Federal agencies.
- NARA increased the number of Federal agency staff trained in records management and electronic records management by 17 percent.

FY 01 Estimated Performance

- Deliver the results promised on 75 percent of targeted assistance partnership agreements.

FY 02 Projected Performance

- Deliver the results promised on 85 percent of targeted assistance partnership agreements.

Outcome Records are kept long enough to protect rights, assure accountability, and document the national experience; and records are destroyed when they are no longer needed and it is practical to do so.

Significance To ensure essential evidence is created, identified, appropriately scheduled, and managed for as long as needed, we must take the initiative with Federal agencies to ensure their recordkeeping practices are in accordance with our guidelines.

Means and Strategies In the past we provided general outreach and technical assistance, promulgated policy, and evaluated agency records management programs to compel Federal agencies to comply with our guidance. This resulted in a list of records management problems that agencies had to resolve on their own and reached very few agencies. Through targeted assistance we now emphasize partnerships, not compliance.

In contrast to audits, which were often perceived negatively by agencies, targeted assistance means we work together with agencies to resolve long-standing or significant records management issues by:

- increasing direct contact with agencies and really understanding what they need from us
- increasing agency awareness of records management responsibilities through tailored training and outreach
- extending outreach initiatives beyond records officers to program managers
- resolving specific records management problems for records in all media, especially electronic records
- emphasizing problem resolution and customer service
- expediting disposition requests that result from partnerships
- developing new measures to verify that agency records management programs are being carried out effectively.

With the help of senior records analysts hired during FY 1999-2001, we have established partnership agreements with many agency headquarters and field components. As we make targeted assistance the basis of the way we do records management, we expect to see significant improvements in the way Federal agencies manage their records.

Key external factors Federal agencies must implement their part of the partnership agreements.

Verification and Validation

FY 99 Output	• 13 senior records analysts hired in College Park, Boston, Fort Worth and Seattle. • Preliminary plan for implementing targeted assistance completed. • 2,997 Federal agency staff received NARA training in records management and electronic records management.
FY 00 Output	• 173 targeted assistance partnership agreements established with Federal agencies. • 3,506 Federal agency staff received NARA training in records management and electronic records management. • 17 senior records analysts hired in College Park, Philadelphia, Atlanta, Kansas City, Denver, and San Francisco.
FY 01 Estimated Output	• 10 senior records analysts hired. All NARA regions have targeted assistance staff on board. • 75 percent of targeted assistance partnership agreements deliver the results promised.
FY 02 Projected Output	• 85 percent of targeted assistance partnership agreements deliver the results promised.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Long Range Performance Target 1.2. By 2007, 60 percent of approved new records schedule items cover records created within the last 2 years.

FY 99 Performance	• NARA closed out 6.7 percent of schedule items within 2 years of the records' creation.
	• NARA issued guidance to Federal agencies on how to schedule electronic copies of program records that remain on an email or word processing system after a recordkeeping copy has been produced.
	• NARA's Fast Track Guidance Development Team launched a web site for the dissemination of guidance on electronic records issues. The team drafted five products on electronic recordkeeping for Federal agencies.
	• NARA revised general records schedules to authorize the disposal of certain administrative records, regardless of physical format.
	• Federal agencies completed review of NARA's draft government-wide records schedule for information technology administrative records.
	• NARA endorsed the Department of Defense standard for the management of electronic records.
FY 00 Performance	• NARA closed out 9.6 percent of schedule items within 2 years of creation.
	• NARA reviewed the process through which the Department of Defense certifies that records management software meets its recordkeeping standard.
	• NARA drafted an additional three products on electronic records issues as part of the Fast Track Guidance Development Project.
	• NARA awarded a contract for the development of a records management application (RMA) prototype.
FY 01 Estimated Performance	• Ensure 20 percent of approved new records schedule items cover records created within the last 2 years.
	• Install and test a records management application at NARA.

FY 02 Projected Performance

- Ensure 25 percent of approved new records schedule items cover records created within the last 2 years.
- Complete business process improvement project of NARA's records management program.

Outcome Records are kept long enough to protect rights, assure accountability, and document the national experience; and records are destroyed when they are no longer needed and it is practical to do so.

Significance We must protect records from the time of their very creation to ensure their accessibility for as long as they are needed to meet the needs of Government agencies and the public. In particular, if we are to ensure that essential evidence is created, identified, appropriately scheduled, and managed, we must address realistically a future in which most government recordkeeping will be electronic and develop practical solutions for dealing with electronic records. Otherwise, records needed to document citizens' rights, actions for which Federal officials are responsible, and the historical experience of our nation will be at risk of loss, deterioration, or destruction.

Means and Strategies Approving the disposition of records is the most critical statutory responsibility of the Archivist of the United States because it determines how long records must be kept to protect individual rights, provide accountability in government, and document the national experience. When Federal agencies create new functions (and hence, new kinds of records), we must determine the disposition of those records as soon as possible.

This work is especially important for electronic records, the bulk of the records being created today. In the past two decades, there has been an explosion in the quantities and types of electronic records generated by the Federal Government as agencies have turned increasingly to information technology to improve and extend Government services. Both electronic mail and the Internet have come into widespread use. And while agencies are creating, using, and storing records electronically, they are not necessarily managing them in electronic recordkeeping systems because developments in technology for creating records have not been matched by technological developments for managing them.

We must develop both long-term strategies for managing and scheduling electronic records and practical short-term solutions that can be implemented now. Following the recommendations of our Electronic Records Work Group, (1) we issued guidance to all Federal agencies on scheduling electronic copies of program records and administrative records, (2) we drafted a new general records schedule for administrative records that document the management of information technology, and (3) we promulgated changes to other general records schedules that authorize the disposal by Federal agencies of certain administrative records, regardless of physical format. In addition, we endorsed a standard developed by the Department of Defense for design criteria for electronic records management software applications and are reviewing the Department of Defense certification process for commercial software that meets this standard. We also created the Fast Track Guidance Development Project to identify currently available "best practices" and provide guidance quickly on electronic records issues that urgently confront Federal recordkeepers now. Agencies can use this guidance while work proceeds on developing more complete and long-term solutions to the problems of electronic recordkeeping.

Carrying out a records management application (RMA) pilot project and a business process improvement study of our own recordkeeping processes will contribute findings toward the development of long-term

solutions. We will examine all aspects of our own records management – how we create and maintain our records, and how we create records schedules and implement them. We will make recommendations as to how we can improve our records management functions, including the appropriateness of implementing an electronic recordkeeping system. In addition to improving our records management program, we will be creating products that can be used by other agencies for improving their records management programs. The study will give us the experience necessary to evaluate the effectiveness of our regulations and guidance to the Federal Government to ensure the proper management of essential evidence.

Key external factors We are dependent on partners for funding and technological expertise, and in need of available partners willing to conduct pilots to test the feasibility of draft requirements.

Verification and Validation

FY 99 Output

- 220 records schedule items (6.7 percent of records schedule items closed out) completed within 2 years of the records' creation.
- 4,200 records schedule items submitted by Federal agencies to NARA.
- 3,262 records schedule items closed out by NARA.
- Guidance to Federal agencies on how to schedule electronic copies of program records that remain on an email or word processing system after a recordkeeping copy has been produced issued.
- Web site for the dissemination of guidance on electronic records issues launched.
- Five documents and checklists on electronic recordkeeping for Federal agencies drafted.
- General records schedules to authorize the disposal of certain administrative records, regardless of physical format revised.
- Federal agency review of draft government-wide records schedule for information technology administrative records completed.
- Department of Defense standard for the management of electronic records endorsed.

FY 00 Output

- 544 records schedule items (9.6 percent of records schedule items closed out) completed within 2 years of the records' creation.
- 8,325 records schedule items submitted by Federal agencies to NARA.
- 5,664 records schedule items closed out by NARA.
- Department of Defense software certification process reviewed.
- Three documents on electronic recordkeeping for Federal agencies drafted.
- Contract for RMA prototype awarded.

FY 01 Estimated Output

- 20 percent of approved new records schedule items cover records created within the last 2 years.
- RMA installed and tested.

FY 02 Projected Output

- 25 percent of approved new records schedule items cover records created within the last 2 years.
- Business process improvement study of NARA records management completed.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Records schedule: a document, having legally binding authority when approved by NARA, that provides mandatory instructions (i.e., disposition authority) for what to do with records no longer needed for current business; Schedule item: records subject to a specific disposition authority that appear on a records schedule; Close out: schedule items have been approved by the Archivist of the United States or withdrawn by the agency submitting the schedule.

Long Range Performance Target 1.3. By 2007, the median time to process records schedule items is 120 calendar days or less.	
FY 99 Performance	• NARA closed out 14 percent of records schedule items within 120 days. • NARA processed records schedule items in a median time of 336.5 calendar days. • NARA established and trained the team and developed the project plan for the scheduling reinvention project, which will review the policies and processes for determining the disposition of Federal records.
FY 00 Performance	• NARA closed out 22 percent of records schedule items within 120 days. • NARA processed records schedule items in a median time of 283 calendar days. • NARA awarded a contract to gather and analyze information about the views and perceptions of Federal agencies concerning the creation, maintenance, use, and disposition of their records. • NARA developed a prototype methodology for the analysis of Federal agency business processes and the records they generate. • NARA completed process and activity models of the records life cycle and scheduling and appraisal process.
FY 01 Estimated Performance	• Process records schedule items within a median time of 260 calendar days or less. • Complete study of the creation, maintenance, use, and disposition of records in Federal agencies. • Complete analysis of Federal agency business processes and the records they generate.

FY 02 Projected Performance

- Process records schedule items within a median time of 240 calendar days or less.
- Develop recommendations and an implementation plan for the redesign of the scheduling and appraisal process.

Outcome Records are kept long enough to protect rights, assure accountability, and document the national experience; and records are destroyed when they are no longer needed and it is practical to do so.

Significance We must make the records scheduling process more effective and efficient, and decrease the time it takes to get schedules approved. Taking a long time to process schedules delays action on the disposition of records and discourages agencies from submitting schedules, potentially putting essential evidence at risk.

Means and Strategies Our planned redesign of the scheduling and appraisal process will result in dramatic improvements in the timeliness and quality of the process. We will identify and eliminate unnecessary steps in the scheduling process and make as many steps as possible concurrent rather than sequential.

We must undertake this redesign in large part because the scheduling and appraisal policies, standards, and procedures developed by the Federal Government during the 20th century were primarily for recordkeeping systems of paper records. Now, however, most records are created electronically and may be maintained in a variety of media. Other changes in the office environment also may be having a significant impact on agency recordkeeping. Traditionally, filing and other records management responsibilities were handled centrally by professional records management staff. In today's office environment, individual employees who carry out the programs of their agency also bear a large responsibility for managing the documentation they create. In addition, outsourcing of agency program functions may be significantly affecting agency recordkeeping.

The evolution of the modern Federal office and the transformation of work brought about by the spread of computer technology require that we rethink how we conduct the management and disposition of Federal records. To do this, we began this redesign project by developing a better understanding of the current Federal recordkeeping and records use environment.

We have engaged a contractor to identify and document the perceptions and views in selected Federal offices concerning the creation, maintenance, use, and disposition of Federal records. Our staff is analyzing selected Federal agency business processes and the records they generate. Together, this information will help us to analyze current policy relating to the scheduling and appraisal of Federal records and lead to our redesign of the the scheduling and appraisal process.

Until any recommendations from the redesign are implemented, we will not be able to make improvements in the scheduling and appraisal process. Recommendations resulting from the redesign may be difficult and time-consuming to implement. They also may result in significant changes to this target and target 1.2.

Key external factors If changes in statute or legislation are recommended as part of the redesign of the scheduling and appraisal process, delays in implementation could result.

Verification and Validation

FY 99 Output	• 3,262 records schedule items closed out; 469 records schedule items closed out within 120 days (14.37 percent). • Records schedule items closed out in a median time of 336.5 calendar days. • Team for scheduling reinvention project established and trained; project plan developed.
FY 00 Output	• 5,664 records schedule items closed out; 1,229 records schedule items closed out within 120 days (21.69 percent). • Records schedule items closed out in a median time of 283 calendar days. • Contract to gather and analyze information about the views and perceptions of Federal agencies concerning the creation, maintenance, use, and disposition of their records awarded. • Prototype methodology for the analysis of Federal agency business processes and the records they generate developed. • Process and activity models of the records life cycle and scheduling and appraisal process completed.
FY 01 Estimated Output	• Records schedule items closed out in a median time of 260 calendar days or less. • Study of the creation, maintenance, use, and disposition of records in Federal agencies completed. • Analysis of Federal agency business processes and the records they generate completed.
FY 02 Projected Output	• Records schedule items closed out in a median time of 240 calendar days or less. • Recommendations and implementation plan for redesign of the scheduling and appraisal process completed.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Records schedule: a document, having legally binding authority when approved by NARA, that provides mandatory instructions (i.e., disposition authority) for what to do with records no longer needed for current business; Schedule item: records subject to a specific disposition authority that appear on a records schedule; Close out: schedule items have been approved by the Archivist of the United States or withdrawn by the agency submitting the schedule; Life cycle of records: the stages in the existence of records, from creation to final disposition. Stages include creation or receipt, maintenance, scheduling and appraisal, transfer to a records center or archives, destruction or archival processing, preservation, and continuing use.

STRATEGIC GOAL 2 ESSENTIAL EVIDENCE WILL BE EASY TO ACCESS REGARDLESS OF WHERE IT IS OR WHERE USERS ARE FOR AS LONG AS NEEDED.

Long Range Performance Targets

2.1. By 2007, access to records and services and customer satisfaction levels meet or exceed NARA's published standards.

2.2. By 2007, 70 percent of NARA services are available online.

2.3. By 2007, 95 percent of NARA archival holdings are described at the series or collection level in an online catalog.

2.4. By 2003, ISOO will develop a uniform sampling system for collecting information about classification activity within the executive branch.

2.5. By 2004, NARA will review and declassify 100 percent of archival holdings more than 25 years old for which NARA has been granted declassification authority and responsibility for their review by the originating agency.

By 2007, 10 percent of records of a two-term President or 15 percent of records for a one-term President are open and available for research at the end of the 5-year post-Presidential period specified in the Presidential Records Act.

By 2007, 90 percent of all NHPRC-assisted projects produce results promised in grant applications approved by the Commission.

FY 1999 Resources Available to Meet This Goal: $130,873,000; 1,988 FTE
FY 2000 Resources Available to Meet This Goal: $120,058,000; 2,028 FTE
FY 2001 Resources Available to Meet This Goal: $121,511,000; 2,207 FTE
FY 2002 Resources Required to Meet This Goal: $133,519,000; 2,228 FTE

FY 2002 Budget Linkage: pages 15-18

Long Range Performance Target 2.1. By 2007, access to records and services and customer satisfaction levels meet or exceed NARA's published standards.

FY 99 Performance

- NARA achieved the following performance against our published standards for access to records and services:
  - NARA answered 89 percent of written requests within 10

working days;
- NARA acknowledged 100 percent of FOIA requests within 20 working days and answered 38 percent within 20 working days;
- NARA furnished 94 percent of items requested in our research rooms within one hour of the request or of the scheduled pull time;
- NARA had records waiting at the appointed time for 99 percent of customers with appointments;
- NARA had 80 percent of routine Federal agency records center reference requests ready within 24 hours of receipt in the center;
- Participants rated 89 percent of public education programs and workshops as "excellent" or "very good";
- NARA assisted 100 percent of self-service customers within 15 minutes of signing into a research room.

- NARA established a pilot team to test the redesigned work processes at the National Personnel Records Center and established performance objectives that reflect the work process re-design.

FY 00 Performance

- NARA achieved the following performance against our published standards for access to records and services:
  - NARA answered 92 percent of written requests within 10 working days;
  - NARA completed 28 percent of Freedom of Information Act requests within 20 working days;
  - NARA furnished 89 percent of items requested in our research rooms within one hour of the request or of the scheduled pull time;
  - NARA had records waiting at the appointed time for 99 percent of customers with appointments;
  - NARA had 79 percent of routine Federal agency reference requests to record center activities in regional records services facilities ready within 24 hours of receipt in the center;
  - Participants rated 95 percent of public education programs and workshops as "excellent" or "very good."

- NARA completed analysis of pilot team experiment at the National Personnel Records Center, applied key team concepts center-wide, and established two operational core teams.

- NARA duplicated 61 percent of 1930 decennial census microfilm.

FY 01 Estimated Performance

- Meet or exceed NARA's published standards for access to records and services:
  - 80 percent of written requests are answered within 10 working days;
  - 80 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;
  - 25 percent of requests for military service records at the National Personnel Records Center in St. Louis are answered within 10 working days;
  - 95 percent of items requested in our research rooms are furnished within 1 hour of request or scheduled pull time;
  - 99 percent of customers with appointments have records waiting at the appointed time;
  - 90 percent of Federal agency reference requests in Federal records centers are ready when promised to the customer;
  - 99 percent of records center shipments to Federal agencies are the records they requested;
  - 90 percent of education programs, workshops, and training courses are rated by participants as "excellent" or "very good."
- Complete duplication and distribution of 1930 census film copies to NARA facilities and rental program. Complete procurement and installation of equipment and furniture.

FY 02 Projected Performance

- Meet or exceed NARA's published standards for access to records and services:
  - 85 percent of written requests are answered within 10 working days;
  - 85 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;
  - 30 percent of requests for military service records at the National Personnel Records Center in St. Louis are answered within 10 working days;
  - 95 percent of items requested in our research rooms are furnished within 1 hour of request or scheduled pull time;
  - 99 percent of customers with appointments have records waiting at the appointed time;
  - 90 percent of Federal agency reference requests in Federal records centers are ready when promised to the customer;
  - 99 percent of records center shipments to Federal agencies are the records they requested;
  - 50 percent of archival fixed-fee reproduction orders through the Order Fulfillment and Accounting System are completed in 35 working days or less;
  - 95 percent of education programs, workshops, and training courses are rated by participants as "excellent" or "very good."

- Open 1930 census to the public on April 1, 2002.

Outcome Our customers are satisfied.

Significance Our customers deserve the best service we can deliver. Through the measurement of performance against customer service standards, development of customer service teams and customer service training, and process redesign efforts in areas that traditionally had high backlogs, we are coordinating our efforts to ensure that our customer service meets our customers' needs.

Means and Strategies To better serve our customers nationwide, we are focusing on two critical areas:

- reducing the response time for requests for veterans' records
- improving our research room services.

One of our biggest challenges is to reduce the response time for requests for veterans' records. At the National Personnel Records Center in St. Louis we are in the midst of a multi-year business process re-engineering project to bring the average response time on requests for modern military service records from several weeks to six days. While we are seeing an improvement in response time, until more training, practice, and technology is applied, the progress will be slow. Two technological changes that will enhance our production capabilities are bar-coding the tracking of cases and the introduction of a web request portal during FY 2002. We also have implemented a new order fulfillment and accounting system, which will help improve service on 18th- and 19th-century military service records at the National Archives Building in Washington, DC.

We continue to make process improvements in our research rooms, train staff in customer service principles, employ customer service teams, modernize and upgrade research room equipment, and add research room staff and adjust hours of service to make it easier for more people to use our services. Many of these improvements are critical for us to be able to meet customer service expectations for the opening of the 1930 census in April 2002. We release a decennial census every 10 years—72 years after the original census was completed. This requires at least four years of preparation so that all microfilm rolls, available indexes, and adequate equipment and staff are available on opening day and during the years of increased research activity that typically follow. By distributing the rolls of microfilm and procuring the necessary equipment by the end of FY 2001, we ensure that we will be prepared for the April 2002 opening.

Key external factors Unexpected increases in records holdings or public interest in groups of records can significantly increase workloads, response times, and wear and tear on public use equipment. Construction at the National Archives Building may result in a temporary decrease in the number of public programs and services offered there.

Verification and Validation

FY 99 Output

- 106,602 written requests answered; 94,449 answered within 10 working days.
  6,911 FOIA requests answered; 6,911 acknowledged within 20 working days and 2,595 answered within 20 working days.
  525,197 items furnished in our research rooms; 494,350 furnished within 1 hour of the request or scheduled pull time.
  32,535 customers with appointments; 32,435 of these customers had records waiting at the

appointed time.
10,252,193 routine Federal agency records center reference requests; 6,971,127 were ready within 24 hours of receipt in the center.
356 public education programs and workshops rated by participants; 318 rated as "excellent" or "very good."
209,742 self-service customers signed into a research room; 209,742 assisted within 15 minutes.

- Pilot team at National Personnel Records Center established. Performance objectives that reflect the work process re-design established.

FY 00 Output

- 107,149 written requests answered; 98,484 answered within 10 working days.
  8,618 FOIA requests answered; 2,437 answered within 20 working days.
  765,285 items furnished in our research rooms; 689,500 furnished within 1 hour of the request or scheduled pull time.
  38,342 customers with appointments; 38,109 of these customers had records waiting at the appointed time.
  9,286,882 routine Federal agency records center reference requests; 7,322,300 were ready within 24 hours of receipt in the center.
  407 public education programs and workshops rated by participants; 388 rated as "excellent" or "very good."

- Analysis of pilot team experiment completed. Two cores, consisting of four teams each, established and operational.
- 61 percent of 1930 census microfilm duplicated; 15 sets of 2,669 rolls out of 4,318 rolls of schedules and indexes.

FY 01 Estimated Output

- 80 percent of written responses completed within 10 working days.
  80 percent of FOIA requests for Federal records answered within 20 working days.
  25 percent of requests for military service records at NPRC in St. Louis answered within 10 working days.
  95 percent of items requested in research rooms furnished within 1 hour of request.
  99 percent of customers with appointments had records waiting at the appointed time.
  90 percent of Federal agency reference requests in Federal records centers ready when promised to the customer.
  99 percent of records center shipments to Federal agencies were the records they requested.
  90 percent of public educational programs, workshops and training courses rated "excellent" or "very good."

- 100 percent of 1930 census microfilm duplicated and distributed to 14 NARA facilities and to microfilm rental program. Furniture procured and installed.

FY 02 Projected Output

- 85 percent of written requests answered within 10 working days.
  85 percent of FOIA requests for Federal records answered within 20 working days.
  30 percent of requests for military service records at NPRC in St. Louis answered within 10 working days.
  95 percent of items requested in research rooms furnished within 1 hour of request.
  99 percent of customers with appointments had records waiting at the appointed time.
  90 percent of Federal agency reference requests in Federal records centers ready when promised to the customer.
  99 percent of records center shipments to Federal agencies were the records they requested.
  50 percent of archival fixed-fee reproduction orders through OFAS completed in 35 working days or less.
  95 percent of public educational programs, workshops and training courses rated "excellent" or "very good."

- 1930 census opened to the public on April 1, 2002.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Written requests: requests for services that arrive in the form of letters, faxes, emails, and telephone calls that have been transcribed. Excludes Freedom of Information Act requests, personnel information requests at the National Personnel Records Center, Federal agency requests for information, fulfillment of requests for copies of records, requests for museum shop products, subpoenas, and special access requests; Federal agency reference request: a request by a Federal agency to a records center activity requesting the retrieval of agency records. Excludes personnel information requests at the National Personnel Records Center.

Long Range Performance Target 2.2. By 2007, 70 percent of NARA services are available online.

FY 99 Performance	• 41 percent of customer contacts for NARA information and services (excluding the Federal Register) were made electronically. In addition, 99.9 percent of customer contacts for Federal Register information and services were made electronically.
FY 00 Performance	• 47 percent of customer contacts for NARA information and services (excluding the Federal Register) were made electronically. In addition, 99.9 percent of customer contacts for Federal Register information and services were made electronically.
FY 01 Estimated Performance	• Determine the measurement methodology and establish the baseline for the percentage of NARA services available online.
FY 02 Projected Performance	• Ensure 30 percent of NARA services are available online.

Outcome More people have access to our services.

Significance For citizens and the Government to take full advantage of the resources we have to offer, we must make those services available regardless of the user's physical location. With the advent of the Internet and other electronic forms of communication, we now have the means to offer services remotely. Visiting or writing one of our facilities is no longer the only way for people to get ready access to essential evidence. By broadening the availability of our services, we ensure that citizens everywhere have access to their National Archives.

Means and Strategies Our web site is the most widely available means of electronic access to our services and information, including directions on how to contact us and do research at our facilities; descriptions of our holdings in an online catalog; digital copies of selected archival documents; electronic mailboxes for customer questions, comments, and complaints; an automated index to the John F. Kennedy assassination records collection; electronic versions of *Federal Register* publications; online exhibits, and classroom resources for students and teachers. We are expanding the kinds and amount of services and information available on our web site and evaluating and redesigning the site to make it easier to use.

We also have two electronic request systems for Federal agencies—the Centers Information Processing System, for requesting and tracking Federal agency recalls of records center holdings, and an Online Registry System for requests from the National Personnel Records Center.

Verification and Validation

FY 99 Output	• 25,622,941 customer contacts (excluding the Federal Register); 10,485,480 made electronically. • 137,148,105 customer contacts for Federal Register information and services; 137,147,808 made electronically.
FY 00 Output	• 26,723,765 customer contacts (excluding the Federal Register); 12,603,818 made electronically. • 154,460,218 customer contacts for Federal Register information and services; 154,460,068 made electronically.
FY 01 Estimated Output	• Measurement methodology determined and baseline for NARA services available online established.
FY 02 Projected Output	• 30 percent of NARA services available online.

Data source Performance Measurement and Reporting System.

Long Range Performance Target 2.3. By 2007, 95 percent of NARA archival holdings are described at the series or collection level in an online catalog.

FY 99 Performance	• NARA completed a 2-year project to digitize 124,000 high-interest documents and make them available online through the NARA Archival Information Locator. • NARA described 8.4 percent of our nationwide archival holdings in the NARA Archival Information Locator. • NARA described 3,210 microfilm publications and their locations in the NARA Archival Information Locator. • NARA completed descriptive and data content standards, technical and functional requirements, and a data model for the Archival Research Catalog.
FY 00 Performance	• NARA finalized the functional, technical, and data requirements and approved the design of the Archival Research Catalog. • NARA surveyed technical requirements and wired facilities in preparation for installing computer terminals capable of accessing the NARA Archival Information Locator in 100

percent of NARA's research rooms nationwide.

- NARA described 14 percent of our nationwide archival holdings in the NARA Archival Information Locator.
- NARA completed installation and analysis of a prototype system for online access to electronic records.

FY 01 Estimated Performance

- Complete development of the Archival Research Catalog.
- Migrate 100 percent of NARA Archival Information Locator descriptions to the Archival Research Catalog.
- Describe 10 percent of our nationwide archival holdings at the series or collection level in the Archival Research Catalog.
- Provide online access to select accessioned electronic records.
- Install computer terminals capable of accessing the Archival Research Catalog in 100 percent of our research rooms nationwide.

FY 02 Projected Performance

- Describe 20 percent of NARA archival holdings at the series or collection level in the Archival Research Catalog.

Outcome Researchers will find the descriptive information they need about our archival holdings in one convenient location.

Significance The Archival Research Catalog—an online card catalog of all our holdings nationwide—will allow the public, for the first time, to use computers to search our vast holdings, including those in the regional archives and Presidential libraries. Moreover, anyone can perform these searches through the Internet rather than having to travel to one of our facilities.

Means and Strategies In FY 2001 we will complete the development and testing of the Archival Research Catalog (ARC). While ARC is being completed, we also will install public access terminals in all our research rooms nationwide to enable the public to view online copies of our most popular and significant manuscripts, photographs, sound recordings, maps, drawings and other documents through the NARA Archival Information Locator (NAIL). The prototype system for ARC, NAIL allows users to search records descriptions by title, subject, date, or other keywords. Once ARC is operational, we will migrate NAIL descriptions and other existing records descriptions to ARC and roll out the system to our staff and the public. We also will implement a program to train staff in the fundamentals of the records life cycle and descriptive standards and build our data administration program.

One of our description and access challenges is the high-volume and high-demand electronic records from the Department of State, the Executive Office of the President, and other agencies that we soon will be accessioning. We would like to make these records available through ARC, but our capability to make electronic records accessible to researchers online has been extremely limited. Generally,

researchers must access electronic records by purchasing copies of physical files. In FY 2000, we developed a prototype system to enable researchers to access electronic records online. In FY 2001, we will install the prototype system in an operational environment, providing researchers the opportunity to access selected electronic files via ARC.

Verification and Validation

FY 99 Output	• Digitizing project completed; 124,000 digital images available online through NAIL. • 2,834,522 cubic feet of nationwide archival holdings; 236,756 cubic feet described in NAIL. • 3,210 microfilm publications described in NAIL. • Descriptive and data content standards, data model, and technical and functional requirements for ARC completed.
FY 00 Output	• ARC functional, technical, and data requirements finalized and design approved. • Installation and analysis of prototype system for online access to electronic records completed. • 2,767,668 cubic feet of nationwide archival holdings; 385,909 cubic feet described in NAIL.
FY 01 Estimated Output	• ARC development completed. • 100 percent of NAIL descriptions migrated to ARC. • 10 percent of archival holdings described in ARC. • Online access to select accessioned data files achieved. • Computer terminals installed in 100 percent of research rooms.
FY 02 Projected Output	• 20 percent of archival holdings described in ARC.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions NAIL: NARA Archival Information Locator, prototype for ARC; ARC: Archival Research Catalog, future NARA-wide online catalog.

Long Range Performance Target 2.4. By 2003, ISOO will develop a uniform sampling system for collecting information about classification activity within the executive branch.

FY 99 Performance	• ISOO completed 8 classified document reviews.
FY 00 Performance	• ISOO completed 7 program reviews.
FY 01 Estimated Performance	• Conduct on-site reviews of all major executive branch security classification programs. • Identify a sampling method or methods that result in data of uniform credibility for all agencies that sample their classification activity.
FY 02 Projected Performance	• Test the sampling method or methods to determine reliability and credibility.

Outcome More reliable and credible data are available about classification decisions.

Significance The Information Security Oversight Office (ISOO), which is administered within NARA, annually reports to the President on the status of the Government-wide security classification program. ISOO collects data from executive branch agencies that create or handle classified national security information to assess the state of the Government's overall security classification program as well as individual agency programs. Credible data are essential to making these assessments.

Means and Strategies One element that has been particularly troublesome for the larger classifying agencies is the number of classification decisions made by classifiers in a fiscal year. Three agencies use sampling methods to determine this number. These agencies represent more than 90 percent of all classification activity in the executive branch. The results from their sampling methods tend to vary significantly from year to year because the methods lack uniformity in content and application. Consequently, the reliability and credibility of the data are questioned. A uniform sampling method would result in more reliable and credible data.

Key external factors Agencies who sample their number of classification decisions must cooperate in the development of the uniform methodology.

Verification and Validation

FY 99 Output	• 8 classified document reviews completed.
FY 00 Output	• 7 program reviews completed.
FY 01 Estimated Output	• 25 program reviews completed. • Sampling method or methods determined.
FY 02 Projected Output	• Sampling method or methods tested.

Data source Quarterly reports to the Archivist.

Definitions Classified document review: a review by ISOO of an executive branch agency to identify inconsistencies in the application of classification and marking requirements of Executive Order 12958. The results of the review along with any appropriate recommendations for improvement are reported to the agency senior official for the program or the agency head. Program review: an evaluation of selected aspects of an executive branch agency's security classification program to determine whether an agency has met the requirements of Executive Order 12958. The review may include security education and training, self-inspections, declassification, safeguarding, and classification activity. The results of a review, along with any appropriate recommendations for improvement are reported to the agency senior official or agency head.

Long Range Performance Target 2.5. By 2004, NARA will review and declassify 100 percent of archival holdings more than 25 years old for which NARA has been granted declassification authority and responsibility for their review by the originating agency.

FY 99 Performance

- NARA reviewed 52 percent of Federal records more than 25 years old in NARA's custody that were not being reviewed by the originating agency and for which NARA had declassification authority.
- NARA certified 85 million pages of Federal records as highly unlikely to contain Restricted Data or Formerly Restricted

Data.

- NARA reviewed 48 percent of Presidential materials more than 25 years old in NARA's custody that were not being reviewed by the originating agency and for which NARA had declassification authority.
- NARA referred 100 percent of identified Federal agency records and Presidential materials eligible for declassification review for which NARA had no delegated declassification authority.
- NARA scanned 351,165 pages in Presidential libraries for review by equity-holding agencies.

FY 00 Performance

- NARA reviewed 15 percent of Federal records and 29 percent of Presidential materials more than 25 years old in NARA's custody that were not being reviewed by the originating agency and for which NARA had declassification authority.
- NARA surveyed or re-reviewed 26,169,215 pages of declassified records for Restricted Data and Formerly Restricted Data.
- NARA processed and released 300,361 pages of declassified Presidential materials.
- NARA scanned 160,000 pages of Presidential materials eligible for declassification review as part of the Remote Archives Capture project.

FY 01 Estimated Performance

- Review 50 percent of Federal archival records and 25 percent of Presidential archival materials more than 25 years for which NARA has been granted declassification authority and responsibility for their review by the originating agency.
- Scan 300,000 pages of Presidential archival materials eligible for declassification review as part of the Remote Archives Capture project.

FY 02 Projected Performance

- Review and declassify 85 percent of archival holdings more than 25 years old for which NARA has been granted declassification authority and responsibility for their review by the originating agency.
- Scan 300,000 pages of Presidential archival materials eligible for declassification review as part of the Remote Archives

Capture project.

Outcome More records are declassified and made available to the public.

Significance Executive Order 12958 requires the declassification of material 25 years old unless specifically exempt. The Government protects millions of classified documents at great expense, including more than 455 million pages in our Washington, DC, area facilities and 24 million pages in Presidential libraries. The majority of these documents more than 25 years old no longer require classified protection and can and should be accessible to citizens.

Means and Strategies To handle the reviews required by Executive Order 12958, and the extra work required by the Kyl and Lott Amendments, we propose to hire experienced contract personnel to survey, review, and prepare records for release. The contractors would work on both Federal agency records and Presidential materials from the Eisenhower through Carter Administrations.

We expect to improve our internal ability to track information about our classified and declassified records by installing a new database management system for tracking withdrawn items with scanning and storage capabilities. This will allow us to electronically scan requested documents, input data about the documents, redact documents, and provide redacted copies of scanned documents to researchers. Ultimately, other agencies may be able to use the image files of the documents in question to check for their own equities.

For classified materials in the Presidential library system for which we have no delegated declassification authority, we hope to continue our partnership with the Central Intelligence Agency to scan classified materials for distribution to agencies with equities in the documents. The program is at risk because CIA has indicated they cannot continue to fund the program without resources or contributions from other agencies for both the scanning and the declassification review. It is likely that NARA will have to depend on agency-led declassification review teams (funded by the individual equity-holding agencies) visiting the Ford and Carter Libraries if the requirements of the Executive Order are to be met. Presidential library staff at Ford and Carter have limited guidance for making NARA-based declassification decisions. The majority of classified materials will require direct agency review.

Key external factors The Kyl and Lott Amendments require that we re-review, page-by-page, up to 200 million pages of records already released to the public to ensure that no Restricted Data and Formerly Restricted Data was inadvertently released.

The Nazi War Crimes Act and other special declassification projects also will reduce the amount of declassification that can be accomplished with existing resources. Instead of examining entire records series for declassification, many of our declassification staff are required to examine individual withdrawn classified documents to determine their relevance and coordinate their declassification with the appropriate agencies under the Nazi War Crimes Act.

We have partnered with several agencies that are providing declassification support. The CIA must continue to provide technical support to enable the review of documents by other agencies. The State Department and other agencies must take prompt action on reviewing and declassifying documents in Presidential libraries.

Verification and Validation

FY 99 Output	• 10,317,552 of 20,000,000 pages of Federal records reviewed. • 713,046 of 1,500,000 pages of Presidential materials reviewed. • 85,000,000 pages of declassified Federal records certified as highly unlikely to contain RD/FRD. • 435,632,259 pages of Federal records referred for agency declassification review. • 271,954 pages of Presidential materials referred for review. • 351,165 pages of Presidential materials scanned for review.
FY 00 Output	• 8,051,458 of 52,864,239 pages of Federal records reviewed. • 747,693 of 2,586,836 pages of Presidential materials reviewed. • 26,169,215 of 35,000,000 pages of declassified records surveyed or re-reviewed for Restricted Data and Formerly Restricted Data. • 300,361 pages of declassified Presidential materials processed and released. • 160,000 pages of Presidential materials scanned for review.
FY 01 Estimated Output	• 50 percent of Federal archival records reviewed. • 25 percent of Presidential archival materials reviewed. • 300,000 pages of Presidential archival materials scanned.
FY 02 Projected Output	• 85 percent of archival holdings reviewed. • 300,000 pages of Presidential archival materials scanned.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Equity-holding agency: the agency that may have classified information in a document, whether or not it created the document. Without declassification guidelines, only the equity-holding agency can declassify information in the document.

Long Range Performance Target 2.6. By 2007, 10 percent of records of a two-term President or 15 percent of records of a one-term President are open and available for research at the end of the 5-year post-Presidential period specified in the Presidential Records Act.

FY 99 Performance	• NARA hired and trained new staff to process and review records under the Presidential Records Act and the Freedom of Information Act.
FY 00 Performance	• NARA prepared, facilitated, and gathered inventories for 40 percent of the incumbent Presidential and Vice Presidential records and artifacts to be transferred to NARA.
FY 01 Estimated Performance	• Prepare, facilitate, and gather inventories for 33 percent of the incumbent Presidential and Vice Presidential records and artifacts to be transferred to NARA. • Transfer 100 percent of Clinton Administration Presidential and Vice Presidential records and artifacts to NARA. • Process 1 percent of Clinton Presidential records for opening

January 20, 2006.

FY 02 Projected Performance

- Process 2 percent of Clinton Presidential records for opening on January 20, 2006.

Outcome We improve ready access to Presidential records.

Significance The Presidential Records Act (PRA) requires Presidential records to be available for the Freedom of Information Act (FOIA) requests five years after the President leaves office. Five years after the last two Presidents left office, well under 10 percent of their records had been opened, largely because of the absence, on the Presidents' departures, of NARA staff trained to accomplish the exacting reviews required under the PRA and FOIA. We must ensure that Presidential records are available in accordance with the Act in a more timely fashion. Also, the inventory of Presidential and Vice Presidential records will provide basic intellectual control and facilitate access to the records in the immediate post-Presidential period and enable the transfer of the records from the White House to a NARA-operated storage facility.

Means and Strategies To ensure the preservation of Clinton Administration records and artifacts for informational, historical, evidentiary and administrative purposes and to prepare for the transfer of Presidential and Vice Presidential records to our custody, we will work with White House and Vice Presidential staff to account for Presidential records in all media held in Presidential, First Lady, and Vice Presidential staff offices and other file locations. With the approval of Presidential and Vice Presidential representatives, we will prepare some inventories, define requirements and facilitate preparation of other inventories by White House staff, and gather inventories prepared throughout the Administration by White House staff. We also will continue to provide archival guidance and advice to the Presidential and Vice Presidential staffs on the recordkeeping and disposition requirements of the PRA. With assistance from the Department of Defense we will complete the transfer of Presidential and Vice Presidential records to NARA-operated sites in FY 2001. We have established and are staffing a Clinton Presidential Materials Project. The staff we have hired and trained in the requirements of the PRA and FOIA will begin processing Clinton Administration records and artifacts as part of this Project.

Key external factors Progress in processing and inventorying the records may be hindered by an unusually large number of special access requests or subpoenas.

Verification and Validation

FY 99 Output

- 4 staff members hired and completed first year of two-year training program.
- 1 staff member hired and completed first year of three-year training program.

FY 00 Output

- 40 percent of the Presidential and Vice Presidential records and artifacts in NARA's custody have prepared or acquired inventories.

FY 01 Estimated Output

- Inventories gathered, prepared, or accessible for another 33 percent of Presidential records.
- 100 percent of Clinton Administration Presidential and Vice Presidential records and artifacts transferred to NARA.
- 12 staff members hired.
- 1 percent of Presidential records processed for opening January 20, 2006.

FY 02 Projected Output
- 7 staff members hired.
- 2 percent of Presidential records processed for opening January 20, 2006.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Intellectual control: the acquisition and creation of documentation required to access the informational content of records; Inventory: a listing of the volume, scope, and complexity of an organization's records.

Long Range Performance Target 2.7. By 2007, 90 percent of all NHPRC-assisted projects produce results promised in grant applications approved by the Commission.

FY 99 Performance	• 89 percent of NHPRC-assisted projects produced the results promised in grant applications approved by the Commission.
FY 00 Performance	• 94 percent of NHPRC-assisted projects produced the results promised in grant applications approved by the Commission.
FY 01 Estimated Performance	• 83 percent of all NHPRC-assisted projects produce results promised in grant applications approved by the Commission.
FY 02 Projected Performance	• 84 percent of all NHPRC-assisted projects produce results promised in grant applications approved by the Commission.

Outcome The public gains wider access to the entire range of records on which the understanding of American history depends.

Significance National Historical Publications and Records Commission grants help archivists, editors, and historians nationwide broaden public access to non-Federal records, thus complimenting NARA's own mission. Toward this end, the NHPRC works to ensure completion of documentary projects on America's founding era, strengthens the nation's archival infrastructure through collaboration with the states, and funds research and development on preserving and making accessible important documentary sources in electronic form.

Means and Strategies The Commission achieves its goals largely through a competitive grants program open to non-profit organizations, state, local, and tribal governments, and (in a limited number of cases) individuals. Grants projects are submitted and supported by applicant institutions and organizations that provide a significant portion of the total project costs (usually 50 percent or higher). Each grant application includes general goals and specific objectives, a detailed budget, a work plan with project schedule, and a list of products that will be produced. Grants are evaluated by peer reviewers, staff, and the Commission (and in some cases by state historical records advisory boards) and are awarded usually on an annual competitive basis. Each grant recipient must submit regular narrative and financial reports and a final report with copies of products generated by the project. Commission staff monitor the projects through this regular reporting as well as through individual contact. Commission staff also monitor relevant professional reviews of the products of its grants as found in professional journals and reports to professional meetings. Projects also are evaluated at the close of the grant period to determine if they have submitted evidence of the satisfactory completion of the project along with the necessary copies of products.

Because some of the projects are experimental, they may not produce expected results. In these cases, however, finding out what does not work may be just as valuable as finding out what does work.

Key external factors The NHPRC rigorously evaluates grant applications on the basis of the relevance of projects to the NHPRC's strategic objectives and the ability of applicants to produce promised results. Nonetheless, results ultimately depend on the grantees rather than on the NHPRC.

Verification and Validation

FY 99 Output	• 100 projects using NHPRC grant funds closed out. • 89 projects using NHPRC grant funding produced results promised in grant applications.
FY 00 Output	• 67 projects using NHPRC grant funds closed out. • 63 projects using NHPRC grant funding produced results promised in grant applications.
FY 01 Estimated Output	• 110 projects using NHPRC grant funds closed out. • 91 projects using NHPRC grant funding produced results promised in grant applications.
FY 02 Projected Output	• 100 projects using NHPRC grant funds closed out. • 84 projects using NHPRC grant funding produced results promised in grant applications.

Data source Performance Measurement and Reporting System.

STRATEGIC GOAL 3 ALL RECORDS WILL BE PRESERVED IN AN APPROPRIATE ENVIRONMENT FOR USE AS LONG AS NEEDED.

Long Range Performance Targets

3.1. By 2007, 90 percent of NARA holdings are in appropriate space.

3.2. By 2007, 50 percent of NARA's at-risk archival holdings are appropriately treated or are housed so as to retard further deterioration.

3.3. By 2007, 97 percent of NARA's electronic holdings are preserved and accessible, regardless of their original format.

FY 1999 Resources Available to Meet This Goal: $82,950,000; 307 FTE
FY 2000 Resources Available to Meet This Goal: $91,419,000; 305 FTE
FY 2001 Resources Available to Meet This Goal: $171,927,000; 350 FTE
FY 2002 Resources Required to Meet This Goal: $101,227,000; 361 FTE

FY 2002 Budget Linkage: pages 11-14, 18-19

Long Range Performance Target 3.1. By 2007, 90 percent of NARA holdings are in appropriate space.

FY 99 Performance

- NARA completed 90 percent of the concept design for renovation of the National Archives Building.
- NARA designed, developed, fabricated, and tested a prototype encasement for the Charters of Freedom.
- NARA completed 70 percent of the design phase for the renovation projects at the Roosevelt and Truman libraries.
- NARA increased records center system storage capacity by 800,000 cubic feet.
- In support of accomplishing facility repairs and improvements to library facilities, the National Archives Building, and the National Archives at College Park, NARA awarded term architecture and engineering contracts, construction quality management services, and design and build contracts.
- NARA initiated one major repair and renovation project in the National Archives Building and deferred the second to be completed during the building's renovation.

- NARA completed six repair and restoration projects at Presidential libraries.
- NARA completed reimbursable records centers implementation planning.
- NARA completed concept design for a prototype regional archives.
- NARA signed an occupancy agreement with GSA for a new records center facility in Palmetto, Georgia, and moved 150,000 cubic feet of records there.
- NARA published proposed facility standards for the storage of Federal records in records storage facilities.

FY 00 Performance

- NARA opened an exhibition, "Preserving the Charters of Freedom," in the Rotunda and on our web site.
- NARA designed and fabricated the first two maintenance-free encasements for the Charters of Freedom.
- NARA re-encased the transmittal page and page two of the Constitution in the newly fabricated encasements.
- NARA completed the concept design for the renovation of the National Archives Building.
- NARA completed 85 percent of the final design for the renovation of the National Archives Building.
- NARA awarded five pre-renovation construction contracts and issued notices to proceed.
- NARA moved records to National Archives at College Park from the National Archives Building to create records-free construction zones.
- NARA drafted facility standards for archival facilities and circulated them for internal comment.
- NARA initiated negotiations with the State of Georgia and Clayton State College and University for the site selection of the Southeast regional archives facility.
- NARA awarded an architecture and engineering contract for design of our Alaska regional archives facility.

- NARA leased, modified, and equipped a temporary facility for the Clinton Presidential Materials Project.
- NARA completed the first phase of a two-phase construction contract for the Truman Library renovation.
- NARA published final facility standards for the storage of Federal records in records centers, effective January 3, 2000.
- NARA implemented 100 percent reimbursable operations for our records center program effective October 1999.
- NARA moved 300,000 cubic feet of records to the new Southeast regional records center in Palmetto, Georgia.

FY 01 Estimated Performance

- Complete final design for the renovation of the National Archives Building.
- Complete move of archival records from the Washington National Records Center to the National Archives at College Park.
- Complete two pre-renovation construction projects in the National Archives Building.
- Award National Archives Building renovation construction contract.
- Complete fabrication of seven encasements (including two spare encasements) for the Charters of Freedom.
- Re-encase page three of the Constitution.
- Complete design for new Southeast Regional Archives.
- Move records from White House to temporary facility for Clinton Presidential Materials Project.
- Complete construction at the Truman Library.
- Complete design for museum renovations at the Eisenhower Library.
- Complete design for Roosevelt Library visitor center.

FY 02 Projected Performance

- Remove murals from the National Archives Building Rotunda for conservation.
- Complete re-encasement of pages one and four of the Constitution.
- Complete new concrete floors on tiers 3, 4, and 5 of the National Archives Building.
- Complete installation of new cooling towers at the National Archives Building.
- Complete design for Eisenhower Library museum renovation and award construction contract.
- Award construction contract for Roosevelt Library Visitors Center.
- Complete design for Reagan Library museum renovation and new addition.
- Complete design for Ford Museum renovation and addition.
- Complete design for Kennedy Library plaza and seawall repair project.

Outcome We greatly increase the chances of records being available for use by Federal officials and the public for as long as needed. In addition, for the first time in America's history, all the Charters of Freedom are fully accessible to the public and their continued preservation is ensured.

Significance Providing appropriate physical and environmental storage conditions is the most cost-effective means to ensure records preservation.

Means and Strategies While our state-of-the-art facility in College Park, MD, provides appropriate storage conditions for the archival headquarters records of most Federal agencies as well as modern records of national interest, several of our regional facilities have severe quality problems, including backlogs of needed repairs and renovations, and existing Presidential libraries need upgrades in environmental conditions. We are taking a multi-pronged approach to ensuring our holdings are in appropriate space. Based in part on our experience with our College Park facility, we are developing storage standards for all NARA archival records holdings. We published new standards to safeguard Federal records in records centers and other records storage facilities. These standards will ensure Federal records are protected whether they are stored by NARA, another Federal agency, or the private sector.

On January 20, 2001, we took custody of the records of the Clinton Administration. We leased and equipped a temporary facility in Little Rock, Arkansas, to house all the Presidential materials, and we are beginning to process the records, and prepare for the opening of the Clinton Presidential Library. For

this and future Presidential libraries, we are developing new facility standards to ensure Presidential records and artifacts are appropriately housed. In addition, many older libraries are undergoing renovations and upgrades.

In our regions we are focusing first on facilities with the worst storage conditions (Atlanta, St. Louis) for archival records and on those that are out of space (Atlanta, Anchorage).

And in Washington, DC, we are renovating the grand, old National Archives Building and re-encasing America's Charters of Freedom. We are legally entrusted with the care and preservation of this country's founding documents—the Declaration of Independence, the Constitution of the United States, and the Bill of Rights. Having been encased nearly fifty years ago, the technology that was used then is now out of step with modern conservation practices. Our conservators and outside experts have concluded that the deteriorating encasements must be replaced to ensure the continued preservation of the documents for the American people.

We have partnered with the National Institute of Standards and Technology and our Advisory Committee on Preservation to design the most technologically advanced and safest encasements for the Charters of Freedom. The design addresses issues of security, strength of the encasement, temperature, humidity, light, air pressure, and flexibility for incorporating new protective measures in the future. The plan to re-encase the Charters of Freedom offers us the opportunity to evaluate the condition of the current encasements, to perform any necessary document conservation measures, and to fully document the condition of the Charters. A sample of the interior gas will be extracted before the old encasements are opened and the old encasement components will be retained for further analysis. Before re-encasement, each page will be examined to ensure its stability for long-term exhibit. Finally, each page will be photographed to facilitate the preparation of facsimiles and publications, and to add to the permanent conservation files. The prototype encasement was developed and tested in FY 1999 and fabrication of encasements is scheduled for completion in FY 2001.

The Charters of Freedom cannot be displayed in their new encasements, however, unless we renovate the National Archives Building. The renovation of the National Archives Building is essential to the preservation and protection of the Charters of Freedom and the other holdings in the building. The current HVAC system requires upgrading to meet archival standards for the preservation of the textual holdings in the building. The renovation also will modernize the mechanical, electrical, and fire safety systems so that they meet current regulations and standards. It will retrofit the Rotunda area so that the Charters of Freedom can be displayed in their new encasements. Renovation will bring the building and the document displays into full compliance with the Americans with Disabilities Act, enabling all Americans to view the Charters of Freedom and use the research rooms. Adding chemical filtration of the air and tighter temperature and humidity controls will upgrade the records storage areas to meet archival standards for textual records. Finally, renovation will add sufficient exhibit and public use space to accommodate the increasing number of visitors to the building.

Key external factors Public, Administration, and congressional support for our space planning activities is vital to develop and implement proposed plans.

Verification and Validation

FY 99 Output

- 90 percent of concept design for National Archives Building completed.
- Prototype encasement developed and tested.

- 70 percent of design phase for Roosevelt and Truman libraries completed.
- Records center system storage capacity increased by 800,000 cubic feet.
- Term architecture and engineering contracts, construction quality management services, and design and build contracts awarded.*
- One major repair and renovation project in National Archives Building initiated and second project deferred.*
- Six repair and restoration projects at Presidential libraries completed.*
- Reimbursable records centers implementation planning completed.
- Concept design for prototype regional archives completed.
- Occupancy agreement signed with GSA for a new records center facility in Palmetto, Georgia.
- 150,000 cubic feet of records moved to Palmetto facility.
- Proposed facility standards for the storage of Federal records in records storage facilities.

FY 00 Output

- Exhibit "Preserving the Charters of Freedom" opened in the Rotunda and on our web site.
- Two encasements for the Charters of Freedom designed and fabricated.
- Transmittal page and page two of the Constitution re-encased.
- Concept design for the renovation of the National Archives Building completed.
- 85 percent of the final design for the renovation of the National Archives Building completed.
- Five pre-renovation construction contracts awarded and notice to proceed issued.*
- Move of records to National Archives at College Park from the National Archives Building to create records-free construction zones completed.
- Draft facility standards for archival facilities circulated for internal comment.
- Negotiations with the State of Georgia and Clayton State College and University for the site selection of the Southeast regional archives facility initiated.
- Architecture and engineering contract for design of Alaska regional archives facility awarded.
- Temporary facility for Clinton Presidential Materials Project leased, modified, and equipped.
- Construction contract for two-phase Truman Library renovation project awarded. Phase I completed.
- Final facility standards for the storage of Federal records in records centers published.
- Reimbursable operations of records centers implemented.

FY 01 Estimated Output

- Final design for the renovation of the National Archives Building completed.
- Fabrication of seven encasements completed.
- Page three of Constitution re-encased.
- Design for new Southeast Regional Archives completed.
- Move of archival records from the Washington National Records Center to the National Archives at College Park completed.
- Construction contract for the renovation of the National Archives Building awarded.
- Two pre-renovation construction projects in the National Archives Building completed:
  - Construction of moat offices completed.
  - Demolition of shelving and steel decks on six floors completed.
- Records from White House moved to temporary facility for Clinton Presidential Materials Project.
- Construction at Truman Library completed.
- Design for museum renovations at the Eisenhower Library completed.
- Design for the Roosevelt Library visitor center completed.

FY 02 Projected Output

- Murals from the National Archives Building Rotunda removed for conservation.
- Pages one and four of the Constitution re-encased.
- New concrete floors on tiers 3, 4, and 5 of the National Archives Building completed.
- Installation of new cooling towers at the National Archives Building completed.
- Design for Eisenhower Library museum renovation completed and construction contract

* A detailed list of projects is included in our FY 1999 and FY 2000 Annual Performance Reports.

awarded.
- Construction contract for Roosevelt Library Visitors Center awarded.
- Design for Reagan Library museum renovation and new addition completed.
- Design for Ford Museum renovation and addition completed.
- Design for Kennedy Library plaza and seawall repair project completed.

Data source Quarterly reports to the Archivist.

Definitions Appropriate space: storage areas that meet physical and environmental standards for the type of materials stored there.

Long Range Performance Target 3.2. By 2007, 50 percent of NARA's at-risk archival holdings are appropriately treated or are housed so as to retard further deterioration.

FY 99 Performance

- NARA assessed 97 percent of new accessions of Federal records in the Washington, DC, area for determination of preservation requirements using enhanced risk assessment procedures.
- NARA performed required preservation action on 100 percent of identified at-risk newly accessioned textual Federal records in the Washington, DC, area.
- NARA performed required preservation action on 3.08 percent of at-risk previously accessioned textual Federal records in the Washington, DC, area.
- NARA trained Presidential library archivists in preservation and risk assessment procedures.
- NARA identified and evaluated conservation treatment priorities at 6 regional archives facilities.

FY 00 Performance

- NARA performed required preservation action on an additional 22 percent of identified at-risk previously accessioned Federal records in the Washington, DC, area.
- NARA surveyed existing archival collections in all Presidential libraries and regional archives facilities to identify at-risk materials (excluding objects and artifacts).
- NARA hired seven preservation staff members for the National Personnel Records Center and awarded a contract to duplicate Air Force flight records microfilm.
- NARA procured cold storage for acetate-based records in the Washington, DC, area, and transferred 38 percent of these records to cold storage.

FY 01 Estimated Performance

- Appropriately treat or house 30 percent of NARA's at-risk archival holdings so as to retard further deterioration.
- Transfer all remaining acetate-based records in the Washington, DC, area to cold storage.
- Complete duplication of Air Force Flight Records and prepare 1,000 cubic feet of Final Pay Vouchers and Payrolls for a reformatting contract at the National Personnel Records Center.

FY 02 Projected Performance

- Appropriately treat or house 40 percent of NARA's at-risk archival holdings so as to retard further deterioration.
- Prepare 2,400 cubic feet of Final Pay Vouchers and Payrolls for reformatting at the National Personnel Records Center.

Outcome The most at-risk materials are appropriately preserved according to degree of risk, value, and use for current and future generations of researchers.

Significance Providing public access to records for as long as needed requires that we assess the preservation needs of the records, provide storage that retards deterioration, and treat or duplicate and reformat records at high risk for deterioration. The records currently identified as being most in need of preservation attention are textual records documenting military service of 20th-century veterans, as well as those that provide a broad audiovisual history of the United States from the 1930s to the 1960s.

Means and Strategies We must preserve paper records and motion pictures, audio recordings, video tapes, still photography, aerial photography, microfilm and other microforms, and maps and charts in a variety of formats in our holdings. We implemented a risk assessment program to identify at-risk records among new accessions and among previously accessioned textual (paper) holdings. We also will retard further deterioration of the large quantities of acetate-based motion pictures, still photos, aerial films, and microfilms in the Washington, DC, area by housing them in cold storage. In addition to putting acetate-based records in cold storage, we are identifying other nontextual records at risk outside the Washington, DC, area and developing a long-term, nationwide plan for their preservation.

At our National Personnel Records Center in St. Louis the records of the service of our 20th-century military veterans require immediate preservation attention. Because these records have such great value to current veterans now trying to document their rights and to future researchers documenting the military history of the 20th century, NARA will accession the majority of these records. To ensure both short-term and continuing access to these records, we are establishing a comprehensive preservation program for these records with a professional staff. The staff initially will focus on preparing the preservation duplication of Air Force flight records from 1911-1974. In addition, they will begin the preparation of Final Pay Vouchers and Payrolls for a reformatting contract. These are just the first of thousands of feet of microform and paper records that will receive preservation treatment over the next several years.

Key external factors Unusually large increases in new at-risk records, increases in cost of leasing cold storage space, and growing or shifting public demands for the use of at-risk records could delay achievement of performance objectives. Limitations on the availability of appropriate cold storage facilities and commercial treatment labs will affect the Presidential libraries' ability to address audiovisual holdings' requirements.

Verification and Validation

FY 99 Output

- 37,820 cubic feet of Federal records accessioned in the Washington, DC, area; 36,790 cubic feet assessed using risk assessment procedures.
- 870 cubic feet new accessions of Federal records in the Washington, DC, area, identified for preservation action; 870 cubic feet received required preservation action.
- 161,478 cubic feet previously accessioned records in the Washington, DC, area identified for preservation action; 4,971 cubic received required preservation action.
- Presidential library archivists trained in preservation and risk-assessment procedures.
- Conservation treatment priorities in 6 of 12 regional archives facilities identified and evaluated.

FY 00 Output

- 35,864 cubic feet previously accessioned records in the Washington, DC, area received required preservation action.
- Records surveyed and at-risk records identified at 12 regional archives facilities and 10 Presidential libraries.
- 7 people hired for the preservation staff at the National Personnel Records Center.
- Contract to duplicate Air Force flight records microfilm awarded.
- 76,000 cubic feet of cold storage leased.
- 22,977 cubic feet of at-risk acetate-based non-textual records moved to cold storage.

FY 01 Estimated Output

- 30 percent of NARA's at-risk archival holdings appropriately treated or housed.
- 100 percent of acetate-based records in the Washington, DC, area transferred to cold storage.
- 15 people hired for the preservation staff at the National Personnel Records Center.
- Complete duplication of Air Force Flight Records microfilm at the National Personnel Records Center.
- Prepare 1,000 cubic feet of Final Pay Vouchers & Payrolls (12.5 percent) for a reformatting contract at the National Personnel Records Center.

FY 02 Projected Output

- 40 percent of NARA's at-risk archival holdings appropriately treated or housed.
- Award contract for reformatting Final Pay Vouchers and Payrolls at the National Personnel Records Center.
- Prepare 2,400 cubic feet of Final Pay Vouchers and Payrolls for reformatting at NPRC.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions At-risk: records that have a media base near or at the point of deterioration to such an extent that the image or information in the physical media of the record is being or soon will be lost, or records that are stored on media accessible only through obsolete technology; Accession: archival materials whose legal custody is transferred to NARA.

Long Range Performance Target 3.3. By 2007, 97 percent of NARA's electronic holdings are preserved and accessible, regardless of their original format.

FY 99 Performance

- NARA increased the Archival Preservation System's processing capacity to 57,000 files per year.

FY 00 Performance

- NARA preserved and made accessible 95 percent of NARA's electronic holdings, regardless of their original format.
- NARA completed systems analysis for enhanced Archival Preservation System for electronic records.
- NARA achieved capability to preserve document image files.
- NARA preserved and made accessible 99 percent of Bush and Reagan electronic holdings, regardless of their original format.

FY 01 Estimated Performance

- Preserve and make accessible 40 percent of NARA's electronic holdings, regardless of their original format.
- Complete analysis of requirements and achieve capability to preserve raster and vector files from geographic information systems.
- Preserve and make accessible 100 percent of Bush and Reagan electronic holdings, regardless of their original format.
- Complete concept of operations and draft requirements for the Electronic Records Archives.

FY 02 Projected Performance

- Preserve and make accessible 60 percent of NARA's electronic holdings, regardless of their original format.
- Ensure schedule variance of less than 10 percent on the following Electronic Records Archives system projects:
  - Collaborative research and development for sustainable solutions to electronic records challenges.
  - Production system to provide interim capability for access to accessioned electronic records in structured form.
  - Production system to provide interim capability for processing Presidential electronic records from hard drives of George H.W. Bush Administration.
  - Prototype system for managing digital Official Military Personnel Files.

Outcome More electronic records are preserved for future generations of researchers.

Significance We have accessioned and are preserving more electronic records than any other government archives in the world. All citizens count on us to ensure that our heritage in electronic form is preserved for as long as needed. But even as the world leader we still lack the capacity to accommodate our current backlog of files and the exploding volume of electronic data files that Federal agencies transfer to us. We must expand the capacity of our current preservation system, research

options with public and private sector partners to establish a more robust system, and accommodate an increasing number of routine electronic accessions in a variety of media and in a number of file formats.

Means and Strategies To deal with the complex challenges we face in preserving and managing electronic records we are taking a short- and long-term approach. In the short-term, we must extend and expand our existing systems that handle electronic records processing because that is the only means we have currently of controlling these records. For the future, however, we have research and development partnerships with the National Science Foundation, the San Diego Supercomputer Center, and others to discover new ways to look at preserving and providing access to electronic records within a comprehensive and stable architecture that will be infrastructure independent, scalable, modular, and extensible. More research and development must occur, but we believe we can develop and build an Electronic Records Archives that will preserve any kind of electronic record in a format that frees it from the computer system that created it and will allow us to respond to reference requests in ways that meet customer needs. In FY 2002, we will initiate the Concept Phase of the Electronic Records Archives System development lifecycle, and establish the infrastructure—program management and control, resource planning, acquisition planning, risk management—necessary to manage a program of this complexity. Once the Electronic Records Archives is operational, we will assess the need for continuation of our existing electronic records preservation systems.

The day it opens, the Clinton Presidential Library will be responsible for a collection of electronic records that is thousands of times larger than everything the National Archives and all other Presidential libraries have received in electronic form. Federal agency web sites have become an integral and important part of government, and are used to provide information and to conduct business. We asked all Federal agencies to submit a "snapshot" of their web sites to us in FY 2001 so that we could preserve and make them available to the public in the future. We estimate these "snapshots" to total 10 to 30 terabytes of information (a terabyte is a million million bytes). Due to the huge influx of electronic records expected in FY2001 and FY2002, we have adjusted our performance targets lower to reflect our project performance against a rapidly expanding universe of records.

Key external factors The results of existing and future research and development into electronic records preservation may change the requirements for an electronic records preservation system.

Verification and Validation

FY 99 Output	• 56,838 files processed by the Archival Preservation System.
FY 00 Output	• 622,038 electronic records in NARA's custody; 590,056 preserved and accessible (94.85 percent). • Functional, system, and capacity requirements for enhanced Archival Preservation System completed. • Capability to preserve document image files achieved. • 463,787 Bush and Reagan electronic records in NARA's custody; 463,622 preserved and accessible (99.96 percent).

FY 01 Estimated Output

- 40 percent of electronic holdings preserved and accessible.
- Analysis of requirements and ability to copy raster and vector files from geographic information systems completed. Capability to preserve raster and vector files from geographic information systems achieved.
- 100 percent of Bush and Reagan electronic records preserved and accessible, regardless of original format.
- Concept of operations and draft requirements for the Electronic Records Archives completed.

FY 02 Projected Output

- 60 percent of electronic holdings preserved and accessible.
- Less than 10 percent schedule variance on Electronic Records Archives system projects.

Data source The Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Preserved: (1) the physical file containing one or more logical data records has been identified and its location, format, and internal structure(s) specified; (2) logical data records within the file are physically readable and retrievable; (3) the media, the physical files written on them, and the logical data records they contain are managed to ensure continuing accessibility; and (4) an audit trail is maintained to document record integrity; Accessible: NARA is technically able to make a copy of the electronic holdings available.

STRATEGIC GOAL 4 NARA'S CAPABILITIES FOR MAKING CHANGES NECESSARY TO REALIZE OUR VISION WILL CONTINUOUSLY EXPAND.

Long Range Performance Targets

4.1. By 2003, 100 percent of employee performance plans and 100 percent of staff development plans are linked to strategic outcomes.

4.2. By 2007, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force.

4.3. By 2007, NARA will accept 100 percent of the legal documents submitted electronically for publication in the *Federal Register*.

4.4. By 2007, NARANET will have a 95-percent-effective computer and communications infrastructure.

Resources Required to Meet This Goal: Goal 4 supports goals 1 through 3. Resources required are included in the totals for those goals.

Long Range Performance Target 4.1. By 2003, 100 percent of employee performance plans and 100 percent of staff development plans are linked to strategic outcomes.

FY 99 Performance

- NARA developed and OPM approved a framework for a new agency performance appraisal system that will support the ready linkage of individual performance plans and appraisals with strategic outcomes.
- NARA tested and refined courses that address the supervisory competencies expected of all managers.
- NARA piloted a curriculum of courses that address the universal competencies expected of NARA employees and the supplemental competencies expected of employees in specific areas.
- NARA instructed 29 percent of managers on the Government Performance and Results Act and its application in the agency.

FY 00 Performance

- NARA developed a model to link individual employee performance plans to our Strategic Plan.
- NARA trained 33 percent of supervisors in supervisory competencies.

- NARA trained 9 percent of the workforce in universal and supplemental competencies.
- NARA instructed 98 percent of managers on the Government Performance and Results Act and its application in the agency.

FY 01 Estimated Performance

- Issue written guidance to managers on linking employee performance plans and staff development plans to strategic outcomes.
- Train managers in linking employee performance plans and staff development plans to strategic outcomes.
- Link 50 percent of employee performance plans to strategic outcomes.

FY 02 Projected Performance

- Link 50 percent of employee performance plans to strategic outcomes.
- Link 50 percent of staff development plans to strategic outcomes.
- Review FY 2001 Commercial Activity Inventory and complete implementation plan to convert or compete 5 percent of the FTE listed on the inventory.

Outcome We are motivated and given the skills to successfully implement our Strategic Plan.

Significance A new agency performance appraisal system that links employees' individual performance with our performance as an agency will demonstrate to staff their importance to the success of our Strategic Plan. To achieve that success, however, we also must give our staff the tools, training, and development necessary to meet these expectations.

Means and Strategies To ensure that our employees are prepared to carry out the responsibilities in their performance plans, we must help them learn new skills, refresh old skills, and make use of emerging technologies. We will develop, test, refine, and implement career development programs focusing on instruction in supervisory, universal, supplemental, and job-specific competencies that are linked to accomplishment of our strategic goals. Supervisors and managers will be trained in developing new performance plans and staff development plans for their employees. All staff must be actively engaged in fulfilling their new plans or our workforce will stagnate, and we will not be able to take advantage of new ideas and opportunities to achieve our strategic vision.

Verification and Validation

FY 99 Output

- Framework for a new agency performance appraisal system developed by NARA and approved by OPM.
- 2 new courses in supervisory competencies offered.

- 6 new courses in universal and supplemental competencies offered.
- 278 managers; 80 managers instructed on the Government Performance and Results Act and its application in the agency.

FY 00 Output

- Model developed to link employee individual performance plans to Strategic Plan.
- 275 managers; 91 trained in supervisory competencies (33.09 percent).
- 2,843 NARA workforce; 248 trained in universal and supplemental competencies (8.72 percent).
- 275 managers; 269 instructed in GPRA (97.81 percent).

FY 01 Estimated Output

- Written guidance on linking employee performance plans to Strategic Plan issued.
- 50 percent of NARA staff have performance plans that link to strategic outcomes.

FY 02 Projected Output

- 100 percent of NARA staff have performance plans that link to strategic outcomes.
- 50 percent of NARA staff have staff development plans that link to strategic outcomes.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Definitions Staff development plan: a plan to provide and enhance an employee's knowledge, skills, and abilities, and to improve performance in his/her current job and of duties outside his/her current job in response to organizational needs and human resource plans; universal competencies: the areas of knowledge and the skills that every NARA employee must have in order to perform effectively within the agency (e.g., Serves Customers and Sets and Seeks Goals); supplemental competencies: important areas of knowledge and skills that large numbers of NARA employees must have in order to perform their tasks but that are not universally needed across the agency (e.g., Builds Effective Teams).

Long Range Performance Target 4.2. By 2007, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force.

FY 99 Performance

- NARA developed and distributed a diversity pamphlet to all employees.
- NARA provided formal diversity training to 6 percent of NARA managers and employees.
- Percentages of people in protected classes employed by NARA matched at least 40 percent of the national averages in 16 of 25 PATCOB categories.*
- NARA determined that 48 percent of applicant pools for positions in grades 13 and above included people in protected classes. On average, 16 percent of people in those pools were in protected classes.

FY 00 Performance

- NARA provided formal diversity training to 19 percent of NARA managers and employees.
- Percentages of people in protected classes employed by NARA matched at least 60 percent of the national averages in 16 of 25

* See FY 1999 and FY 2000 Annual Performance Reports for details.

PATCOB categories.*

- NARA determined that 63 percent of applicant pools for positions in grades 13 and above included people in protected classes. On average, 11.7 percent of people in those pools were in protected classes.

FY 01 Estimated Performance

- Provide formal diversity training to 100 percent of NARA managers and employees.
- Ensure the percentages of NARA employees in underrepresented groups match 50 percent of their respective availability levels in the Civilian Labor Force.
- Increase the percentage of people in underrepresented groups in pools of applicants from which to select candidates for positions in grades 13 and above over the percentage in FY 2000.

FY 02 Projected Performance

- Ensure the percentages of NARA employees in underrepresented groups match 60 percent of their respective availability levels in the Civilian Labor Force.
- Increase the percentage of people in underrepresented groups in pools of applicants from which to select candidates for positions in grades 13 and above over the percentage in FY 2001.

Outcome Our workforce will reflect the diversity of American society as a whole.

Significance A diverse workforce enhances our agency by ensuring that we can draw on the widest possible variety of viewpoints and experiences to improve the planning and actions we undertake to achieve our mission and goals. By promoting and valuing workforce diversity, we create a work setting where these varied experiences contribute to a more efficient and dynamic organization and employees can develop to their full potential.

Means and Strategies Training in diversity is a critical step for creating an understanding of the value of diversity and ensuring its integration into our organization. We also are focusing on improving our performance in hiring and promoting people in underrepresented groups by continuing our efforts to expand recruiting techniques, collecting and analyzing pertinent personnel management data, and implementing staff development programs.

Key external factors Achievement of this target depends on qualified people in underrepresented groups applying for positions at NARA.

Verification and Validation

FY 99 Output
- 2,829 employees; 163 received diversity training.
- Percentages of people in protected classes employed by NARA matched at least 40 percent of the national averages in 16 of 25 PATCOB categories.
- 22 applicant pools for positions in grades 13 and above formed; 10 pools had self-identified applicants in protected classes.
- 38 self-identified applicants were in protected classes in the 10 applicant pools.

FY 00 Output
- 2,843 employees; 537 received diversity training.
- Percentages of people in protected classes employed by NARA matched at least 60 percent of the national averages in 16 of 25 PATCOB categories.
- 24 applicant pools for positions in grades 13 and above formed for 281 applicants; 15 pools had self-identified applicants in protected classes.
- 72 self-identified applicants were in protected classes in the 15 applicant pools.

FY 01 Estimated Output
- 100 percent of employees received diversity training.
- NARA employed people in underrepresented groups so that NARA matches 50 percent of their respective availability levels in the Civilian Labor Force.
- NARA increased the percentage of people in underrepresented groups in pools of applicants from which to select for positions in grades 13 and above.

FY 02 Projected Output
- NARA employed and recruited people in underrepresented groups so that NARA matches 60 percent of their respective availability levels in the Civilian Labor Force.
- NARA increased the percentage of people in underrepresented groups in pools of applicants from which to select for positions in grades 13 and above.

Data source Performance Measurement and Reporting System and semi-annual reports to the Archivist.

Definitions Applicant: job applicants who have reached a point in the hiring process where NARA has found them to meet the basic qualifications for the position; Underrepresented groups: groups of people tracked by the Federal Equal Employment Opportunity Commission: Ethnic groups (African-Americans, Asian-Americans, and Hispanics); Women; People with targeted disabilities; Protected classes: women, minorities (African-Americans, Hispanics, Asian-Americans/Pacific Islanders, and American Indians/Alaskan Natives), and disabled individuals. PATCOB categories are Professional, Administrative, Technical, Clerical, Other, and Blue Collar occupations used to categorize the Civilian Labor Force data collected by the U.S. Census Bureau.

Long Range Performance Target 4.3. By 2007, NARA will accept 100 percent of the legal documents submitted electronically for publication in the *Federal Register*.

FY 99 Performance
- 100 percent of scheduled publications were available online.
- 100 percent of the *Code of Federal Regulations* volumes were available online.
- 90 percent of online publications were available no later than the date they were available in the print version.

FY 00 Performance
- NARA established the Federal Register business process improvement (BPI) team and developed the BPI project plan.

- NARA awarded a contract for the design of the Federal Register's electronic editing and publishing system, which includes a BPI study.
- 93 percent of online publications were available no later than the date they were available in the print version.

FY 01 Estimated Performance

- Complete business process improvement (BPI) study and cost estimates for the implementation of an electronic editing and publishing system.

FY 02 Projected Performance

- Purchase, install, and test an electronic editing and publishing system.

Outcome We improve ready access to *Federal Register* publications.

Significance We publish the *Federal Register*, the *Code of Federal Regulations*, and related publications, which contain information essential to the life, health, safety, and defense of the citizens of the United States and of our businesses, legal system, and Government. Informing citizens of their rights and legal responsibilities is one of our critical ongoing responsibilities.

Means and Strategies Technological developments in the publishing world have expanded publication options available for *Federal Register* materials, while developments in consumer technology have increased the number and the availability of public access points to published materials. Meanwhile, Federal agencies have rapidly increased their ability to operate in an electronic information environment. The resulting possibilities for enormously increased access and for significantly improved operational efficiencies demand that taxpayer-financed publishing systems, like the *Federal Register* system, incorporate the new technologies. As online *Federal Register* publications assume primacy among available formats, surveys show that users are demanding that we employ the capabilities of new technologies to provide more frequent revisions of the *Code of Federal Regulations* (CFR) and better reference tools for using the publications. Federal agencies that submit documents for publication also want us to permit the much less expensive electronic submission of documents. And the Government Paperwork Elimination Act requires agencies to develop the capacity for electronic commerce by 2003.

In FY 2001 we will conduct a process improvement study of office operations that will examine the following elements: electronic submission of documents from Federal agencies; electronic review, editing, and scheduling of those documents for printing; enhanced electronic formatting of materials for printing, distribution, dissemination, and archiving in electronic formats; use of automation to create more user-friendly search and retrieval tools for publications in electronic and printed formats; and more timely electronic codification of CFR amendments published in the daily *Federal Register*. From this study we will define requirements for an electronic system covering all phases of preparing *Federal Register* publications for issuance, which we will begin to implement in FY 2002. In addition, we must continue our successful partnership with the Government Printing Office (GPO) and involve GPO officials in planning. We also must partner with the private sector where the knowledge of technological advances and of the field of document management is greatest, to ensure that we install new processes and technologies that will keep pace with the ever-increasing speed of change in information management.

Key external factors We do not control the volume of work for which we are responsible or the timing of submissions. We do not print or distribute our publications and we depend on GPO to provide common hardware and software for publishing. GPO also controls the process by which our publications are put online on GPO Access. Significant additional resources would be required were this support from GPO decreased or withdrawn. Successful government-wide electronic commerce remains dependent upon the resolution of issues surrounding government-wide digital signature standards and an electronic public key infrastructure.

Verification and Validation

FY 99 Output	• 527 issues of official *Federal Register* publications issued in print and online formats. • 202 volumes of the *Code of Federal Regulations*, both in print and in online formats, issued. • 713 online publications; 640 were available no later than the date they were available in the print version.
FY 00 Output	• Process improvement study team established and BPI project plan developed. • Contract for design of electronic editing and publishing system awarded. • 749 online publications; 697 available no later than the date they were available in the print version.
FY 01 Estimated Output	• Study and cost estimates completed. Statement of work prepared for installation and testing of electronic editing and publishing system.
FY 02 Projected Output	• Electronic editing and publishing system purchased, installed, and tested.

Data source Performance Measurement and Reporting System and quarterly reports to the Archivist.

Long Range Performance Target 4.4. By 2007, NARA will have a 95-percent-effective computer and communications infrastructure.

FY 99 Performance	• NARA installed the necessary monitoring tools, developed a process for monitoring network performance, and collected baseline data. • NARA operated the Washington, DC, area network at 99.9 percent of availability. • NARA renovated 17 mission critical systems for Year 2000 compliance.
FY 00 Performance	• NARANET overall network effectiveness was 94.0 percent. • NARA renovated 100 percent of mission critical systems for Year 2000 compliance.
FY 01 Estimated Performance	• Increase overall performance to 88 percent effectiveness by making substantial improvements in the network infrastructure.

FY 02 Projected Performance

- Ensure NARA has a 90-percent-effective computer and communications infrastructure.
- Award contracts over $25,000 using performance-based contracting for 20 percent of the total eligible service contracting dollars.
- Post all synopses for acquisitions over $25,000 for which widespread notice is required and all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation on the Government-wide point-of-entry web site.

Outcome NARA information and services are accessible to customers 24 hours a day in a manner that meets customer service expectations.

Significance Our information technology backbone is NARANET, a wide-area-network that connects the entire agency internally and connects us to public and Government customers via the Internet. Reliable performance of NARANET is essential to ensuring that customer expectations for access to our information and services can be met.

Means and Strategies A 95-percent-effective computer infrastructure means: the network is available to users 99.7 percent of the time; user services are delivered within established parameters 95 percent of the time; and services to the desktop are delivered within established timeframes 90 percent of the time.

Key external factors Because of technology changes in both hardware and software, NARANET components either rapidly become obsolete or cannot be maintained efficiently. Generally this means that 20 to 30 percent of the components must be replaced or upgraded each year. To achieve the necessary level of performance, we must acquire new hardware and software to support a 15-percent annual growth as well as cyclically maintain the minimum levels on existing systems.

Verification and Validation

FY 99 Output

- Monitoring tools installed and processes to monitor network performance developed.
- 17 mission critical systems renovated for Year 2000 compliance.
- Washington, DC, area network 99.9 percent available.

FY 00 Output

- 5 mission critical systems renovated for Year 2000 compliance.
- NARANET 94 percent effective:
  - Network availability: 99.9 percent
  - User Support Services: 92.0 percent
  - Service Delivery to the Desktop: 90.1 percent

FY 01 Estimated Output

- NARANET 88 percent effective:
  - Network availability: 99 percent
  - User Support Services: 80 percent
  - Service Delivery to the Desktop: 85 percent

FY 02 Projected Output

- NARANET 90 percent effective:
  - Network availability: 99 percent
  - User Support Services: 84 percent
  - Service Delivery to the Desktop: 87 percent

Data source Performance Measurement and Reporting System. We use our network management system and problem incident reports to produce data regarding network availability and reliability. The current Help desk management system and customer surveys collect user support data. In addition, information technology staff conducts periodic system/network tests on service delivery to individual workstations. We have expanded and enhanced the capabilities of the network management system, providing additional detailed performance and availability data, especially for networks outside the Washington, DC, area. Also, NARA have replaced the current Help Desk management system and we will implement additional features, which will allow us to gather additional and more accurate information about our user support services.

Definitions NARANET: a collection of local area networks installed in 34 NARA facilities that are connected to a wide area network at Archives II, using frame relay telecommunications, and then to the Internet. NARANET includes personal computers with a standardized suite of software. NARANET was designed to be modular and scalable using standard hardware and software components; User Support Services: help desk services which include problem resolution, answering questions regarding hardware and software, providing technical support, and updating users' access to the system; Service Delivery to the Desktop: delivery of information to the users' personal computer, especially concerning email and NARA's intranet.

U. S. OFFICE OF GOVERNMENT ETHICS

Fiscal Year 2002 Explanatory Notes

Prepared for the
Committee on Appropriations

April 2001

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

April 10, 2001

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
The Capitol, Room S-128
Washington, DC 20510-6025

The Honorable C.W. Bill Young
Chairman
Committee on Appropriations
United States House of Representatives
The Capitol, Room H-218
Washington, DC 20515-6015

Dear Mr. Chairmen:

I am pleased to transmit to you the Explanatory Notes of the Office of Government Ethics (OGE) for FY 2002. The Explanatory Notes reflect funding of $10,060,000 and 82 full-time equivalents, as set forth in the President's budget.

With this level of resources, we believe we can continue to fulfill our responsibilities under the Ethics in Government Act and meet the goals outlined in our Strategic Plan.

Copies of this submission as well as our Annual Performance Plan for FY 2002 are being transmitted to the Committee on the Judiciary and the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate. In addition we are furnishing copies to the Senate Subcommittee on Treasury and General Government and the House Subcommittee on Treasury, Postal Service and General Government.

If I can provide you with any further information on this matter, please do not hesitate to contact me.

Sincerely,

Amy L. Comstock
Director

cc(w/Encl.): The Honorable F. James Sensenbrenner, Jr.
Chairman
Committee on Judiciary
United States House of Representatives
2138 Rayburn House Office Building
Washington, DC 20515-6216

The Honorable Dan Burton
Chairman
Committee on Government Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

The Honorable Fred Thompson
Chairman
Committee on Governmental Affairs
United States Senate
342 Dirksen Senate Building
Washington, DC 20510-6250

OFFICE OF GOVERNMENT ETHICS
RESOURCES BY UNIT
(dollars in thousands)

	2000 OBLIGATIONS		2001 APPROPRIATED		2002 REQUEST	
OFFICE	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
DIRECTOR	6	$1,055	7	$1,125	7	$1,200
GENERAL COUNSEL AND LEGAL POLICY	21	$2,426	22	$2,680	22	$2,880
ADMINISTRATION	14	$1,438	14	$1,478	14	$1,590
AGENCY PROGRAMS	39	$3,919	39	$4,380	39	$4,390
Direct Obligations		$8,838	*	$9,663		$10,060
Reimburseable Obligations		$129		$125		$150
TOTAL	80	$8,967	82	$9,788	82	$10,210

Note: The Office of Agency Programs includes the Education and Program Services Division, the Program Review Division, and the Financial Disclosure Division.

* Actual appropriation is $9,662,695

OFFICE OF GOVERNMENT ETHICS
PROGRAM CHANGES
(dollars in thousands)

OFFICE	2001 APPROPRIATED		2002 REQUEST		2002 PROGRAM CHANGES	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
DIRECTOR	7	$1,125	7	$1,200	0	$75
GENERAL COUNSEL AND LEGAL POLICY	22	$2,680	22	$2,880	0	$200
ADMINISTRATION	14	$1,478	14	$1,590	0	$112
AGENCY PROGRAMS	39	$4,380	39	$4,390	0	$10
TOTAL	82	$9,663	82	$10,060	0	$397

OFFICE OF GOVERNMENT ETHICS

OBJECT CLASSIFICATION

(in thousands)

Direct Obligations		2001 APPROPRIATED	2002 REQUESTED	Net Change
11.1	Full-time Permanent	$5,760	$6,010	$250
11.3	Other than full time permanent	$299	$320	$21
11.5	Other personnel compensation	$185	$190	$5
11.9	Total personnel compensation	$6,244	$6,520	$276
12.1	Civilian personnel benefits	$1,400	$1,460	$60
21.0	Travel & Transportation/persons	$170	$168	($2
22.0	Transportation of things	$4	$5	$1
23.1	Rental payments to GSA	$1,255	$1,290	$35
23.3	Communications, utilities, misc	$85	$81	($4
24.0	Printing and Reproduction	$70	$75	$5
25.2	Other Services	$180	$127	($53
25.3	Purchase goods/svc from Gov't	$60	$80	$20
25.7	Operation & Maint of Equip	$10	$12	$2
26.0	Supplies and materials	$90	$105	$15
31.0	Equipment	$95	$137	$42
99.0	Subtotal, direct obligations	$9,663	$10,060	$397
99.0	Reimbursable obligations	$125	$150	$25
99.9	Total obligations	$9,788	$10,210	$422

OFFICE OF GOVERNMENT ETHICS
DETAIL OF PERMANENT POSITIONS

GRADE	FY 2001 ESTIMATE	FY 2002 ESTIMATE
EXEC LEVEL III	1	1
ES 6	2	2
ES 5	1	1
ES 3	1	1
GS 15	18	18
GS 14	7	7
GS 13	25	25
GS 12	6	6
GS 11	6	6
GS 9	5	5
GS 8	2	2
GS 7	6	6
GS 6	1	1
GS 5	2	2
GS 4	1	1
GS 3	1	1
PERMANENT POSITIONS **	85	85

** Full and part-time positions,
FTE's not to exceed 82

Office of Government Ethics
Schedule of Estimated Pay Costs in FY 2002 by Calendar Year 2001 and 2002
estimated costs by pay periods

	Number of Pay Periods	Salaries 11.1 &11.3	Benefits 12.1
Pay cost in CY 2001 for FY 2002	7.5	$1,657,000	$382,000
Pay cost in CY 2002 for FY 2002 (Assumes a 3.6% PAY RAISE in FY 2002	18.6	$4,673,000	$1,078,000
Total (rounded nearest thousand and presented in explanatory notes)	26.1	$6,330,000	$1,460,000
Cost per pay period (rounded)		$242,529	$55,939
Cost per day (rounded)		$24,253	$5,594

OFFICE OF GOVERNMENT ETHICS

Fiscal Year 2000 Accomplishments

Office of the Director (OD)

- Coordinated OGE's Congressional relations requirements including drafting testimony and responding to Congressional requests
- Continued to coordinate OGE's response to requests for review by Office of Management and Budget (OMB) of legislative proposals and testimony
- Coordinated the staff work of OGE on any special analysis required by the Administration or by Congress
- Coordinated the drafting of the Annual Performance Plan and refinements to the Strategic Plan as necessary pursuant to Government Performance and Results Act (GPRA)
- Supported and coordinated the Director's program of outreach to the public, private sector organizations, and to other governments
- Supported and coordinated the Director's participation on the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency (PCIE/ECIE) and their Integrity Committee

Office of the General Counsel and Legal Policy (OGC&LP)

- Assisted agencies in providing post-employment counseling, including guidance on the President's ethics pledge, to those leaving the Government during the fourth year of an Administration
- Provided informational assistance, as necessary, to a Presidential candidate's transition planning teams
- Issued proposed regulations implementing 18 U.S.C. § 207
- Issued final regulations implementing OGE's gift acceptance authority
- Issued final regulations adding new exemptions to currently effective exemptions from 18 U.S.C. § 208
- Issued final regulations interpreting 18 U.S.C. § 209
- Issued final regulations implementing provisions of the Privacy Act, 5 U.S.C. app.

- Issued final regulations relating to testimony by present and former OGE employees

- Issued final regulations implementing OGE's training requirement

- Issued proposed regulations amending the standards of conduct relating to acceptance of reimbursement for teaching, speaking and writing

- Supported the Office of the Director's Congressional relations requirements including drafting testimony, responding to Congressional requests, and reviewing legislative proposals and testimony

- Assisted the Office of the Director in preparing reports to Congress

- Met requests for Certificates of Divestiture, as well as for services in support of the blind trust program

- Provided oral and written guidance and interpretations of the executive branch standards of ethical conduct

- Issued oral and written interpretive opinions on sections 202 through 209 of Title 18, U.S.C., and on other statutory provisions related to conflicts of interest and ethics

- Provided legal services for OGE as an agency

- Worked as liaison with the Department of Justice on the increasing number of litigation matters in which OGE is a party

- Functioned as the liaison with the Office of Legal Counsel and the Criminal and Civil Divisions of the Department of Justice in coordinating advice, regulations and referrals

- Assisted the Office of Agency Programs (OAP) in reviewing and developing ethics training materials, including video scripts, computer-based training, and pamphlets, and providing legal review of materials used in training

- Developed and offered with the assistance of the OAP specialized single statute or issue seminars targeted for ethics officials who provide legal advice

- Supported OGE speaking/training and outreach programs by providing speakers and presenters

- Provided support to the Program Review Division (PRD) by developing appropriate areas of inquiry prior to that agency's review, assisting with the review and the advice to be provided to that agency and advising on appropriate areas of inquiry for single issue audits

- Supported OGE's public information requirements including answering necessary press inquiries

- Supported the OGE Records Management System by maintaining the majority of OGE's substantive program records

- Handled administrative responsibilities, including reports and requests under FOIA and the Privacy Act, forms clearance and liaison with OMB, GSA and Federal Register

- Conducted any special analyses required by Congress or the Administration

- Made recommendations to the White House, OMB and the Department of Justice for proposed amendments, if warranted, to the financial disclosure programs required by OGE regulation, Executive Order 12674, the standards of conduct regulations, and the criminal conflicts of interest statutes

- Continued to provide conflict of interest and financial disclosure advice to Independent Counsels and their staffs

- Advised the Director on individual corrective actions required to be addressed by OGE, including assisting the Director with any recommendations to the head of an agency or the President

- Supported the Director's activities in his role as a member of the PCIE

Office of Agency Programs (OAP)

- Monitored the ethics agreements of approximately 75 presidential appointees concerning their financial interests and ensured that such agreements were completed within 90 days of confirmations

- Tracked, collected, reviewed and certified approximately 1,000 annual and termination financial disclosure statements of presidential nominees prior to their Senate confirmation hearings

- Assisted in the review and certification of financial disclosure statements and presidential nominees prior to their Senate confirmation hearings

- Released over 500 financial disclosure statements to the news media and the public

- Tracked, collected, analyzed and made available to the public, the semiannual reports from 120 departments and agencies of travel payments accepted under 31 U.S.C. § 1353 from nongovernment sources

- Conducted ethics programs evaluations in 57 Federal agencies, regional offices, and military bases, focusing on OGE's legal, educational and program assistance resources in assisting the agencies in the development of better ethics systems and the resolution of outstanding ethics issues

- Conducted six-month follow-up reviews in all agencies in which recommendations were made to improve the ethics program during the initial program review

- Programmed a survey of Government-wide major ethics issues (including a Government-wide employee survey of the ethics program) to determine whether OGE and agency ethics policies are effectively meeting intended objectives

- Responded to agency requests for administrative waivers, exemptions and extensions relating to the public financial disclosure system

- Continued a regional development program to provide services to ethics officials in two Federal regions, including seminars, conferences, and technical assistance

- Maintained a desk officer system to monitor and assist all executive branch agency ethics staffs on a daily basis

- Responded to telephone requests from agency ethics officials for assistance on all types of ethics issues

- Held periodic seminars with small groups of agency ethics officials to discuss current ethics issues

- Developed and conducted ethics training workshops for ethics practitioners, trainers, counselors, disclosure reviewers and enforcement officials in Washington, DC and Federal Regions

- Continued developing multimedia and computer-based training modules for use by all executive branch departments and agencies in meeting the annual ethics training requirement, especially for employees in remote locations

- Produced, updated and maintained the Ethics CD-ROM

- Provided primary support and maintenance for the contents and architecture of the OGE Web site

- Continued to modify, design, and test courses developed based on the results of the annual needs analysis

- Initiated a new needs analysis to identify the changing ethics training needs of the ethics community in meeting their ethics program goals with reduced resources

- Planned, organized, supported and hosted the Tenth Annual National Government Ethics Conference for approximately 450 ethics practitioners

- Developed, edited, and published the Government Ethics Newsgram

- Received, reviewed, and analyzed the Annual Agency Ethics Program Questionnaire required by the Ethics in Government Act of 1978, as amended

- Continued to design and produce easy-to-use reference materials for ethics counselors

- Assisted agencies in conducting annual ethics training when their good faith efforts to complete the requirement have been unsuccessful, with special emphasis on the micro agencies

- Continued developing surveys to assess customer satisfaction with OGE services and products and for use by OGE divisions in conducting assessments of the executive branch ethics programs. Such surveys are necessary in shaping OGE guidance, regulations and training materials for agency ethics programs

- Planned, scripted and produced an ethics training videotape to be used by all executive branch agencies in meeting the annual training requirement

- Supported the Director's program of Outreach to the public, private sector organizations and other governments

Office of Administration (OA) and Office of Information Resources Management (OIRM)

- Continued to provide intra-agency support to all OGE program offices in the areas of payroll/personnel, finance and budget, small purchasing and contracting, personnel security, printing, and mail services

- Produced in-house desktop published ethics training and conference materials, brochures, flyers, pamphlets, posters, the OGE Newsgram, and ethics and administrative forms

- Provided technical assistance to Education and Program Services division (E&PS) in the developing and publishing semi-annual updates to the "Ethics CD-ROM"

- Continued planning and evaluating the development of government-wide database applications to be used by departments and agencies to electronically transmit ethics related information to OGE

- Continued development of a free standalone personal computer software program that will allow executive branch employees to complete and print their SF 278, Public Financial Disclosure Form, and with the program's built in edits, significantly reduces the disclosure form review time normally required by agency ethics officials

- In collaboration with E&PS division staff, continued developing enhancements and additional information services on OGE's Internet World Wide Web Page

- Developed an updated Windows version of the OGE 450, Confidential Financial Disclosure Form software for free distribution to executive branch departments and agencies

- Developed a Windows software program to complete and print a copy of the newly revised and OMB approved SF 278, Public Financial Disclosure Form, and distributed it free to executive branch departments and agencies

- Provided telephone support to executive agencies and employees using the OGE financial disclosure forms software developed and distributed by OGE

- Completed development and implementation of a newly designed Financial Disclosure Tracking System for managing OGE's SF 278 review process

- Continued the development of additional electronic ethics forms for use by departments and agencies

- Provided new and upgraded software applications training to each OGE staff member
- Provided Records Management refresher training to OGE staff
- Completed the scheduling of all OGE records in accordance with National Archives and Records Administration (NARA) guidelines
- Provided assistance to OGC&LP in gaining approval from OMB and GSA for the newly revised SF 278 and OGE Form 201
- Organized and conducted interagency forums, both at OGE and at the annual Ethics Conference to discuss the requirements for conducting electronic filing of financial disclosure forms pursuant to the Government Paperwork Elimination Act (GPEA)
- Provided new e-mail archive procedure training to all OGE staff
- Provided ongoing technical assistance to the E&PS division in the operation, maintenance, and use of a new comprehensive Ethics Workshop and Conference tracking and management system
- Provided technical assistance to E&PS division in the development and deployment of interactive ethics training computer programs on The Ethics CD-ROM and OGE Web site
- Completed an intra-office project with E&PS division to revise OGE's Web site, making it more user friendly and to make it more accessible to those with visual impairments in accordance with Sec 508 of the Rehabilitation Act
- Continued working with the NARA and other department and agency ethics officials in the development of government-wide guidance on the management of common ethics records
- Completed OGE's transition to FTS 2001 telecommunications services
- Completed the review and evaluation of the use of electronic signature filing security requirements to be included in software that will permit electronic filing of public and confidential financial disclosure forms

- In collaboration with the staff of the E&PS division, continued developing enhancements and additional information services on OGE's Internet World Wide Web Page, including the ability to provide on-line registration for OGE sponsored ethics training workshops and conferences

- Established a system for managing internal OGE forms

- Began the planning of an internal pilot project for developing and implementing a fully automated electronic document/records management program

- Initiated development (analysis, design and program) of a new OGE Audit Tracking System (OATS). Redesigned and began implementation of a new Document Tracking System for managing OGE's correspondence

- Began planning the development of an OGE extranet to facilitate the secure electronic exchange of ethics information between OGE and agency ethics officials

- Began evaluating and planning the conversion of paper based ethic related transactions into electronic based transactions as directed by GPEA

OFFICE OF GOVERNMENT ETHICS

Fiscal Year 2001 Appropriated Level

Office of the Director

- Coordinate OGE's last minute pre-election assistance to Presidential candidates and post-election assistance to the White House and President-elect in planning and carrying out a transition of administrations

- Coordinate OGE's response to requests from the White House for any special orientation or post employment seminars for Presidential appointees, Schedule C's, and non-career SES members

- Coordinate OGE's Congressional relations requirements including drafting testimony and responding to Congressional requests

- Continue to coordinate OGE's response to requests for review by OMB of legislative proposals and testimony

- Coordinate the staff work of OGE on any special analysis required by the Administration or by Congress including the report required by the Presidential Transition Act of 2000

- Coordinate the agency's response to information gained from the Government-wide employee survey of the ethics program

- Coordinate and draft the Annual Performance Report and any refinements to the Strategic Plan as necessary pursuant to GPRA

- Support and coordinate the Director's program of outreach to the public, private sector organizations, and to other Governments

- Support and coordinate the Director's participation on the PCIE/ECIE and their Integrity Committee

- Adjudicate, if necessary, individual corrective actions required to be addressed by OGE including arranging for a hearings officer, a court reporter and a public venue, presenting the evidence against the individual in a public hearing, and recommending to the Director any actions that should be taken

Office of General Counsel and Legal Policy

- Assist agencies in providing post-employment counseling, including guidance on the President's ethics pledge, to those leaving the Government at the end of an Administration
- Process a large increase in Presidential appointee public financial disclosure reports required for Senate confirmation
- Provide informational assistance to Presidential candidates' transition planning teams
- Provide ethics training if requested, to incoming Presidential appointees, new Schedule C's and noncareer SES
- Issue proposed regulations implementing 18 U.S.C. § 207
- Issue final regulations implementing OGE's gift acceptance authority
- Issue proposed regulations interpreting 18 U. S. C. § 209
- Issue final regulations implementing provisions of the Privacy Act, 5 U.S.C. app.
- Issue final regulations relating to testimony by present and former OGE employees
- Issue final regulations implementing OGE's training requirement
- Issue final regulations designating agency components under 18 U.S.C. § 207
- Develop any required regulations implementing any statutory changes to conflicts of interest, ethics, or financial disclosure statutes
- Support the Office of the Director's Congressional relations requirements including drafting testimony, responding to Congressional requests, and reviewing legislative proposals and testimony
- Assist the Office of the Director in preparing reports to Congress
- Meet the expected increase in requests for Certificates of Divestiture, as well as for services in support of the blind trust program

- Provide oral and written guidance and interpretations of the executive branch standards of ethical conduct
- Issue oral and written interpretative opinions on sections 202 through 209 Title 18, U.S.C., and on other statutory provisions related to conflicts of interest and ethics
- Provide legal services for OGE as an agency
- Work as liaison with the Department of Justice on litigation matters in which OGE is a party
- Function as the liaison with the Office of Legal Counsel and the Criminal and Civil Division of the Department of Justice in coordinating advice, regulations and referrals
- Assist the OAP in reviewing and developing ethics training materials, including video scripts, computer-based training, and pamphlets, and providing legal review of materials used in training
- Develop and offer with the assistance of the OAP specialized seminars on more advanced subjects, targeted for ethics officials who provide legal advice
- Support OGE speaking/training and outreach programs by providing speakers and presenters
- Provide support to the E&PS division, including working with desk officers to address complex questions concerning conflicts of interest and ethics statutes and regulations
- Provide support to the PRD by developing appropriate areas of inquiry prior to an agency's review, assisting with the review and the advice to be provided to that agency and advising on appropriate areas of inquiry for single issue audits
- Support OGE's public information requirements including answering press inquiries
- Support the OGE Records Management System by maintaining the majority of OGE's substantive program records
- Handle administrative responsibilities, including reports and requests under FOIA and the Privacy Act, forms clearance and liaison with OMB, GSA and Federal Register
- Conduct any special analysis required by Congress or the Administration

- Make recommendations to the White House, OMB, and the Department of Justice for proposed amendments, if warranted, to the financial disclosure programs required by OGE regulation, Executive Order 12674, Presidential Transition Act Study, the standards of conduct regulations, and the criminal conflicts of interest statutes

- Continue to provide conflict of interest and financial disclosure advice to remaining Independent Counsels and their staffs

- Advise the Director, when necessary, on individual corrective actions required to be addressed by OGE, including assisting the Director with any recommendations to head of an agency or the President

- Support the Director's activities in his role as a member of the PCIE

Office of Agency Programs

- Monitor the ethics agreements of approximately 100 Presidential appointees of the new administration concerning their financial interests and ensure that such agreements are completed within 90 days of confirmation

- Track, collect, review and certify approximately 1,000 annual and termination financial disclosure statements of Presidential appointees confirmed by the Senate

- Assist in the review and certification of financial disclosure statements of Presidential nominees prior to their Senate confirmation hearings

- Release over 750 financial disclosure statements to the news media and the public

- Track, collect and make available to the public, the semiannual reports from 120 departments and agencies of travel payments accepted under 31 U.S.C. § 1353 from non-Government sources

- Conduct ethics program evaluations in 50 Federal agencies, regional offices, and military bases, focusing on OGE's legal, educational and program assistance resources in assisting the agencies in the development of better ethics systems and the resolution of outstanding ethics issues

- Conduct six-month follow-up reviews in all agencies in which recommendations were made to improve the ethics program during the initial program review

- Program two single issue reviews Government-wide of major ethics issues to determine whether OGE and agency ethics policies are effectively meeting intended objectives

- Respond to agency requests for administrative waivers, exemptions and extensions relating to the public financial disclosure system

- Continue a regional development program in two Federal regions to provide services to ethics officials including seminars, workshops and technical assistance

- Maintain a desk officer system to monitor and assist all executive branch agency ethics staffs on a daily basis

- Respond to telephone requests from agency ethics officials for assistance on all types of ethics issues

- Hold periodic seminars with small groups of agency ethics officials to discuss current ethics issues

- Develop and conduct ethics training workshops for ethics practitioners, trainers, counselors, disclosure reviewers and enforcement officials in Washington, DC and Federal Regions

- Continue developing multimedia and computer-based training modules for use by all executive branch departments and agencies in meeting the annual ethics training requirement, especially for employees in remote locations

- Produce, update, and maintain the Ethics CD-ROM

- Provide primary support and maintenance for the contents and architecture of the OGE Web site

- Continue to modify, design, and test courses developed based on the results of the annual needs analysis

- Initiate a new needs analysis to identify the changing ethics training needs of the ethics community in meeting their ethics program goals, with reduced resources

- Plan, organize, support, and host the Eleventh Annual National Government Ethics Conference for approximately 450 ethics practitioners

- Develop, edit, and publish the Government Ethics Newsgram

- Receive, review, and analyze the Annual Agency Ethics Program Questionnaire required by the Ethics in Government Act of 1978, as amended

- Continue to design and produce easy-to-use reference materials for ethics counselors

- Assist agencies in conducting annual ethics training when their good faith efforts to complete the requirement have been unsuccessful with special emphasis on the micro agencies

- Continue developing surveys to assess customer satisfaction with OGE services and products and for use by OGE divisions in conducting assessments of the executive branch ethics programs. Such surveys are necessary in shaping OGE guidance, regulations and training materials for agency ethics programs

- Plan an ethics training videotape to be used by all executive branch agencies in meeting the annual training requirement

- Support the Director's program of Outreach to the public, private sector organizations, and other governments

Office of Administration and Office of Information Resources Management

- Continue to provide intra-agency support to all OGE program offices in the areas of payroll/personnel, finance and budget, small purchasing and contracting, personnel security, printing, and mail services

- Continue producing in-house desktop published ethics training and conference materials, brochures, flyers, pamphlets, posters, the OGE Newsgram, and ethics and administrative forms

- Continue providing technical assistance to the E&PS division in developing and publishing semi-annual updates to the "Ethics CD-ROM"

- Continue development of a free standalone personal computer software program that will allow executive branch employees to complete and print their SF 278, Public Financial Disclosure Form, and with the program's sophisticated built in edits, significantly reduces the disclosure form review time normally required by agency ethics officials. Continue planning and evaluating the development of government-wide database applications to be used by departments and agencies to electronically transmit ethics related information to OGE

- In collaboration with E&PS division staff, continue developing enhancements and additional information services on OGE's Internet World Wide Web Page, including the ability to provide on-line registration for OGE sponsored ethics training workshops and conferences

- Provide enhancements to the newly developed software used by executive departments and agencies to complete and print copies of the SF 278 and OGE 450 financial disclosure forms

- Continue providing telephone support to executive agencies and employees using the OGE developed and distributed financial disclosure software

- Continue developing additional electronic ethics forms for use by departments and agencies

- Continue providing new and upgraded software applications training to each OGE staff member

- Continue providing technical assistance to E&PS division in the development and deployment of interactive ethics training computer programs on The Ethics CD-ROM and OGE Web site

- Continue the planning of an internal pilot project for developing and implementing a fully automated electronic document/records management program

- Begin the testing and implementation of newly developed OATS

- Complete implementation of newly designed Document Tracking System for managing OGE's correspondence

- Continue the planning and development of an OGE extranet that will facilitate the secure electronic exchange of ethics information between OGE and agency ethics officials

- Continue evaluating and planning the conversion of paper based ethic related transactions into electronic based transactions as directed by GPEA, including on-line filing

- Provide OGE with external video conferencing capability as an alternative means of disseminating information for programmatic and educational purposes

- Develop and make available to agency ethics officials, a Web-based training course in managing ethics records

OFFICE OF GOVERNMENT ETHICS

Fiscal Year 2002 Request Level

Office of the Director

- Coordinate any continuing special assistance necessary to facilitate the end of the first year of a Presidential term
- Coordinate OGE's response from the White House for any special orientation seminars for Presidential appointees, Schedule C's, and non-career SES members
- Coordinate OGE's Congressional relations requirements including drafting testimony and responding to Congressional requests
- Coordinate the staff work of OGE on any special analysis required by the Administration or by Congress
- Coordinate the drafting of the Annual Performance Report and any refinements to the Strategic Plan pursuant to GPRA and GPEA
- Support and coordinate the Director's program of outreach to the public, private sector organizations, and to other Governments
- Adjudicate, if necessary, individual corrective actions required to be addressed by OGE including arranging for a hearings officer, a court reporter and a public venue, presenting the evidence against the individual in a public hearing and recommending to the Director any action that should be taken

Office of General Counsel and Legal Policy

- Review and certify for the Senate, the large number of public financial disclosure statements filed by Presidential nominees in the first year of a new Administration
- Through communications targeted to Presidential appointees, promote the need for executive leadership in agency ethics programs
- Provide ethics training through OPM, and the White House if requested, to incoming Presidential appointees, new Schedule C's and noncareer SES
- Issue final regulations implementing 18 U.S.C. § 207

- Issue final regulations implementing OGE's gift acceptance authority
- Issue final regulations interpreting 18 U.S.C. § 209
- Issue final regulations implementing provisions of the Privacy Act, 5 U.S.C. app.
- Issue final regulations designating agency components under 18 U.S.C. § 207
- Develop any required regulations implementing any statutory changes to conflicts of interest, ethics or financial disclosure statutes
- Support the Office of the Directors Congressional relations requirements include drafting testimony, responding to Congressional requests, and reviewing legislative proposals and testimony
- Assist the Office of the Director in preparing reports to Congress
- Respond to requests for Certificates of Divestiture, and provide services in support of the blind trust program
- Provide oral and written guidance and interpretations of the executive branch standards of ethical conduct
- Issue oral and written interpretive opinions on sections 202 through 209 of Title 18, U.S.C., and on other statutory provisions related to conflicts of interest and ethics
- Provide legal services for OGE as an agency
- Work as liaison with the Department of Justice on litigation in which OGE is a party
- Function as the liaison with the Office of Legal Counsel and the Criminal and Civil Division of the Department of Justice in coordinating advice, regulations and referrals
- Assist the OAP in reviewing and developing ethics training materials, including video scripts, computer based-training, and pamphlets, and providing legal review of materials used in training
- Develop and offer, with the assistance of the OAP, specialized single statute or issue seminars targeted for ethics officials who provide legal advice
- Support OGE speaking/training and outreach programs by providing speakers and presenters

- Provide support to the E&PS division, including working with desk officers to address complex questions concerning conflicts of interest and ethics statutes and regulations

- Provide support to the PRD by developing appropriate areas of inquiry prior to an agency's review, assisting with the review and the advice to be provided to that agency and advising on appropriate areas of inquiry for single issue audits

- Support OGE's public information requirements including answering press inquiries

- Support the OGE Records Management System by maintaining the majority of OGE's substantive program records

- Handle administrative responsibilities, including reports and requests under FOIA and the Privacy Act, forms clearance and liaison with OMB, GSA and Federal Register

- Conduct any special analysis required by Congress or the Administration

- Make recommendations to the White House, OMB and the Department of Justice for proposed amendments, if warranted, to the financial disclosure programs required by OGE regulation, Executive Order 12674, the standards of conduct regulations, and the criminal conflicts of interest statutes

- Advise the Director, when necessary, on individual corrective actions required to be addressed by OGE, including assisting the Director with any recommendations to the head of an agency or the President

- Support the Director's activities in his role as a member of the PCIE

Office of Agency Programs

- Monitor the ethics agreements of approximately 100 Presidential appointees of the new administration concerning their financial interests and ensure that such agreements are completed within 90 days of confirmation

- Track, collect, review and certify approximately 1,000 annual and termination financial disclosure statements of presidential appointees confirmed by the Senate

- Assist the OGC&LP in the review and certification of financial disclosure statements of presidential nominees prior to their Senate confirmation hearings

- Release over 500 financial disclosure statements to the news media and the public
- Track, collect, analyze and make available to the public, the semiannual reports from 120 departments and agencies of travel payments accepted under 31 U.S.C, § 1353 from non-Government sources
- Conduct ethics program evaluations in 50 Federal agencies, regional offices, and military bases, focusing on OGE's legal, educational and program assistance resources in assisting the agencies in the development of better ethics systems and the resolution of outstanding ethics issues
- Conduct six-month follow-up reviews in all agencies in which recommendations were made to improve the ethics program during the initial program review
- Program two single-issue reviews Government-wide of major ethics issues to determine whether OGE and agency ethics policies are effectively meeting intended objectives
- Respond to agency requests for administrative waivers, exemptions and extensions relating to the public financial disclosure system
- Continue a regional development program in two Federal regions to provide services to ethics officials including seminars, workshops and technical assistance
- Maintain a desk officer system to monitor and assist all executive branch agency ethics staffs on a daily basis
- Respond to telephone requests from agency ethics officials for assistance on all types of ethics issues
- Hold periodic seminars with small groups of agency ethics officials to discuss current ethics issues
- Develop and conduct ethics training workshops for ethics practitioners, trainers, counselors, disclosure reviewers and enforcement officials in Washington, DC and Federal regions
- Develop multimedia and computer-based training modules for use by all executive branch departments and agencies in meeting the annual ethics training requirement, especially for employees in remote locations
- Produce, update and maintain the Ethics CD

- Provide primary support and maintenance for the content and architecture of the OGE Web site

- Continue to modify, design and test courses developed based on the results of the annual needs analysis

- Initiate a new needs analysis to identify the changing ethics training needs of the ethics community in meeting their ethics program goals with reduced resources

- Plan, organize, support and host the Twelfth Annual National Government Ethics conference for approximately 450 ethics practitioners

- Develop, edit, and publish the Government Ethics Newsgram

- Review and analyze the Annual Agency Ethics Program Questionnaire required by the Ethics in Government Act of 1978, as amended

- Continue to design and produce easy-to-use reference materials for ethics counselors

- Assist agencies in conducting annual ethics training when their good faith efforts to complete the requirement have been unsuccessful with special emphasis on micro agencies

- Continue developing surveys to assess customer satisfaction with OGE services and products and for use by OGE divisions in conducting assessments of the executive branch ethics programs. Such surveys are necessary in shaping OGE guidance, regulations and training materials for agency ethics programs

- Plan, script and produce an ethics training videotape to be used by all executive branch agencies in meeting the annual training requirement

- Support the Director's program of outreach to the public, private sector organizations and other governments

Office of Administration and Office of Information Resources Management

- Continue to provide intra-agency support to all OGE program offices in the areas of payroll/personnel, finance and budget, small purchasing and contracting, personnel security, printing and mail services

- Continue producing in-house desktop published ethics training and conference materials, brochures, flyers, pamphlets, posters, the OGE Newsgram, and ethics and administrative forms

- Continue providing technical assistance to the E&PS division in developing and publishing semi-annual updates to the "Ethics CD-ROM"

- Distribute to all departments and agencies a free standalone personal computer software program that will allow executive branch employees to complete and print their SF 278, Public Financial Disclosure Form, and with the program's sophisticated built in edits, significantly reduces the disclosure form review time normally required by agency ethics officials

- Continue planning and evaluating the development of government-wide database applications to be used by departments and agencies to electronically transmit ethics related information to OGE

- In collaboration with E&PS division staff, continue developing enhancements and additional information services on OGE's Internet World Wide Web Page

- Provide continuing enhancements to the newly developed software used by executive departments and agencies to complete and print copies of the SF 278 and OGE 450 financial disclosure forms

- Continue providing telephone support to executive agencies and employees using the OGE developed and distributed financial disclosure software

- Continue developing additional electronic ethics forms for use by departments and agencies

- Continue providing new and upgraded software applications training to each OGE staff member

- Continue providing technical assistance to E&PS division in the development and deployment of interactive ethics training computer programs on The Ethics CD-ROM and OGE Web site

- Initiate an internal pilot project for developing and implementing a fully automated electronic document/records management program

- Complete implementation of newly developed OGE Audit Tracking System

- Initiate pilot testing of an OGE extranet that will facilitate the secure electronic exchange of ethics information between OGE and agency ethics officials

- Begin the development of a secure computer based system that will allow for the conversion of paper based ethic related transactions into electronic based transactions as directed by GPEA

U.S. OFFICE OF GOVERNMENT ETHICS

Fiscal Year 2002 Annual Performance Plan

April 2001

73-567 D-01--48

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

April 10, 2001

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
The Capitol, Room S-128
Washington, DC 20510-6025

The Honorable C.W. Bill Young
Chairman
Committee on Appropriations
United States House of Representatives
The Capitol, Room H-218
Washington, DC 20515-6015

Dear Mr. Chairmen:

With this letter I am pleased to transmit the Office of Government Ethics' (OGE) Annual Performance Plan for FY 2002. OGE's Annual Performance Plan is designed to show the measurable goals that define what will be accomplished by the Agency in fulfilling its mission and meeting the goals of our Strategic Plan. Our submission includes actual performance data for FY 1999 and FY 2000, target levels of estimated performance for FY 2001, and target levels of projected performance for FY 2002.

Management has identified performance goals and indicators which will be used to evaluate the target level of performance outlined in this plan. This evaluation will provide management the means to measure the effectiveness of our plan in accomplishing our goals. Actual performance data for FY 2002 will be reported as part of the Annual Program Performance Report by February 2003.

In accordance with the President's goals to make Government more responsive to the needs of citizens, I am committed to improving the functions of OGE to include efficiencies that will enhance the administration and operations of this agency. I have already taken steps to streamline our organization consistent with the President's goal of reducing management ranks.

In the past few months OGE has made significant progress towards improving the electronic services OGE offers. Further, our FY 2002 Annual Performance Plan includes performance goals to expand the use of information technology in support of the

executive branch ethics program. Finally, recognizing the President's commitment to opening Government functions to competition, OGE will to the extent practicable, work toward opening positions listed on our Federal Activities Reform Act inventory to the private sector. If I can provide you with any further information on this report, please do not hesitate to contact me.

Sincerely,

Amy L. Comstock
Director

Enclosure

cc(w/Encl.): The Honorable F. James Sensenbrenner, Jr.
Chairman
Committee on the Judiciary
United States House of Representatives
2138 Rayburn House Office Building
Washington, DC 20515-6216

The Honorable Dan Burton
Chairman
Committee on Government Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

The Honorable Fred Thompson
Chairman
Committee on Governmental Affairs
United States Senate
342 Dirksen Senate Building
Washington, DC 20510-6250

OGE's MISSION
(from OGE's Strategic Plan)

The Office of Government Ethics exercises leadership in the executive branch to prevent conflicts of interest on the part of Government employees, and to resolve those conflicts of interest that do occur. In partnership with executive branch agencies and departments, we foster high ethical standards for employees and strengthen the public's confidence that the Government's business is conducted with impartiality and integrity.

OGE's STRATEGIC GOALS

OGE's Strategic Plan includes the following goals and objectives:

GOAL I. **OGE will provide overall policy direction to the executive branch ethics program**

Objective 1. Develop, evaluate, and promote ethics policies for employee conduct that protect executive branch processes from conflicts of interest, as well as from appearances of conflicts of interest. Ensure that these policies are consistent, reasonable, and understandable to employees.

Objective 2. Serve as the primary authoritative source of Federal executive branch ethics policy.

Objective 3. Solicit the advice of agency ethics officials in policy-making processes.

GOAL II. **OGE will support the President, executive branch agency ethics heads and employees in administering effective, fair, and consistent ethics programs within the branch and individual agencies.**

Objective 1. Provide evaluations of agency ethics programs to agency heads and ethics officials which identify strengths and weaknesses of the program. Make specific recommendations for program enhancement designed to help ensure integrity in Government operations.

Objective 2. Provide timely and accurate written and oral opinions and be available for informal consultations concerning matters involving the applications of the standards of ethical conduct,

criminal conflict of interest statutes, and other related statutes and regulations.

Objective 3. Provide technical assistance to agencies in order to implement well-run and employee-helpful agency ethics programs.

Objective 4. Provide expert review and conflict of interest analysis of the nominee, annual, and termination financial disclosure reports filed by Presidential appointees requiring Senate confirmation to assist agencies in providing appropriate advice on and taking appropriate actions to prevent financial conflicts of interest by those appointees. Monitor follow-up by agencies and officials regarding ethics commitments made by nominees during the confirmation process.

Objective 5. Promote the importance of the ethics program to department and agency heads and other Government officials in order to secure personal commitment and sufficient agency resources.

Objective 6. Provide professional enhancement opportunities and utilize appropriate Government-wide personnel program innovations for OGE staff in order to attract and retain highly effective and efficient human resources necessary to support this goal.

Objective 7. Enhance Federal customer service by fully integrating information technology (IT) into the mission planning and business processes of the agency so as to reduce costs, improve effectiveness, and provide greater reliability and efficiency in the collection, maintenance, and dissemination of ethics program information.

GOAL III. **OGE will develop and make available to agencies innovative training and ethics education materials and promote and provide quality education and training experiences for agency ethics officials and employees.**

Objective 1. Provide quality education and training courses for agency ethics officials.

Objective 2. Provide accurate, consistent, beneficial and cost effective materials for agencies to use in their ethics education and training programs for employees.

Objective 3. Create opportunities for inter-agency educational programs to disseminate information and encourage the sharing of ideas and knowledge.

GOAL IV. OGE will administer an effective outreach program.

Objective 1. Foster a greater appreciation on the part of the public and future employees of the fact that there is a strong ethics program for employees of the executive branch and that standards are enforced.

Objective 2. Share the programmatic and policy development experiences of OGE with other governments, non-profits, corporations, professional and trade associations and institutions of higher education that are pursuing the development or enhancement of their own educational or ethics programs.

ANNUAL PERFORMANCE PLAN

FY 2002

GOAL I

1. How often OGE's advice was sought and incorporated by the Office of Management and Budget (OMB) in its legislative and policy review functions for the executive branch.

PERFORMANCE GOAL

OGE will maintain a strong working relationship with OMB so that advice is sought and employed by them in 90% of legislative and policy issues having a substantial effect on the executive branch ethics program.

PERFORMANCE INDICATORS	**Target**
• How often OMB requests input	TBD
• Percentage of timely inputs	90%
• Percentage of input employed on direct ethics program issues	90%

MEANS OF VALIDATING MEASURED VALUES

- Use OGE Legislative Referral Memorandum tracking system with dates of request/response
- Tracking legislation through Congress as well as contact with OMB on results of recommendations.
- General tracking through CQ.com/Congressional Record of Administration-generated legislation having an effect on ethics program in which OGE has no record of having its views sought.

OUTCOME GOAL

Fairness, clarity and consistency in ethics policy in the executive branch. OGE's role as primary authority and policy determiner for executive branch ethics policy articulated through statute and Executive Order is respected by the Administration through OMB. OGE's recommendations are given substantial if not controlling weight in the clearance process.

2. How often OGE sought to identify, with consultation with ethics officials, with enforcement entities such as the Inspectors General (IG) or Department of Justice (DOJ), or with the White House or Congress, an ethics policy that needed to be developed or amended either by statute, regulation, or otherwise and whether appropriate steps were taken to formulate that policy.

PERFORMANCE GOAL

OGE speaks continuously on a formal or informal basis to ethics officials, enforcement officials, the White House or Congress with regard to any recommendations for changes or additions to present policies or with regard to the recognition of any trends that serve as a precursor to a needed policy change.

Within 6 months of formally identifying a needed policy change, OGE will draft a proposal to implement that policy.

PERFORMANCE INDICATORS	**Target**
• How often ethics policy is discussed with Presidents Council of Integrity and Efficiency (PCIE) and the Executive Council of Integrity and Efficiency (ECIE)	Once a year with each
• How often OGE seeks information from IG's or DOJ on types of alleged misconduct investigated	TBD
• How often OGE creates an opportunity for discussion of a regulation or discusses a proposed Executive order with Office of Legal Counsel, White House officials or OMB	Each draft or proposal
• Length of time between formal identification of needed policy change and internal implementing draft	90% of instances time is < 6 months
• Percentage of time OGE was not consulted or asked to draft ethics Executive orders	0%

MEANS OF VALIDATING MEASURED VALUES

- Notes from meetings with ethics officials
- Notes from PCIE and ECIE meetings
- Memos from discussions with IG's or DOJ
- Review of issued Executive orders
- Paper trail for regulations and Executive orders consultations
- Memos of phone consultations

OUTCOME GOAL

Ethics policies within the executive branch, to the extent allowed by the political process, are properly focused upon and correctly addressed in a timely fashion the issues involved in a Federal ethics program.

3. How often OGE formally proposed statutory amendments in response to needed changes that were given Administration backing for transmittal to Congress for action and the number enacted.

PERFORMANCE GOAL

Within 6 months of determining to seek a needed statutory change, OGE has submitted it for clearance to OMB and, after clearance, pursues it to enactment within 18 months at least 75% of the time.

PERFORMANCE INDICATORS	**Target**
• Number of proposals submitted to OMB	TBD
• Percentage cleared for transmittal	75%
• Length of time between transmittal and enactment	< 18 months

MEANS OF VALIDATING MEASURED VALUES

- Track number of identified and needed changes to statutes
- Track time between OGE identification and submission to OMB
- Number of transmittals to Congress
- Use of bill tracking system to determine success

OUTCOME GOAL

Ethics policy effected through legislation is continually reviewed, and appropriate amendments are pursued in a timely and successful manner.

4. How often U.S. foreign policy agencies sought or supported OGE technical assistance as a source of U.S. Federal ethics policy in support of the U.S. efforts at encouraging anti-corruption measures throughout the world, how that assistance was received and whether the requests were repeated.

PERFORMANCE GOAL

OGE's technical assistance results in a positive, tangible response from the recipients 75% of the time and in repeated requests for assistance by U.S. agencies or through programs of U.S. organizations sponsored by U.S. agencies 50% of the time.

PERFORMANCE INDICATORS	**Target**
• Number of invitations received by OGE from foreign policy agencies/organizations to participate in U.S. sponsored programs abroad	8
• Number of requests from foreign policy agencies/ organizations for OGE briefings of foreign officials during visits to Washington	35
• Number of repeat requests from foreign policy agencies/organizations as a result of presentations made by OGE	5
• Number of follow-up requests from visiting delegations for information after listening to OGE presentations in Washington or during programs abroad	5
• Following OGE participation in a U.S. sponsored program or briefing, number of foreign countries or U.S. member international organizations developing practical programs or modifying existing programs that reflect OGE technical assistance	5

MEANS OF VALIDATING MEASURED VALUES

- Reports to the Deputy Director for Government Relations & Special Projects of all invitations received
- Reports filed on foreign delegation briefings
- Reports of required follow-up with U.S. requesting agency/organization on steps taken by foreign country after in-country presentation
- Tracking system for follow-up questions from visiting delegations
- Reports to U.S. requesting agency/organization
- Evaluations of OGE presentations from audience

OUTCOME GOAL

OGE's technical assistance is helpful and supports the U.S. efforts at encouraging anti-corruption programs throughout the world.

GOAL II

1. The number of agency ethics programs to be reviewed to meet a four year cycle and a percentage of restructuring recommendations implemented.

PERFORMANCE GOAL

Over a four year cycle, OGE will conduct ethics program evaluations in all Federal agencies focusing OGE's legal, educational, and program assistance resources in assisting agencies in the development of better ethics systems and the resolution of outstanding ethics issues. OGE will also evaluate major ethics issues during single issue reviews to determine whether OGE and agencies are effectively meeting intended objectives.

To meet this performance goal, OGE will conduct reviews in 50 agencies and conduct 2 single-issue reviews or surveys in FY 2002. OGE will make recommendations to improve the program when deficiencies are found in systems and procedures. OGE will also share with agencies the best practices and procedures found during program reviews. These will be shared with agencies during program reviews, and also publicized on OGE's Website and other forms of communication and outreach.

PERFORMANCE INDICATORS	**Target**
• Number of agencies reviewed	50
• Number of recommendations	TBD
• Percent of Follow-up Reviews (where recommendations are made)	100%
• Correction of program deficiencies by agencies	80%
• Number of single-issue reviews or surveys	2
• Best practices shared with agency during program reviews	80%

MEANS OF VALIDATING MEASURED VALUES

- Audit tracking system which captures information on program reviews to include agency responses to our review reports, the status of open recommendations and follow-up reports
- Reports on best practices found in agencies posted to OGE's Website
- Results of surveys sent to agency ethics officials after a program review report is issued

OUTCOME GOAL

OGE will be able to provide assurance that agencies reviewed have an ethics program with adequate systems and procedures in place to guard against conflicts of interest and to assist employees. OGE, through its single issue reviews will be able to detect problem areas for agencies in implementing ethics regulations or in operating their ethics program. Through reporting of best practices, OGE will save agencies time and effort when they must correct program deficiencies.

2. Numbers of ethics agreements documented as adequately completed within the time frame established during Senate confirmation.

PERFORMANCE GOAL

OGE will track and monitor the ethics agreements of presidential appointees confirmed by the Senate concerning their financial interests and ensure that such agreements are completed within 90 days of confirmation or within time frames established during the confirmation process. Ethics agreements may call for divestitures, qualified trusts, recusals, seeking waivers of 18 U.S.C. § 208, or resignations from positions. OGE will take action to resolve cases where agreements have not been satisfied.

PERFORMANCE INDICATORS	**Target**
• Number of appointees with ethics agreements	TBD
• Number of ethics agreements	TBD
• Percent of ethics agreements completed within established time frames	80%
• Percent of cases resolved after OGE took action	100%

MEANS OF VALIDATING MEASURED VALUES

- OGE's computerized tracking system for monitoring the status of ethics agreements

OUTCOME GOAL

OGE will be able to provide reasonable assurance that presidential appointees confirmed by the Senate have met their responsibilities in taking agreed upon steps to assist them in avoiding conflicts of interest.

3. Continuing review of new technology to determine if it can be adapted to assist with carrying out elements of an OGE or agency ethics program, and once identified a schedule to develop its use.

PERFORMANCE GOAL

OGE will continually review major trade journals, attend major trade shows and conferences, and consult with Chief Information Officers (CIOs) and Information Resource Management (IRM) professionals of other agencies to keep abreast of and identify useful new technologies or adaptations of present technologies for use in support of OGE and agency ethics programs. Once identified, use of a new technology or an adaptation of a present technology will be actively pursued within 60 days of agency approval and implementation schedules will be developed within 120 days. Latest innovations will be show-cased or discussed by OGE for agencies at least once a year, primarily at the annual conference.

PERFORMANCE INDICATORS	**Target**
• Reports to senior staff with recommended new or adaptive uses	TBD
• Number of OGE approved new technologies or adaptations	TBD
• Initial pursuit of OGE approved technologies or adaptations	within 60 days of agency approval
• Develop implementation plan for approve technologies or adaptations	within 120 days of agency approval
• Innovations by OGE or agencies show-cased	at least once a year

MEANS OF VALIDATING MEASURED VALUES

- Reports to Senior Staff
- Management approvals of new technology
- Contract files
- Number of conferences, seminars, forums attended

OUTCOME GOAL

Assist OGE and agencies in carrying out ethics programs in a more innovative, interesting, efficient and effective manner.

4. Schedule for developing full electronic completion and electronic filing for public and confidential disclosure forms.

PERFORMANCE GOAL

In the last year of a four year development, OGE will make a final determination as to what form of electronic signature (pin/password/PKI digital signature) will be incorporated into computer software that will allow both public and confidential financial disclosure forms to be completed and filed electronically.

PERFORMANCE INDICATORS	**Target**
• Cost-benefit/risk analysis completed and OGE decision to incorporated appropriate "electronic signature" capability into software	End of 3rd QTR FY 2002
• Pilot test electronic filing software with several agencies to determine and correct any interoperability issues	End of 1st QTR FY 2003
• Fully implement electronic filing of disclosure forms with "electronic signature" capability	End of 3rd QTR FY 2003

MEANS OF VALIDATING MEASURED VALUES

- Notes from security related conferences attended
- Memos from discussions with other agencies permitting electronic filings
- Survey results files
- Systems analysis and development documentation files
- Contract file documentation and deliverables

OUTCOME GOAL

OGE will use information technology to facilitate the filing, review, and storage of confidential and public financial disclosure forms and ease the administrative "paperwork" burden of financial disclosure.

5. Number of contacts for advice and information from ethics officials, employees and other interested parties handled by the Education and Program Services Division and adequacy of advice and information.

PERFORMANCE GOAL

The Education and Program Services Division staff will respond to a large number of requests for advice and information on administering an effective agency ethics program, applying the standards of conduct, the criminal conflict of interest statutes, financial disclosure regulations and other related rules and regulations. The advice and information will be adequate in 99% of the cases. The Education and Program Services Division will initiate the dissemination of information and advice on administering an effective ethics program when necessary and appropriate.

PERFORMANCE INDICATORS	**Target**
• Number of requests for advice and information	TBD
• Number of contacts concerning adequacy of advice	1%
• Time expended to adequately satisfy requests for advice and information	within 2 days for 90% of requests

MEANS OF VALIDATING MEASURED VALUES

- Associate Director will track the number of instances where a requestor contacts OGE questioning the adequacy of advice and information received.
- Database maintained to collect statistics from EPSD staff on all requests for advice and information.
- Monthly meetings to discuss advice and information provided.

OUTCOME GOAL

The Education and Program Services Division will provide timely, professional advice and information to executive branch ethics officials responsible for administering the ethics program for their agencies and to employees and other interested parties.

6. Number of contacts handled by the legal staff in providing oral and written statutory or regulatory interpretations and adequacy of interpretations.

PERFORMANCE GOAL

The Office of General Counsel will respond to a large number of requests from agency ethics officials, the DOJ, the White House, IG's, Congress, executive branch employees, and members of the public for interpretations of the standards of ethical conduct, the criminal conflict of interest statutes, and other related statutes and regulations. The interpretations will be adequate in 99% of the cases.

To meet these performance goals, the Office of General Counsel will establish a work tracking system that will quantify annually, the number of inquiries requiring interpretation of relevant statutes and regulations. In 90% of the cases, OGE attorneys will respond to requests for information and for oral statutory and regulatory interpretations within 2 workdays of obtaining the information necessary to respond. In 75% of the cases, OGE attorneys will respond to requests for written statutory and regulatory interpretations within 15 workdays of obtaining the information necessary to respond. In addition, in order to measure the adequacy of the responses, the Office of General Counsel will track the number of instances where a requester or other person contacts OGE questioning the adequacy of advice.

PERFORMANCE INDICATORS	**Target**
• Number of inquiries	TBD
• Number of contacts concerning adequacy of advice	1%
• Length of time to respond to requests for information and for oral statutory and regulatory information	2 work days 90% of the requests
• Length of time to respond to requests for written statutory and regulatory interpretations	15 work days 75% of the requests

MEANS OF VALIDATING MEASURED VALUES

- Standardized work measurement data collection instruments
- Supervisors will track complaints or comments received about adequacy of advice

OUTCOME GOAL

OGE will provide valuable advice to persons within the Government charged with administering ethics-related statutes and regulations or who are subject to these statutes and regulations, and to persons outside the Government who have interests related to the relevant statutes and regulations.

7. Number of timely responses sent to agencies concerning exemptions, waivers, late filing fees, and other administrative matters.

PERFORMANCE GOAL

OGE will respond in writing to agencies concerning exemptions, waivers, late filing fees and other administrative matters in relation to the public financial disclosure system. Total response time including time for analysis and decision will not exceed 15 working days, except in cases where further information must be obtained from the agencies to act on their request, or the request involves multiple parties.

PERFORMANCE INDICATORS	**Target**
• Number of agency requests received.	TBD
• Percentage of responses answered within 15 working days of receipt	80%

MEANS OF VALIDATING MEASURED VALUES

- Automated system for tracking administrative correspondence

OUTCOME GOAL

Agencies will be able to operate more effective and efficient financial disclosure systems with timely decisions by OGE on exemptions, waivers and late filing fees for officials and employees.

8. Following guidance developed by the Director for when meetings should occur, the number of meetings sought with Congress, White House officials, OMB, and the heads of agencies where the purpose is to encourage support for the ethics program.

PERFORMANCE GOAL

The Director or a member of the staff shall meet with Members of Congress or their staffs on each OGE legislative initiative, on each bill which would amend or add to direct (core) ethics provisions, on each OGE appropriations bill and on at least half of bills seriously considered which contain agency specific ethics measures.

The Director shall meet with the head of each agency when the agency is to receive or has recently received a notice that the agency's ethics program is not properly performing. The Director shall inform White House Counsel of any findings by OGE when a corrective action order has been sent to an agency head that the agency's ethics program is not properly performing.

PERFORMANCE INDICATORS	**Target**
• Percentage of agency heads met following issuance of a corrective action order	100%
• New resources devoted to the program by agency head to correct problems after OGE finding	80%
• Percentage of White House ethics initiatives on which OGE met with White House staff	100%
• Percentage of discussions held with White House after they expressed concerns for an OGE proposed regulation	100%
• Numbers of meetings or discussions with Members/ staff for purposes of seeking support of program	10

MEANS OF VALIDATING MEASURED VALUES

- Confirmation date tracking/Director's calendar of meetings
- Notes in regulatory files with regard to meetings
- Notes from meetings with Congress
- Notes in agency review files with regard to meetings
- Appropriations levels for OGE
- Agency resource levels for supporting the program

OUTCOME GOAL

Support for the program by agency heads, the White House and the Congress will be visible through the resources devoted by an agency, actions and speeches of the agency head and White House officials, and through activities supportive of OGE's legislative program evidenced by votes and public statements made at hearings and on the floor of the Congress.

9. Number of nominee, annual and termination financial disclosure statements reviewed and certified on a timely basis.

PERFORMANCE GOAL

Track, collect, review, and certify the nominee, annual and termination financial disclosure statements of approximately 1,000 presidential appointees confirmed by the U.S. Senate to assure Senate confirmation committees and executive branch agencies that appointees financial interest are free from conflicts of interest with the position to which they are appointed. OGE will assist filers in fashioning appropriate remedies to alleviate an actual or apparent conflict of interest. Filers may be advised to consider undertaking several different types of actions which are tailor-made to suit the circumstances. These actions such as commitments to divest, create a qualified trust, recuse in certain circumstances, resign from certain positions or seek waivers of conflicts or impartially standards will be memorialized in ethics agreements that are approved by OGE.

PERFORMANCE INDICATORS	**Target**
• Number of nominee statements received	TBD
• Percentage of nominee statements certified, and opinions rendered to Senate within two weeks of either nomination or OGE's receipt of receiving final certified form from agency, whichever occurs later	95%
• Number of annual and termination financial disclosure statements received	TBD
• Percentage of annual and termination statements reviewed within 60 days of receipt	90%

MEANS OF VALIDATING MEASURED VALUES

- Reports generated by OGE's computerized financial disclosure tracking system of all public financial disclosure statements filed by presidential appointees

OUTCOME GOAL

OGE will be able to provide reasonable assurance to Senate confirmation committees, to agencies, to the public and to presidential appointees confirmed by the Senate that the entries on the appointees' financial disclosure reports have been reviewed for actual or potential conflicts and appropriate steps have been recommended in order to avoid even the appearance of conflict. Annual reviews of financial disclosure statements provides a continued opportunity to address changed circumstances and to ensure that all ethics agreements have been completed.

10. A schedule to assess the training and resources needs of the OGE workforce necessary to enable them to carry out their responsibilities and the goals of the agency.

PERFORMANCE GOAL

During the mid-year progress review that is part of each employee's annual performance appraisal (in April), or within 90 days of entering on duty with OGE, all supervisors will discuss with their employees the type of training and any additional resources necessary to enhance the employee's ability to perform his of her duties and meet the goals and objectives of the agency.

PERFORMANCE INDICATORS	**Target**
• Number of permanent employees eligible for mid-year reviews	TBD
• Number receiving mid-year reviews	100%
• Number with whom training and resources discussed	TBD
• Percentage employees with whom training and resources discussed	90%
• Number of new permanent employees for whom mid-year reviews were not required	TBD
• Percentage of new permanent employees with whom training and resources discussed within 6 months of hire	100%
• Number of employees hired within 6 months of end of fiscal year with whom training and resources have not yet been discussed	TBD

MEANS OF VALIDATING MEASURED VALUES

- Supervisory annotations to performance appraisal documentation
- Supervisory notes from discussions with new hires

OUTCOME GOAL

OGE managers will be able to target staff training more effectively to meet current office and ethics community needs, resulting in a more knowledgeable work force and better customer service.

GOAL III

1. Schedules to be followed to identify the most relevant topics to be covered by ethics education courses and materials for ethics officials and employees as well as the appropriate formats for conveying those topics and the target number of courses and materials to be developed.

Time frames and standards which OGE will use to evaluate the effectiveness of the ethics training courses and materials it develops for use by agencies in their ethics training programs.

PERFORMANCE GOAL

Within the first quarter of the FY, the Education and Program Service Division (EPSD) will perform an annual ethics training and education needs analysis executive branch wide to 1) identify subjects ethics officials feel need to be emphasized in training courses and educational products developed by OGE for employees and ethics officials, and 2) identify agencies' logistical needs, i.e., locations for conducting OGE ethics training courses and the types, media and distribution of educational products.

During the second quarter of the FY, EPSD will determine what topics and the types of courses and products it will begin to develop during the FY. During the third and fourth quarters of the FY, EPSD will develop a plan and schedule to produce these courses and educational products and will follow that schedule.

During the first half of the FY, EPSD will be completing course development and educational products begun in the previous fiscal year.

By the beginning of the FY, EPSD will have developed an evaluation instrument to evaluate each of the OGE conducted training courses during the fiscal year. EPSD will collect and analyze the evaluations completed by students attending the courses. EPSD will use the results of the analysis to monitor the effectiveness of the courses and to identify areas where improvement is warranted or that have been especially effective.

EPSD will encourage agencies, which use OGE developed training products(such as web based training, pamphlets or videos) to train employees, to evaluate the effectiveness of those products. EPSD will supply agencies that agree to administer an evaluation with a short evaluation instrument.

PERFORMANCE INDICATORS	Target
• Number of Needs Analyses conducted	One annually
• Number of agencies providing input for the Needs Analysis	TBD
• Number of training courses conducted for ethics officials	35
• Number of training courses conducted for employees (at agency request)	TBD
• Number of new educational products developed	TBD
• Number of evaluation instruments requested (training courses)	TBD
• Number of evaluation instruments received from ethics official training	TBD
• Overall rating of training courses for Ethics officials	at least a 3 (on a 4 pt.scale)
• Number of evaluation instruments received for OGE educational products	TBD
• Number of educational products downloaded from the OGE web site	TBD
• Number of visitors to the Web site	TBD

MEANS OF VALIDATING MEASURED VALUES

- Ethics training needs analysis
- Training courses and products
- Student evaluations
- Records on materials requested/distributed

OUTCOME GOAL

OGE will provide executive branch ethics officials and employees with professionally developed and appropriate ethics training courses and products which will facilitate employees' understanding of their responsibilities under the standards of conduct, the criminal conflict of interest statutes and other ethics related rules and regulations.

2. Schedules for development and administration of the annual agency ethics program reporting requirement and identification of trends in agency ethics programs.

PERFORMANCE GOAL

Annually OGE will develop, administer, and analyze an ethics program survey executive branch wide to determine the state of the executive branch ethics program, identifying trends and areas of weakness/strength which it will incorporate into and address in its policy-making, interpretation and opinion function.

PERFORMANCE INDICATORS	**Target**
• Number of surveys distributed	All executive agencies
• Number of completed surveys received	100 % compliance

MEANS OF VALIDATING MEASURED VALUES

- Analysis of survey reports
- Survey report summaries
- Analysis of issues/trends indicating success or problems in the program

OUTCOME GOAL

OGE will obtain a "snapshot" perspective on the executive branch ethics program. OGE will be able to utilize the summary data to hone in on potential problem areas, areas of weakness or successes and either address the problem, strengthen the program or share the successes by incorporating the information into its policy-making and interpretation work.

executive branch-wide ethics conference, including initiatives to conduct post-conference sessions for ethics officials unable to attend the conference.

PERFORMANCE GOAL

OGE will plan, develop, host and conduct an annual ethics conference for approximately 450 executive branch ethics officials where attendees will have an opportunity to participate in working sessions on the most current and common ethics issues, receive updates from OGE on all aspects of the ethics program and hear from outside sources and each other on the administration of their ethics programs. Immediately after the annual conference, OGE will identify the best rated concurrent session conducted. These sessions will be offered to ethics officials at selected regional locations as well as in Washington, D.C.

PERFORMANCE INDICATORS	**Target**
• Number of conference attendees	450
• Number of agencies represented	90%
• Evaluations of the conference	Overall score 3 or higher (scale 1 to 5)
• Number of post-conference sessions conducted in Washington, DC	TBD
• Number of post-conference sessions conducted in regional locations	TBD
• Number of attendees at post-conference sessions conducted in Washington, DC	TBD
• Number of attendees at post-conference sessions conducted in regional locations	TBD

MEANS OF VALIDATING MEASURED VALUES

- Evaluations solicited from attendees including post conference session attendees for each working session, speaker or other plenary session
- Overall conference evaluations

OUTCOME GOAL

OGE will be able to develop and conduct effective and informative conferences which will enhance and strengthen a larger segment of the ethics community and the ethics program. Agencies will be able to share common issues and offer each other practical solutions and suggestions which will also enhance and strengthen the program.

4. Establish a schedule for developing an OGE inter-agency "extranet" that will provide a secure, cost-effective, efficient, easy to use method for collecting and disseminating ethics program information.

PERFORMANCE GOAL

On a schedule to complete the project by the end of FY 2003, OGE will review, evaluate and develop a secure inter-agency "extranet" as a means for exchanging information electronically with and between agency ethics officials.

PERFORMANCE INDICATORS	**Target**
• Initiate development of extranet infrastructure	End of 2nd QTR FY 2002
• Pilot test doing ethics related business electronically with several agencies to determine and correct any potential implementation problems	End of 3rd QTR FY 2003
• Fully implement OGE ethics extranet with all agencies and departments	End of 4th QTR FY 2003

MEANS OF VALIDATING MEASURED VALUES

- Memos from discussions with other agencies and contractors
- Systems analysis and development documentation files
- Pilot test results

OUTCOME GOAL

OGE will use information technology to provide a cost-effective, efficient, and secure method of conducting ethics related business electronically with agency ethics officials.

5. Establish a plan and schedule for implementing optional electronic transactions, where practical, in accordance with Government-wide guidance on the Government Paperwork Elimination Act.

PERFORMANCE GOAL

On a schedule to complete the project by the end of FY 2003, OGE will review, evaluate and develop the ability to transact business electronically with the agency ethics officials and members of the public.

PERFORMANCE INDICATORS	**Target**
• Initiate design and development of electronic transaction applications	End of 2nd QTR FY 2002
• Pilot test doing ethics related business electronically with several agencies to determine and correct any potential implementation problems	End of 3rd QTR FY 2003
• Fully implement OGE electronic transaction capability	End of 2nd QTR FY 2003

MEANS OF VALIDATING MEASURED VALUES

- Contract Files
- Memos from discussions with other agencies and contractors
- System analysis and development documentation files
- Contract deliverables
- Pilot test results files

OUTCOME GOAL

OGE will use information technology to provide the public and the ethics community with the option of conducting business with OGE electronically in an efficient, secure and cost-effective manner.

GOAL IV

1. Target levels of the type of requests received for, or the opportunities sought by OGE to participate in meetings, conferences and courses sponsored by private organizations or submit articles to publications in order to describe and promote the executive branch ethics program.

PERFORMANCE GOAL

OGE will seek to participate in 20 in person or electronic presentations where the public will be able to hear about the executive branch ethics program and will pursue the publication of one article or speech by an OGE employee about the program with a publication with a circulation of at least 2000.

PERFORMANCE INDICATORS	**Target**
• Numbers of presentations to private groups	20
• Numbers of articles or speeches published	1

MEANS OF VALIDATING MEASURED VALUES

- Audience evaluation of the presentation
- Any follow-up questions, invitations or comments sent to OGE as a result of a presentation or publication
- Copies of published articles

OUTCOME GOAL

The public will have an opportunity to gain a greater understanding and appreciation of the executive branch ethics program and potentially more confidence in a government free from conflicts.

2. Establish a schedule to develop materials which promote public service ethics in general rather than specific rules or regulations and the number of those materials requested by and/or made available to the public.

PERFORMANCE GOAL

By the end of FY 2002, OGE will have at least one educational product and one article in the Ethics Newsgram that will promote public service ethics in general.

PERFORMANCE INDICATORS	**Target**
• Number of new educational products developed	1
• Articles on public service ethics in Newsgram	1
• Distribution of new products to agencies	All agencies
• Requests for new products	TBD

MEANS OF VALIDATING MEASURED VALUES

- DAEOgrams to agencies
- Records documenting the requests for and distribution of products.
- Newsgram file

OUTCOME GOAL

OGE will assist agencies in promoting, and the public in understanding the importance of Government and public service.

73-567 D-01--49

3. Establish a schedule for updating, and tracking the volume of use of OGE's information on the World Wide Web.

PERFORMANCE GOAL

OGE will maintain publicly available material, including opinions, advisory letters, memorandums, pamphlets, training course modules, training videos, *Newsgrams*, etc. on the OGE Web site. OGE will update this material continuously and review usage reports provided by the Government Printing Office (GPO) which hosts the OGE home page. New materials will be transmitted to GPO within 7 working days of approval. OGE will review usage reports on a monthly basis.

PERFORMANCE INDICATORS	**Target**
• OGE will use the usage and access reports provided by GPO	Monthly
• Electronic files containing or announcing this material will be transferred to the OGE webmaster within 2 working days of finalization by OGE	95%
• Electronic files will be transferred by OGE webmaster to GPO within 5 working days of receipt	95%

MEANS OF VALIDATING MEASURED VALUES

- OGE will review the reports provided by GPO

OUTCOME GOAL

OGE will make information on its function available to the public in the most expeditious and efficient manner. OGE will facilitate the administration of the executive branch ethics program by making information, determinations and ethics training materials available in the most expeditious and efficient manner.

4. Establish criteria and evaluate responsiveness to requests for publicly available documents and information.

PERFORMANCE GOAL

OGE will establish target levels of responsiveness to requests for information under the Freedom of Information Act and the Privacy Act, as well as requests for public financial disclosure forms (SF 278), ethics agreements, waivers issued under 18 U.S.C. § 208(b), certificates of divestitures, blind trust documents and reports of agency acceptance of travel reimbursement under 41 U.S.C. § 1353.

To meet this Performance Goal, OGE will establish internal response deadlines and meet them in 90% of the cases.

PERFORMANCE INDICATORS	**Target**
• In 90% of the cases the number of working days to respond to requests for the following:	
documents under the Freedom of Information Act and Privacy Act	20
Other documents maintained by OGE, such as 278 forms,	3
ethics agreements,	3
waivers under 18 U.S.C. § 208(b),	3
certificates of divestiture,	3
blind trust documents,	3
agency 1353 reports	3

MEANS OF VALIDATING MEASURED VALUES

- OGE will develop a standardized response tracking instrument

OUTCOME GOAL

OGE will ensure that its customers receive publicly available information as quickly as possible. Moreover, timely responses will enhance the confidence of requesters in OGE's effective implementation of the executive branch ethics program.

Schedule of Performance Indicators
Comparing Actual, Estimated and Projected Targets
For the Fiscal Years 1999 - 2002

New Performance Indicators introduced in FY 02 are in italics

STRATEGIC GOAL I	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 1				
PERFORMANCE INDICATORS				
How often OGE requests input	114	183	TBD	TBD
Percentage of timely inputs	100%	98%	80%	90%
Percentage of input employed on direct ethics program issues	100%	100%	90%	80%
Percentage of input on related issues is employed (i.e. gift authority and commission membership)	91%	97%	80%	Eliminated Indicator
Performance Goal 2				
PERFORMANCE INDICATORS				
How often ethics policy is discussed with Presidents Council of Integrity and Efficiency (PCIE) and the Executive Council of Integrity and Efficiency (ECIE)	Once a year with each	Once a year with each	Once a year with each	Once a year with each
How often OGE seeks information from IG's or DOJ on types of alleged misconduct investigated	Once from each	Once from each	TBD	TBD
How often OGE discusses an ethics rule, a proposed regulation or proposed Executive order with Office of Legal Counsel, White House officials or OMB *(changed in FY 01 - see next indicator)*	Each proposal	Each proposal		
How often OGE creates an opportunity for discussion of a regulation or discusses a proposed Executive Order with Office of Legal Counsel, White House officials or OMB *(established in FY 01)*			Each draft or proposal	Each draft or proposal
Length of time between formal identification of needed policy change and internal implementing draft	150%		90% of instances time is < 6 months	90% of instances time is < 6 months
Percentage of time OGE was not consulted or asked to draft ethics Executive Orders	0%	0%	0%	0%
How often OGE pursued a regulation through to publication from final OGE draft through clearance in 6 months	100%	Eliminated Indicator		

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 3 *Eliminated for FY 02*				
PERFORMANCE INDICATORS				
Percentage of hearings on direct ethics matters in which input from OGE (or OGE through WH) is requested	100%	no such hearings	00%	Eliminated Indicator
Percentage of instances OGE input as a result of a hearing is taken into consideration	100%	no such hearings	00%	Eliminated Indicator
Percentage of direct ethics bills or Congressional initiatives (moving through Congress as opposed to simply introduced) in which OGE input is sought directly by Congress	more soon	100%	00%	Eliminated Indicator
Percentage of direct or related ethics bills (moving through Congress) on which OGE voluntarily submits or initiates Administration comment that is taken into consideration by Congress	100%	100%	75%	Eliminated Indicator
Performance Goal 4				
PERFORMANCE INDICATORS				
Number of proposals submitted to OGE	1	0	TBD	TBD
Percentage cleared for transmittal	100%	n/a	75%	75%
Length of time between transmittal and enactment	was not enacted	pending may not enacted	< 18 months	< 18 months
Performance Goal 5				
PERFORMANCE INDICATORS				
Number of invitations received by OGE from foreign policy agencies/organizations to participate in U.S. sponsored programs abroad	11	13	6	6
Number of requests from foreign policy agencies/ organizations for OGE briefings of foreign officials during visits to Washington	46	30	30	35
Following OGE participation in programs and briefings, number of foreign countries or U.S. member International organizations developing procedural programs or modifying existing programs that reflect OGE technical assistance *(percentage used in FY 99, starting FY 00, number of...)*	66%	4	3	5
Number of follow-up requests from foreign delegations for information after listening to OGE presentation in Washington	7	0	5	5
Number of repeat requests from foreign policy agencies/organizations as a result of presentations made by OGE	11	10	3	5

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
STRATEGIC GOAL II				
Performance Goal 1				
PERFORMANCE INDICATORS				
Number of agencies reviewed	62	57	55	50
Number of recommendations	68	65	TBD	TBD
Percent of Follow-up Reviews (WHERE RECOMMENDATIONS ARE MADE)	100%	100%	100%	100%
Correction of program deficiencies by agencies	93%	93%	80%	80%
Number of single-issue reviews	3	2	2	2
Recommendations related to single issue reviews	1	Eliminated-Indicator		
Percent of single issue review recommendations adopted by OGE and agencies	100%	Eliminated Indicator		
Best practices shared with agency during program reviews	100%	66%	60%	80%
Performance Goal 2				
PERFORMANCE INDICATORS				
Number of Appointees with ethics agreements	65	62	TBD	TBD
Number of ethics agreements	96	90	TBD	TBD
Percent of ethics agreements completed within established time frames	74%	76.1%	70%	80%
Percent of incomplete ethics agreements on which OGE took action	100%	100%	100%	Eliminated Indicator
Percent of cases resolved after OGE took action	95%	95%	80%	100%
Performance Goal 3				
PERFORMANCE INDICATORS				
Reports to Senior staff with recommended new or adaptive uses	4	1 (antrunet)	TBD	TBD
Number of OGE approved new technologies or adaptations	no response	1 June/July 2000	TBD	TBD
Initial pursuit of OGE approved technologies or adaptations	Yes. (SF 278 & 450)	August 2000	within 60 days of agency approval	within 60 days of agency approval
Develop implementation plan for approved technologies or adaptations	did not develop	October 2000	within 120 days of agency approval	within 120 days of agency approval
Innovations by OGE or agencies show-cased	1	Show-cased electronically fillable SF 278 & OGE 450 forms at the Sep 2000 Ethics Conference	at least once a year	at least once a year

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 4 (changed in FY 00)				
PERFORMANCE INDICATORS				
Establish schedule to meet four year application development cycle	did not establish	Eliminated Indicator		
OMB approval to commence development of electronic filing applications	did not commence	Eliminated Indicator		
Technical assessment of existing Government approved digital signature security standards and methodologies (established FY 00)		Did not proceed with tech assessment of digital security stds pending guidance to be provided to all agencies	End of 1st QTR FY 2001	
Survey of agencies regarding their existing and planned computing capabilities and operating environments (established FY 00)		developing and implementing electronic transactions under GPEA. Revised FY 2001	End of 3d QTR FY 2001	
Evaluation of agency capability survey results against existing security stds (established FY 00)		plan to reflect GPEA guidance issued by OMB and our own GPEA plan submitted to OMB in October 2000.	End of 4th QTR FY 2001	
Develop financial disclosure software incorporating approved electronic forms completion and filing capability (established FY 01)			End of 4th QTR FY 2001	Eliminated Indicator
Cost-benefit/risk analysis completed and OMB decision to incorporate appropriate "electronic signature" capability into software				End of 3d Qtr FY 2002
Pilot test electronic filing software with several agencies to determine and correct end interoperability issues				End of 1st Qtr FY 2003
Fully implement electronic filing of disclosure forms with "electronic signature" capability				End of 3d Qtr FY 2003
Performance Goal 5 (TEXT OF GOAL CHANGED IN FY 01 AND FY 02)				
PERFORMANCE INDICATORS				
Number of requests for advice	3787	5176	TBD	TBD
Number of contacts concerning adequacy of advice (CHANGED "Inadequate advice" IN FY 99 AND FY 00)	<1%	< 1%	1%	1%
Length of time to respond to requests	90% same day, 3% not 1% within 3 days	100% within 2 days 99% within 1 day	within 2 days for 99% of requests	within 2 days for 90% of requests

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 6				
PERFORMANCE INDICATOR:				
Number of inquiries	1129	1345	TBD	TBD
Number of contacts concerning adequacy of advice	<1%	< 1%	1%	1%
Length of time to respond to requests for information and for oral statutory and regulatory interpretations	98% within 2 work days	99+% within 2 work days	2 work days 90% of the requests	2 work days 90% of the requests
Length of time to respond to requests for written statutory and regulatory interpretations	90% 22 written opinions	90.67%	15 work days 90% of the requests	15 work days 75% of the requests
Performance Goal 7				
PERFORMANCE INDICATORS				
Number of agency requests received	263	251	TBD	TBD
Percentage of responses answered within 15 working days of receipt	80%	99.2%	80%	80%
Performance Goal 8				
PERFORMANCE INDICATORS				
Percentage of new agency heads met within 6 months	2 of 3 within 6 most (NOT OUTSIDE OF FY)		65%	Eliminated Indicator
Percentage of agency heads met following issuance of a a corrective action order	No orders issued	No orders issued	100%	100%
Percentage of agency heads met following notice problems with agency ethics programs	none were requested	none were requested	100%	Eliminated Indicator
New resources devoted to the program by agency head to correct problems after OGE finding	no corrective action orders requiring resources	no corrective action orders requiring resources	80%	80%
Percentage of White House ethics initiatives on which OGE met with White House staff	were none	were none	100%	100%
Percentage of meetings held with White House after they expressed concerns for an OGE proposed regulation	were none	were none	100%	100%
(NOTE: Changed to read "Percentage of discussions"...) in FY 02 Annual Performance Plan				
Numbers of meetings with members/staff for purposes of seeking support of program	16	9	30	10
(NOTE: changed to read "meetings and discussions"...) in FY 02 Annual Performance Plan				

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 9				
PERFORMANCE INDICATORS				
Number of nominee statements received	271	223	TBD	TBD
Percentage of nominee statements certified, and opinions rendered to Senate within two weeks of receiving final certified form from agency after nomination	78%	98.7%	95%	95%
(NOTE: changed to read "within two weeks of either nomination or OGE's receipt of receiving final certified form from agency, whichever occurs later" in FY 02 Annual Performance Plan				
Number of annual and termination financial disclosure statements received	631	818	TBD	TBD
Percentage of annual and termination statements reviewed within 60 days of receipt	99%	93.8%	90%	90%
Performance Goal 10 (added for FY 02)				
PERFORMANCE INDICATORS				
Number of permanent employees eligible for mid-year reviews				TBD
Number receiving mid-year reviews				100%
Number with whom training and resources discussed				TBD
Percentage of employees with whom training and resources discussed				95%
Number of new permanent employees for whom mid-year reviews were not required				TBD
Percentage of new permanent employees with whom training and resources discussed within 6 months of hire				100%
Number of employees hired within 6 months of end of fiscal year with whom training and resources have not yet been discussed				TBD

STRATEGIC GOAL XII	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 1				
PERFORMANCE INDICATORS				
Number of Needs Analyses conducted	1 during 1st Qtr	1 completed as scheduled	One annually	One annually
Number of Agencies responding	35 questionnaires 7 focus group responses	50%	50%	Eliminated Indicator
Number of agencies providing input for the Needs Analysis (added in FY 01)			TBD	TBD
Number of training courses conducted	73	55	Eliminated Indicator	
Number of training courses conducted for ethics officials (added in FY 01)			35	35
Number of training courses conducted for employees (at agency request)(added in FY 01)			TBD	TBD
Number of new educational products developed	6	5	TBD	TBD
Number of evaluation instruments requested (training courses)(added in FY 01)			100%	TBD
Number of evaluation instruments received from ethics official training (added in FY 0)			TBD	TBD
Overall rating of training courses for ethics officials (added in FY 01)			At least 3 (on a 4 pt. scale)	At least 3 (on a 4 pt. scale)
Number of evaluation instruments received for OGE educational products (added in FY 01)			TBD	TBD
Number of surveys/questionnaires administered	3 agencies admin questionnaires or 3 videos and one quiz game	[illegible] 475 returned 547 surveys rec'd on web. [illegible]	10 times/year for new products, once a year for old video	Eliminated Indicator
Number of requests from agencies for OGE developed courses or educational products	304 6695	5 courses	Eliminated Indicator	
Number of educational products downloaded from the OGE web site (added in FY 01)			TBD	TBD
Number of visitors to the EIC Changed in FY 2002 to read " to the web site"	75 in person	30	TBD	TBD
Agency ethics education materials solicited for EIC (text changed in FY 01..see next indicator)	at monthly Interagency Ethics Council Meeting	at 2 EIC meetings and once in Newsgram		
Solicitation of training materials for the EIC (added IN FY 01)			3 times per year	Eliminated Indicator
Requests for materials available from the EIC Changed in FY 01 to read " Number of requests for....	13	63	TBD	Eliminated Indicator

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 2				
PERFORMANCE INDICATORS				
Agencies surveyed for internet and/or facilities	26 done through Interagency Ethics Council	did not survey	Eliminated Indicator	
Draft schedule developed for producing large scale projects	not by OGE, USDA participated on 3	worked with DOI on on its broadcast	Eliminated Indicator	
Number of large scale projects produced	none, participated in 2 w/o agencies	participated in DOI broadcast and developed 1 multimedia web based training module for each	Eliminated Indicator	
Potential audience of project	Exceeded	>1000	Eliminated Indicator	
Number of surveys distributed	All executive agencies	All executive agencies	All executive agencies	All executive agencies
Number of completed surveys received	100% compliance	100% compliance	100% compliance	100% compliance
Performance Goal 3				
PERFORMANCE INDICATORS				
Number of conference attendees	488	454	450	450
Number of agencies represented	77%	60%	90%	90%
Evaluations of the conference (scale 1 to 5)	3.54	3.11	Overall score 3 or higher (scale 1 to 5)	Overall score 3 or higher (scale 1 to 5)
Number of post-conference sessions conducted in Washington, DC (added in FY 01)			TBD	TBD
Number of post-conference sessions conducted in regional locations (added in FY 01)			TBD	TBD
Number of attendees at post-conference sessions conducted in Washington, DC (added in FY 01)			TBD	TBD
Number of attendees at post-conference sessions conducted in regional locations (added in FY 01)			TBD	TBD
Number of off-site locations	6	4	Eliminated Indicator	
Number of off-site attendees	0	500	Eliminated Indicator	

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
Performance Goal 4 Note: Added for FY 02				
PERFORMANCE INDICATORS				
Initiate development of extranet infrastructure				End of 2nd QTR FY 2002
Pilot test doing ethics related business electronically with several agencies to determine and correct any potential implementation problems				End of 3rd QTR FY 2003
Fully implement OGE ethics extranet with all agencies and departments				End of 4th QTR FY 2003
Performance Goal 5 Note: Added for FY 02				
Initiate design and development of electronic transaction applications				End of 2nd QTR FY 2003
Pilot test doing ethics related business electronically with several agencies to determine and correct any potential implementation problems				End of 3rd QTR FY 2003
Fully implement OGE electronic transaction capability				End of 2nd QTR FY 2003

	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
STRATEGIC GOAL IV				
Performance Goal 1				
PERFORMANCE INDICATORS				
Number of presentations to private groups	77	13	40	30
Number of articles or speeches published	1	1	1	1
Performance Goal 2				
PERFORMANCE INDICATORS				
Number of new educational products developed	1 partially completed	2	1	1
Articles on public service ethics in Newsgram	3	4	1	1
Distribution of new products to agencies	completed	completed	All agencies	All agencies
Requests for new products	none available	1500 Videos distributed pamphlets	TBD	TBD
Performance Goal 3				
PERFORMANCE INDICATORS				
New indicators for FY 01 in italics				
OGE will use the usage and access reports provided by GPO	Once a month	Reports show number of times OGE's electronically fillable disclosure forms have been downloaded for Federal employees. This provides an indication of employee's desire and acceptance of these forms, thus validating the need for such products	TBD	Monthly
Electronic files containing or announcing this material will be transferred to the OGE webmaster within 2 working days of finalization by OGE				99%
Electronic files will be transferred by OGE webmaster to GPO within 5 working days of receipt				99%
Updates made and transferred to GPO within 5 days of receipt of information	90%	100%	99% of the time	Eliminated Indicator

1547

Performance Goal 4	FY 99 Actual	FY 00 Actual	FY 01 Estimated	FY 02 Projected
PERFORMANCE INDICATORS				
New indicators for FY 02 in italics				
In 90% of the cases the number of days to respond to requests for the following:				
documents under the Freedom of Information Act	48 requests, 72.5% of the time	61.7% completed within 10 calendar days 90% complete within 20 working days	20	20
and Privacy Act	6 requests, 63% of the time (5 processed in 10 days)		20	20
Changed in FY 02 to read: Other documents maintained by OGE, such as 278 forms (previously (278 forms)	90% in 2 days	All met within 2 days	3	3
ethics agreements	none requested	All met within 3 days	3	3
waivers under 18 U.S.C. § 208(b)	none requested	All met within 3 days	3	3
certificates of divestiture	none requested	none requested.	3	3
blind trust documents	100% - 3 cases response in 3 days	All met within 3 days	3	3
agency 1353 reports	2 cases, 2 days avg	All met within 3 days	3	3
informational materials (e.g.pamphlets)	no tracking system (ref'd to web)	most filled immediately through the Internet	2	Eliminated Indicator

STATEMENT FOR THE RECORD OF
STEVEN R. COHEN, ACTING DIRECTOR
OFFICE OF PERSONNEL MANAGEMENT

for the

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE,
AND GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

on

FISCAL YEAR 2002 APPROPRIATIONS REQUEST
AND PERFORMANCE PLAN FOR THE
OFFICE OF PERSONNEL MANAGEMENT

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO HAVE THIS OPPORTUNITY TO SUBMIT FOR THE RECORD A STATEMENT OUTLINING THE APPROPRIATIONS REQUEST FOR THE OFFICE OF PERSONNEL MANAGEMENT (OPM) FOR FISCAL YEAR 2002.

IN FY 2002, OPM WILL CONTINUE BOTH TO SUPPORT THE EXISTING BROAD RANGE OF TOOLS FOR STRATEGIC HUMAN RESOURCES MANAGEMENT (HRM) AND TO CREATE PROPOSALS FOR NEW AND EXPANDED TOOLS TO ATTRACT, DEVELOP, MANAGE, AND RETAIN THE FEDERAL WORKFORCE OF TODAY AND THE FUTURE. BEFORE DISCUSSING THE PRESIDENT'S REQUEST FOR

APPROPRIATIONS FOR OPM AND ITS PROGRAMS, I WOULD LIKE TO NOTE SOME OF OUR ACCOMPLISHMENTS AND THE CHALLENGES WE FORESEE.

ACCOMPLISHMENTS

AMONG OUR ACCOMPLISHMENTS IS THE ENACTMENT OF SIGNIFICANT LEGISLATION ORIGINATING IN OUR AGENCY. BY ANY MEASURE, THE LONG-TERM CARE SECURITY ACT MUST BE CONSIDERED A GROUNDBREAKING ACHIEVEMENT. IT NOT ONLY ESTABLISHES THE NATION'S LARGEST EMPLOYER-SPONSORED LONG-TERM CARE INSURANCE PROGRAM, IT ALSO PROVIDES LONG-SOUGHT REMEDIES FOR FEDERAL EMPLOYEES WHO WERE ERRONEOUSLY PLACED UNDER THE WRONG RETIREMENT SYSTEM.

IN ADDITION TO PROVIDING TIMELY REGULATIONS ON RETIREMENT ERROR CORRECTION, AS REQUIRED BY THE LAW, WE ARE AGGRESSIVELY BEGINNING IMPLEMENTATION THROUGH A WEB SITE THAT OFFERS GUIDANCE AND BENEFIT CALCULATORS TO FEDERAL EMPLOYEES AND AGENCIES.

THROUGH ADMINISTRATIVE ACTION, WE ALSO IMPLEMENTED A HIGHLY BENEFICIAL PREMIUM CONVERSION PLAN FOR EXECUTIVE BRANCH EMPLOYEES, ENABLING THEM TO DEDUCT THEIR PORTION OF HEALTH INSURANCE PREMIUMS FROM THEIR TAXABLE INCOME. THIS IS COMPARABLE

TO LONG-STANDING PRACTICE IN THE PRIVATE SECTOR, AND GIVES THE GOVERNMENT AN ADDED TOOL IN THE COMPETITION FOR TALENT.

OPM IS ALSO PLEASED TO HAVE RECEIVED AN UNQUALIFIED OPINION ON ITS FISCAL YEAR 2000 CONSOLIDATED FINANCIAL STATEMENTS FOR OUR FIVE FUNDS: RETIREMENT, HEALTH BENEFITS, LIFE INSURANCE, SALARIES AND EXPENSES, AND REVOLVING FUND. THE AUDITORS CONCLUDED THAT THE STATEMENTS WERE PRESENTED FAIRLY, IN ALL MATERIAL RESPECTS, AND IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES. IN ADDITION, THERE WERE NO MATERIAL WEAKNESSES IN THE AGENCY'S INTERNAL CONTROLS OVER ITS FINANCIAL REPORTING.

WE MADE SIGNIFICANT PROGRESS ADDRESSING PERFORMANCE MANAGEMENT ISSUES FOR THE GOVERNMENT'S SENIOR EXECUTIVES WITH THE PUBLICATION OF NEW GOVERNMENTWIDE REGULATIONS. THE REVISIONS FOCUS CLEARLY ON RESULTS, AND REQUIRE CONSIDERATION OF CUSTOMER SATISFACTION AND EMPLOYEE PERSPECTIVES IN BOTH PERFORMANCE PLANS AND EVALUATIONS. AT THE SAME TIME, THE CHANGES OFFER AGENCIES INCREASED FLEXIBILITY TO DEVELOP SYSTEMS TAILORED TO THEIR SPECIFIC NEEDS, AND TO IMPROVE THEIR ABILITY TO HOLD SENIOR EXECUTIVES ACCOUNTABLE FOR THEIR PERFORMANCE.

WE ALSO DEMONSTRATED OUR SUPPORT FOR AGENCIES STAFFING PROGRAMS THROUGH OUR TRAINING OF STAFF MEMBERS IN AGENCY DELEGATED EXAMINING UNITS. NOT ONLY HAS OUR TRAINING HANDBOOK BEEN WELL RECEIVED, BUT ALSO OUR NEW DELEGATED EXAMINING WEB SITE HAS IMPRESSED AGENCIES WITH ITS AVAILABILITY AND CONTENT.

IN FY 2000, WE BUILT A WEB-BASED QUERY AND ANALYSIS TOOL CALLED FEDSCOPE. TO PROVIDE UNPRECEDENTED AND MORE EFFICIENT ACCESS TO FEDERAL EMPLOYMENT DATA. WE ARE CURRENTLY EXPANDING THE SYSTEM TO INCLUDE MORE INFORMATION SUCH AS DATA ON NEW HIRES AND SEPARATIONS.

WE DEMONSTRATED OUR COMMITMENT TO A FAMILY-FRIENDLY WORKPLACE BY IMPLEMENTING THE PROVISIONS AUTHORIZING AGENCIES TO SPEND THEIR FUNDS TO IMPROVE THE AVAILABILITY OF CHILD CARE, PARTICULARLY FOR THEIR LOWER-INCOME EMPLOYEES.

WE ALSO DEVOTED MUCH EFFORT TO ADDRESSING THE GOVERNMENT'S ONGOING RECRUITMENT AND RETENTION DIFFICULTIES. TO FACILITATE HIRING ENTRY-LEVEL PROFESSIONAL EMPLOYEES, WE DEVELOPED THE CAREER INTERN PROGRAM. THAT PROGRAM IS ESSENTIALLY A 2-YEAR

INTERNSHIP WITH A FORMAL TRAINING COMPONENT THAT MAY LEAD TO PERMANENT PLACEMENT AFTER SUCCESSFUL COMPLETION OF THE INTERNSHIP.

AS A PART OF THE EFFORT TO ATTRACT OR RETAIN HIGHLY-QUALIFIED INDIVIDUALS, WE WORKED TO IMPLEMENT FULLY THE STUDENT LOAN REPAYMENT AUTHORITY. IN EXCHANGE FOR AN EMPLOYEE AGREEMENT TO SERVE FOR NOT LESS THAN 3 YEARS, AN AGENCY MAY REPAY UP TO $6,000 PER YEAR OF THE EMPLOYEE'S STUDENT LOAN.

IN ADDITION, OPM CONTINUED TO WORK CLOSELY WITH THE FEDERAL CHIEF INFORMATION OFFICERS COUNCIL TO ADDRESS THEIR CRITICAL CONCERNS ABOUT RECRUITING AND RETAINING OUR INFORMATION TECHNOLOGY (IT) WORKFORCE. WE COORDINATED A SERIES OF POLICY AND PROGRAM INITIATIVES TO SUPPORT THE IMPROVED RECRUITMENT, SELECTION, CLASSIFICATION, AND COMPENSATION OF IT WORKERS, INCLUDING MANAGING THE GOVERNMENTWIDE STUDY THAT LED TO THE ESTABLISHMENT OF SPECIAL SALARY RATES FOR IT POSITIONS.

CHALLENGES

IN ADDRESSING THE GOVERNMENTWIDE CHALLENGES FACING HUMAN RESOURCES MANAGEMENT, OPM WILL CONTINUE TO EXPLORE THE BEST AND

MOST INNOVATIVE PRACTICES FROM BOTH THE PUBLIC AND PRIVATE SECTORS. WE WILL HELP FEDERAL AGENCIES TO BETTER ALIGN THEIR HUMAN RESOURCES WITH THE ACCOMPLISHMENT OF THEIR MISSIONS AND MEET THE PRESIDENT'S GOAL OF FLATTENING THE FEDERAL HIERARCHY BY IMPLEMENTING A FULLY-FUNCTIONAL, ON-LINE WORKFORCE PLANNING SYSTEM.

OPM ALSO WILL CONTINUE TO ADDRESS THE RECRUITMENT AND RETENTION DIFFICULTIES FACING THE FEDERAL GOVERNMENT. FOR EXAMPLE, WE WILL PROMOTE AGENCY USE OF EXISTING FLEXIBILITIES SUCH AS SPECIAL SALARY RATES, RECRUITMENT BONUSES AND RETENTION ALLOWANCES, AND WORK SCHEDULING OPTIONS. WE ARE PREPARED TO INTRODUCE BOTH NEW FLEXIBILITIES, AND NEW TOOLS TO OPTIMIZE THE USE OF ALL FLEXIBILITIES, AS NEEDED. FOR THE FIRST TIME, WE WILL EXPAND ACCESS TO FEDERAL EMPLOYMENT INFORMATION BY PARTNERING WITH PRIVATE SECTOR FIRMS TO ESTABLISH LINKS TO THE USAJOBS WEB SITE.

ONE POSSIBILITY WHICH WILL RECEIVE SIGNIFICANT ATTENTION IN THE COMING MONTHS IS THE OPTION OF TELEWORK. OPM WILL WORK DILIGENTLY WITH AGENCIES TO REMOVE BARRIERS TO THE EXPANSION OF THIS FLEXIBILITY TO ENCOMPASS ALL ELIGIBLE EMPLOYEES. APART FROM THE

SOCIETAL BENEFITS OF TELEWORK, WE BELIEVE AGENCIES OFFERING SUCH OPTIONS WILL FIND IT EASIER TO RECRUIT AND RETAIN QUALITY EMPLOYEES.

TO ENSURE THAT AGENCIES CONTINUE TO ADHERE TO THE MERIT SYSTEM PRINCIPLES AND OTHER LAWS AND POLICIES GOVERNING HUMAN RESOURCES MANAGEMENT, WE WILL INCREASE BY TEN PERCENT THE NUMBER OF AGENCIES WITH HRM ACCOUNTABILITY SYSTEMS THAT ARE ALIGNED WITH THEIR STRATEGIC MISSIONS AND GOALS. ADDITIONALLY, WE WILL CONDUCT FIFTEEN NATIONWIDE MERIT SYSTEM OVERSIGHT REVIEWS, INCLUDING REVIEWS OF SOME EXECUTIVE BRANCH AGENCIES WHOSE PERSONNEL ARE NOT COVERED, IN WHOLE OR IN PART, BY TITLE 5 OF THE UNITED STATES CODE, WHICH IS THE BASIS FOR OUR ROLE OF ADMINISTERING THE GOVERNMENT'S PERSONNEL POLICIES AND PROGRAMS.

IN ORDER TO PRESERVE THE INTEGRITY OF THE FEDERAL EMPLOYEES HEALTH BENEFITS FUND, WE WILL COMPLETE THE IMPLEMENTATION OF THE FEDERAL EMPLOYEES HEALTH CARE PROTECTION ACT OF 1998. THAT ACT AUTHORIZES MANDATORY AND PERMISSIVE DEBARMENTS, AS WELL AS CIVIL MONETARY PENALTIES, FOR UNTRUSTWORTHY HEALTH CARE PROVIDERS. OUR OFFICE OF THE INSPECTOR GENERAL WILL IMPOSE SANCTIONS ORIGINALLY, RATHER THAN DERIVATIVELY ON THE BASIS OF OFFENSES FIRST OCCURRING IN OTHER FEDERAL HEALTH CARE PROGRAMS.

WE WILL ALSO CONTINUE TO EMPHASIZE THE IMPORTANCE OF LEADERSHIP TO THE ACHIEVEMENT OF AGENCY GOALS THROUGH THE EFFECTIVE MANAGEMENT OF EMPLOYEES. OUR COMPREHENSIVE LONG-TERM REVIEW OF THE SENIOR EXECUTIVE SERVICE WILL CONTINUE, AS WILL OUR EFFORTS TO INCREASE THE EFFICIENCY AND PRODUCTIVITY OF SENIOR LEADERS AND MANAGERS BY DEVELOPING THEIR LEADERSHIP SKILLS.

FINALLY, ONE OF OUR MOST SIGNIFICANT ONGOING TASKS WILL BE THE IMPLEMENTATION OF THE LONG-TERM CARE INSURANCE PROGRAM. IN ADDITION TO PROCEEDING WITH THE TASK OF CONTRACTING FOR THE COVERAGE FOR CIVILIAN AND MILITARY EMPLOYEES AND ANNUITANTS AND THEIR FAMILIES, WE WILL ADDRESS THE NEED FOR COMPREHENSIVE PROGRAMS OF EDUCATION FOR BOTH AGENCIES AND POTENTIAL ENROLLEES. WE EXPECT TO MAKE LONG-TERM CARE INSURANCE PRODUCTS AVAILABLE TO ELIGIBLE INDIVIDUALS BY OCTOBER 2002.

APPROPRIATIONS REQUEST

IN SUPPORT OF OUR INITIATIVES TO MEET THE CHALLENGES WE FACE, WE ARE SEEKING A TOTAL OF $15.6 BILLION. THIS REPRESENTS AN INCREASE OF $0.6 BILLION OVER FY 2001. AS ALWAYS, IT IS IMPORTANT TO NOTE THAT OUR REQUEST INCLUDES APPROPRIATIONS WHICH ARE 99 PERCENT MANDATORY AND 1 PERCENT DISCRETIONARY. OUR REQUEST FOR OUR TWO DISCRETIONARY

APPROPRIATIONS ACCOUNTS WHICH INCLUDE GENERAL FUNDS AND TRUST FUNDS TOTALS $226.4 MILLION. WE ESTIMATE THE TOTAL FOR THE THREE MANDATORY PAYMENT ACCOUNTS TO BE $15.4 BILLION. OUR ADMINISTRATIVE ACCOUNTS WILL SUPPORT 2,984 FULL-TIME EQUIVALENT EMPLOYEES. THAT IS THE SAME LEVEL AS THE PAST 2 YEARS.

FOR BASIC OPERATING EXPENSES FROM GENERAL FUNDS, WE ARE REQUESTING A TOTAL OF $99.0 MILLION. THAT REPRESENTS AN INCREASE OF $5.1 MILLION OVER FY 2001, AND WILL SUPPORT 788 FTE. IT INCLUDES $2.9 MILLION TO HELP OFFSET INCREASES ASSOCIATED WITH THE 2002 FEDERAL CIVILIAN PAY RAISE.

IT ALSO INCLUDES $3.2 MILLION FOR THE GOVERNMENTWIDE HUMAN RESOURCES DATA NETWORK PROJECT. THAT INCLUDES AN INCREASE OF $2.2 MILLION, WHICH WILL REMAIN AVAILABLE UNTIL EXPENDED, TO SUPPORT THE REENGINEERING OF GOVERNMENTWIDE RECORDKEEPING AND REPORTING PRACTICES. THIS THOUGHTFUL APPLICATION OF TECHNOLOGY WILL FACILITATE THE USE OF HUMAN RESOURCES DATA AND STREAMLINE AND IMPROVE GOVERNMENTWIDE PERSONNEL REPORTING.

TO ADMINISTER THE EARNED BENEFIT PROGRAMS, RETIREMENT AND INSURANCE, WE ARE SEEKING TRANSFERS FROM THE TRUST FUNDS OF A TOTAL OF $115.9 MILLION. THAT AMOUNT WOULD SUPPORT 1,275 FTE. IT ALSO

INCLUDES $21.8 MILLION FOR OUR RETIREMENT SYSTEMS MODERNIZATION PROJECT. THE FUNDING FOR THAT PROJECT, AN INCREASE OF $11.3 MILLION, IS ALSO TO REMAIN AVAILABLE UNTIL EXPENDED. DURING FY 2002, WE WILL BEGIN THE FIRST PHASE OF MAKING DATA ELECTRONICALLY AVAILABLE. WE WILL PROVIDE AUTOMATED TOOLS THAT ENABLE AGENCIES TO MAKE RETIREMENT COVERAGE AND ELIGIBILITY DETERMINATIONS. IN ADDITION, ACTIVE EMPLOYEES, AGENCIES AND OPM STAFF WILL BE ABLE TO MAKE CONSISTENT BENEFIT CALCULATIONS THROUGH INTRODUCTION OF A NEW RETIREMENT BENEFITS CALCULATOR.

WE SHOULD ALSO POINT OUT THAT A SIGNIFICANT PORTION OF THE FUNDING FOR THE OFFICE OF THE INSPECTOR GENERAL AT OPM IS ALSO DERIVED FROM TRUST FUND TRANSFERS. THE REQUEST FOR THAT OFFICE WILL BE ADDRESSED IN MORE DETAIL IN THEIR STATEMENT, BUT I CAN NOTE THAT THE OVERALL TOTAL IS $11.4 MILLION AND 112 FTE. THAT REPRESENTS $1.4 MILLION FROM GENERAL FUNDS AND $10.0 MILLION IN TRANSFERS FROM THE TRUST FUNDS.

FURTHERMORE, USING FINANCING PROVIDED BY REIMBURSEMENTS FROM OTHER AGENCIES THROUGH OUR REVOLVING FUND, OPM PROVIDES A VARIETY OF SERVICES TO OTHER FEDERAL AGENCIES. FOR EXAMPLE, IN ADDITION TO THE MANAGEMENT OF BOTH THE INVESTIGATIONS PROGRAM AND THE PROFESSIONAL DEVELOPMENT AND CONTINUOUS LEARNING PROGRAMS FOR

FEDERAL EXECUTIVES AND MANAGERS, OPM HELPS TO SUPPORT THE DEPARTMENT OF DEFENSE'S HIRING PROGRAM BY CONDUCTING TESTING OF POTENTIAL MILITARY INDUCTEES. WE ALSO PROVIDE A RANGE OF SERVICES FOR AGENCIES INCLUDING SUCH THINGS AS EXAMINING FOR VACANCIES, AUTOMATING STAFFING SYSTEMS, AND PROVIDING ASSESSMENT SERVICES AND EMPLOYMENT INFORMATION. FOR THESE ONGOING PROGRAMS, THE BUDGET INCLUDES AN ESTIMATED $300 MILLION IN OBLIGATIONS AND 668 FTE.

AS ALWAYS, THE OPM BUDGET REQUEST INCLUDES MANDATORY APPROPRIATIONS TO FUND THE GOVERNMENT'S CONTRIBUTIONS TO THE FEDERAL EMPLOYEE HEALTH BENEFITS AND LIFE INSURANCE PROGRAMS FOR ANNUITANTS. IN THIS REGARD, OPM SERVES AS THE "PAYROLL AGENCY" FOR THESE INDIVIDUALS FOR THE PURPOSES OF THESE BENEFIT PROGRAMS.

BECAUSE OF THE MANDATORY NATURE OF THESE PAYMENTS, WE ARE REQUESTING A "SUCH SUMS AS MAY BE NECESSARY" APPROPRIATION FOR EACH OF THESE ACCOUNTS. WE ESTIMATE THAT AN APPROPRIATION OF $6.1 BILLION WILL BE NEEDED TO PAY THE GOVERNMENT'S CONTRIBUTION TOWARD THE COST OF HEALTH BENEFITS COVERAGE FOR THE 1.9 MILLION ANNUITANTS WHO PARTICIPATE IN THAT PROGRAM. FOR THE 400,000 ANNUITANTS UNDER AGE 65 WHO ARE ELECTING POST-RETIREMENT LIFE INSURANCE COVERAGE, $33.0 MILLION WILL BE REQUIRED.

ADDITIONALLY, AS MANDATED BY THE RETIREMENT FINANCING SYSTEM ESTABLISHED IN 1969 BY PUBLIC LAW 91-93, ANY LIABILITIES RESULTING FROM CHANGES SINCE THAT YEAR WHICH AFFECT BENEFITS, PRIMARILY PAY INCREASES, MUST BE AMORTIZED OVER A 30-YEAR PERIOD. WE ARE REQUESTING A "SUCH SUMS AS MAY BE NECESSARY" PAYMENT TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND FOR THAT PURPOSE. THE AMOUNT WE ESTIMATE WILL BE REQUIRED IS $9.2 BILLION.

FINALLY, THE PRESIDENT'S BUDGET FOR FY 2002 PROPOSES A PAY INCREASE OF 3.6 PERCENT FOR WHITE-COLLAR FEDERAL EMPLOYEES. THAT ADJUSTMENT WILL BE DISTRIBUTED BETWEEN AN ACROSS-THE-BOARD RAISE AND LOCALITY PAY AS DETERMINED FOLLOWING DISCUSSIONS WITH THE CONGRESS AND EMPLOYEE ORGANIZATIONS AND OTHER STAKEHOLDERS. ONCE AGAIN, WE HAVE INCLUDED IN THE GENERAL PROVISIONS IN THE BUDGET THE LEGISLATIVE LANGUAGE THAT IS APPROPRIATE TO ENSURE THAT BLUE-COLLAR FEDERAL WORKERS PARALLEL THEIR WHITE-COLLAR COLLEAGUES IN TERMS OF THEIR PAY ADJUSTMENTS.

THANK YOU FOR THE OPPORTUNITY TO DISCUSS OUR REQUEST. I WOULD BE PLEASED TO PROVIDE THE SUBCOMMITTEE WITH ANY ADDITIONAL INFORMATION YOU REQUIRE.

Agency Costs of Meeting Government-wide Mandates

Question: Executive Order 13166 requires federal agencies that provide Federal financial assistance to develop guidance to clarify those obligations for recipients of such assistance ("recipient guidance"), and to meet the same standards as federal financial assistance recipients in providing meaningful access for low English proficiency (LEP) individuals to federally conducted programs. Each federal agency must thus develop a plan for providing access. Briefly describe whether and how OPM has implemented the requirements of EO 13166 and related Justice Department guidance.

The programs administered by OPM's Retirement and Insurance Service do not fall within the coverage of Title VI, which deals with programs and activities receiving Federal financial assistance. Nevertheless, we strongly support the goals of E.O. 13166. Moreover, notwithstanding the lack of any externally imposed mandate to do so, OPM has for decades taken comprehensive actions to ensure that everyone potentially eligible for benefits under our programs is able to access them regardless of proficiency with the English language.

After English, the primary language used by our customers is Spanish. OPM has taken action to fully satisfy the needs of our Spanish-speaking customers, whether they deal with us orally or in writing. Guidance material has been translated, our automated telephone services adapted, and arrangements have been made to have employees fluent in Spanish available for telephone inquiries. While we do not have significant numbers of LEP customers in any other language (all of our programs are based upon employment with the Federal government), we are proud to have always taken whatever actions were needed (such as obtaining translation services) to provide full service to all of our customers, whatever their native tongue.

Question. What costs, if any, has this placed on OPM?

Answer. Because the provisions of E.O. 13166 don't apply, OPM has not incurred any additional costs.

Question. How are such costs, if any, being met or absorbed?

Answer. Not applicable.

Question. Federal agencies now offer transit subsidies to their employees. What is the cost to OPM of this subsidy program?

Answer. The fare subsidy program cost OPM approximately $161,000 for 876 employees for the most recent quarter. We estimate total cost for FY 2001 at $733,000 and $1,000,000 for FY 2002 due to the increase in the subsidy ceiling from $65 to $100 per month.

Question. How is OPM meeting or absorbing these costs?

Answer. The fare subsidy is viewed as an ongoing cost to do business and is absorbed within the agency's operating budget.

FEHB Program Requirements for Major Health Providers

Question. The Federal Employees Health Benefits Program includes providers of varying sizes. In the course of establishing requirements for participation, such as providing both a high and low option of coverage, how does OPM take into account possible competitive concerns whereby large providers might be able to significantly change market shares by dramatic redefinitions in their coverage categories?

Answer. Please refer to attached letter to Chairman Dan Burton.

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

MAY 24 2001

Honorable Dan Burton
Chairman, Committee on
Government Reform and Oversight
U.S. House of Representatives
Washington, DC 20515-1406

Dear Mr. Chairman:

Thank you for your recent letter regarding potential changes to the Blue Cross and Blue Shield Service Benefit Plan for 2002. We appreciate the importance you place on our administration of the Federal Employees Health Benefits (FEHB) Program. We share that view and are pleased to have the opportunity to address your concerns.

For over 40 years, the FEHB Program has been an important and valuable component of the Federal employees' compensation package. Given the predominance of employer-sponsored health insurance in the large employer market, the Program is a critical element in the Government's ability to compete for the talent necessary to serve the American public.

Relying on market competition and consumer choice, the Program provides Federal employees, retirees and members of their families with comprehensive health benefits and competitive premiums. While the market has worked exceedingly well, there have been periods when health costs have gone up substantially throughout the United States. Reflecting overall trends in the group health insurance market, premium increases in the Federal program have also been above the rate of inflation for the last several years.

We are troubled by those trends and determined to keep this Program successful and affordable. In April, we issued our annual Call Letter for 2002. In it, we outlined our negotiating objectives for next year, emphasizing the need to work cooperatively to keep health care affordable. We noted the discussion of the FEHB Program in the President's Budget for FY 2002 and recent cost trends in the health care market. We outlined several initiatives to ensure that the Program offers high quality and cost effective health plans, includes incentives for participants to choose their plans wisely, and is coordinated with future reforms to Medicare. We invited proposals from health plans that were consistent with those overall objectives, and look forward to reviewing them at the end of May.

Among the Program's many outstanding features is its ability to adapt to contemporary needs; change and evolution have been part of this Program since its inception. There

are many examples of the Program's ability to remain responsive to changes in health care.

We have seen periods of plan expansion and contraction that generally mirror market activity. At one time, almost all of the fee-for-service plans in the Program offered two levels of benefits, generally designated as a high and a standard or low option. During the 1970s, several plans, including APGE, NALC, Alliance, and APWU, dropped their low options because they were not attracting significant enrollment. Some plans, including NAGE, NTEU, and NFFE, added second options in the 1980s then dropped out of the Program entirely in the early 1990s. Last year, the Government Employees Hospital Association (GEHA) proposed, and OPM approved, the addition of a new option priced below their existing product. While we have not yet received proposals for 2002, we are not surprised by reports that several plans are considering new, second options.

Much of the focus of your letter centered on the Blue Cross and Blue Shield presence in the Program. Over the years, market share by that plan has varied significantly. However, our most recent data indicate that the Blue Cross and Blue Shield Government-wide plan had just under 48 percent of total program enrollment in 2000. Data for 2001 are not yet available. The Blue Cross and Blue Shield market share was about 42 percent in 1996; it has increased incrementally each year since then.

You asked a number of specific questions in your letter. For ease of reference, we are providing brief answers to each of them in our response.

- **What standards and criteria does OPM apply when considering a major change in a carrier's health plan? Are these standards and criteria available to all carriers and to the public? What if any consideration will OPM be giving to the question of how Blue Cross/Blue Shield's expanded dominance in the program may weaken competition and affect consumer choice and the health and viability of other plans?**

  Our standards and criteria are incorporated in the health benefits program law, 5 U.S.C., chapter 89, and in our program and acquisition regulations, 5 CFR 890, (FAR) 48 CFR Chapter 1 and (FEHBAR) 48 Chapter 16. We provide specific negotiating objectives and guidance in our annual Call Letter for the upcoming year. All of these documents are available to all of the participating and new health plans, and to the public.

  Currently, there is no evidence that consumer choice has been negatively affected by growth in the Blue Cross and Blue Shield enrollment. Currently, there are 245 health plans participating in the Program. Participants, depending on where they live, have a choice of no fewer than 7 and as many as 31 health plans during the

annual open season. When members contact us regarding plan choice, their concern is generally about the lack of HMO choices in their local area. In response, we have taken steps to encourage applications from HMOs, particularly in underserved areas.

- **Has OPM considered the possible consequences of allowing one carrier to become so dominant that it eliminates all other carriers and becomes a monopoly, which could potentially result in the remaining health insurance carrier being in a position to treat federal employees like the few remaining airline carriers now treat their passengers?**

  HMOs are, with a limited exception, the only new plans eligible to apply under the statute. As indicated above, we have actively encouraged applications from new HMOs in recent years, particularly in remote areas. Even though the Blue Cross and Blue Shield program is a dominant one, its dominance has been a fact for a number of years and the number of choices available to members has remained high, far more than would be available under a typical private sector health plan.

  Further, consumer satisfaction within the Program is relatively high, even though we acknowledge areas where the health plans and we can do better. The Blue Cross and Blue Shield plan gets good marks from its members, so there is no current evidence that dominance results in poor service. We certainly want to ensure that members continue to get good health care at affordable premiums, and we will manage this program in ways designed to achieve that objective.

- **Has OPM considered the question of possible anti-trust issues that could arise if Blue Cross/Blue Shield becomes even more dominant as a result of a new plan? Has OPM consulted with either the Federal Trade Commission or the Antitrust Division of the Department of Justice with regard to the antitrust issue, and if not, does it intend to do so?**

  We appreciate your concern regarding the dominance that you anticipate Blue Cross and Blue Shield will maintain in the market for the Federal Employees Health Benefits Program. We believe that the structure of the Program will prevent the plan from exerting unilateral control over its premium rates, and we have no indication that the plan is using, or intends to use, its market position for unlawful purposes. Therefore, we have not sought the views of the Department of Justice or the Federal Trade Commission. If, in the future, we become aware of exclusive or anticompetitive conduct on the part of Blue Cross and Blue Shield or any other health plan, we would not hesitate to seek input from the appropriate Federal authorities.

- **Would it not be in the best long range interests of FEHBP to have one or more of the other carriers invited to submit a competing plan to the Blue Cross Blue Shield proposal before any major change is approved?**

  Our annual Call Letter is an invitation to all participating health plans to submit their benefit and rate proposals for the coming year. Between early April when we send out the letter and May 31, the regulatory deadline for proposals, all of the health plans are developing submissions they believe will enable them to compete successfully for members during the annual open season. Each year, all participating health plans are on notice to put their best proposals forward.

  The discussion that has been generated by reports about a new proposal from Blue Cross and Blue Shield may very well lead to similar proposals from other plans.

We are looking forward to May 31, when we will know what the health plans are putting on the table for 2002.

As you know, we have a rigorous timetable for negotiations. All negotiations must be completed by August so that we can have everything in place and information disseminated in time for the November-December open season. From all indications, a new Director for OPM will have been confirmed and sworn in during that period. Assuming that occurs, you can be assured that she will be fully briefed about the Program and has an opportunity to consider the decisions that need to be made in order to announce the details of the benefits and premiums for 2002. If, for whatever reason that is not the case, I assure you that any major decisions necessary to announce the Program for 2002 will be fully considered by the Administration.

Thank you for your interest and concern.

Sincerely,

Steven R. Cohen
Acting Director

Office of Personnel Management

Issue: Agency Costs of Meeting Government-Wide Mandates

Questions:

1. Executive Order 13166 requires federal agencies that provide federal financial assistance to develop guidance to clarify those obligations for recipients of such assistance ("recipient guidance"), and to meet the same standards as federal financial assistance recipients in providing meaningful access for low English proficiency (LEP) individuals to federally conducted programs. Each federal agency must thus develop a plan for providing that access
   - Briefly describe whether and how OPM has implemented the requirements of EO 13666 and related Justice Department guidance.
   - What costs, if any, has this placed on OPM?
   - How are such costs, if any, being met or absorbed?

2. Federal agencies now offer transit subsidies to their employees.
   - What is the cost to OPM of this subsidy program?
   - How is OPM meeting or absorbing these costs?

Issue: FEHBP Program Requirements for Major Health Providers

1. The Federal Employee Health Benefit Program includes providers of varying sizes. In the course of establishing requirements for participation, such as providing both a high and low option of coverage, how does OPM take into account possible competitive concerns whereby large providers might be able to significantly change market shares by dramatic redefinitions in their coverage categories?

United States
Office of
Personnel Management Washington, D.C. 20415-0001

MEMORANDUM FOR: Cynthia A. Brock-Smith
Director of Congressional Relations

FROM: William E. Flynn, III
Associate Director
for Retirement and Insurance

SUBJECT: Comments on the Proposed Executive Order – "Improving Access to Services for Limited English Persons"

This is in reply to your request for comments on the proposed Executive Order – "Improving Access to Services for Limited English Persons" (LEPs). Also included to assist agencies under the EO was a draft memorandum from the Acting Assistant Attorney General, Civil Rights Division, regarding "Enforcement of Title VI of the Civil Rights Act of 1964. . ."

The programs administered by the Retirement and Insurance Service do not fall within the coverage of Title VI, which deals with programs and activities receiving Federal financial assistance. Nevertheless, we strongly support the goals of the draft Executive Order. Moreover, notwithstanding the lack of any externally imposed mandate to do so, we have for decades taken comprehensive actions to ensure that everyone potentially eligible for benefits under our programs is able to access them regardless of proficiency with the English language.

After English, the primary language used by our customers is Spanish. We have taken action to fully satisfy the needs of our Spanish-speaking customers, whether they deal with us orally or in writing. Guidance material has been translated, our automated telephone services adapted, and arrangements have been made to have employees fluent in Spanish available for telephone inquiries. While we do not have significant numbers of LEP customers in any other language (all of our programs are based upon employment with the Federal government), we are proud to have always taken whatever actions were needed (such as obtaining translation services) to provide full service to all of our customers, whatever their native tongue.

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

MAY 24 2001

Honorable Dan Burton
Chairman, Committee on
Government Reform and Oversight
U.S. House of Representatives
Washington, DC 20515-1406

Dear Mr. Chairman:

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For over 40 years, the FEHB Program has been an important and valuable component of the Federal employees' compensation package. Given the predominance of employer-sponsored health insurance in the large employer market, the Program is a critical element in the Government's ability to compete for the talent necessary to serve the American public.

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We are troubled by those trends and determined to keep this Program successful and affordable. In April, we issued our annual Call Letter for 2002. In it, we outlined our negotiating objectives for next year, emphasizing the need to work cooperatively to keep health care affordable. We noted the discussion of the FEHB Program in the President's Budget for FY 2002 and recent cost trends in the health care market. We outlined several initiatives to ensure that the Program offers high quality and cost effective health plans, includes incentives for participants to choose their plans wisely, and is coordinated with future reforms to Medicare. We invited proposals from health plans that were consistent with those overall objectives, and look forward to reviewing them at the end of May.

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As you know, we have a rigorous timetable for negotiations. All negotiations must be completed by August so that we can have everything in place and information disseminated in time for the November-December open season. From all indications, a new Director for OPM will have been confirmed and sworn in during that period. Assuming that occurs, you can be assured that she will be fully briefed about the Program and has an opportunity to consider the decisions that need to be made in order to announce the details of the benefits and premiums for 2002. If, for whatever reason that is not the case, I assure you that any major decisions necessary to announce the Program for 2002 will be fully considered by the Administration.

Thank you for your interest and concern.

Sincerely,

Steven R. Cohen
Acting Director

STATEMENT FOR THE RECORD OF
HONORABLE PATRICK E. McFARLAND, INSPECTOR GENERAL
UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

for the

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

on

FISCAL YEAR 2002 APPROPRIATIONS REQUEST
FOR THE OFFICE OF THE INSPECTOR GENERAL
AT THE UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

THANK YOU FOR PROVIDING ME WITH THIS OPPORTUNITY TO DISCUSS THE PRESIDENT'S FISCAL YEAR 2002 REQUEST FOR APPROPRIATIONS FOR THE OFFICE OF THE INSPECTOR GENERAL. THE TOTAL REQUEST FOR THE OFFICE OF THE INSPECTOR GENERAL IS $11,414,000, WHICH IS AN INCREASE OF $333,000 ABOVE THE AMOUNT APPROPRIATED IN FISCAL YEAR 2001. OF THIS AMOUNT, $1,398,000 IS FROM THE SALARIES AND EXPENSES/GENERAL FUND AND $10,016,000 IS FROM THE TRUST FUNDS. IN ADDITION, WE PLAN FOR $150,000 IN ADVANCES AND REIMBURSEMENTS.

THE OFFICE OF THE INSPECTOR GENERAL RECOGNIZES THAT OVERSIGHT OF THE RETIREMENT AND INSURANCE TRUST FUNDS ADMINISTERED BY THE OFFICE OF PERSONNEL MANAGEMENT (OPM) IS, AND WILL REMAIN, ITS MOST SIGNIFICANT

CHALLENGE. THESE TRUST FUNDS ARE AMONG THE LARGEST HELD BY THE UNITED STATES GOVERNMENT. THEIR ASSETS TOTALED $551.9 BILLION IN FISCAL YEAR 2000, AND THEIR ANNUAL PROGRAM AND OPERATING EXPENSES WERE $127.9 BILLION. THE AMOUNTS OF THEIR BALANCES ARE MATERIAL TO THE INTEGRITY OF THE GOVERNMENT'S FINANCIAL POSITION. I CONTINUE TO ALLOCATE THE VAST MAJORITY OF THE OFFICE OF THE INSPECTOR GENERAL'S EFFORTS AND RESOURCES TO TRUST FUND OVERSIGHT, AND I BELIEVE THAT WE REMAIN AS FULLY COMMITTED TO TRUST FUND ACTIVITIES AS IS POSSIBLE WITHIN THE CONTEXT OF OUR CURRENT RESOURCE STRUCTURE.

OUTLAYS FROM THE OPM RETIREMENT TRUST FUNDS ARE MADE IN THE FORM OF PAYMENTS TO MILLIONS OF ANNUITY RECIPIENTS. THE HEALTH INSURANCE TRUST FUND PROVIDES PAYMENTS TO APPROXIMATELY 291 HEALTH INSURANCE PLANS NATIONWIDE. IN TURN, THE HEALTH INSURANCE CARRIERS PAY MILLIONS OF CLAIMS FOR SERVICES FILED BY THEIR ENROLLEES AND HEALTH CARE PROVIDERS. OUR EXPERIENCE SHOWS THAT SUCH HEALTH INSURANCE PAYMENTS ARE AT RISK FOR BEING IMPROPER, INACCURATE OR FRAUDULENT. WE ARE OBLIGATED TO FEDERAL EMPLOYEES AND ANNUITANTS TO PROTECT THE INTEGRITY OF THEIR EARNED BENEFITS. WE ACCOMPLISH THIS THOUGH OUR INVESTIGATIVE AND AUDIT WORK, THEREBY REDUCING LOSSES DUE TO FRAUD AND IMPROPRIETY AND RECOVERING MISSPENT FUNDS WHENEVER POSSIBLE. WE OWE THIS ESPECIALLY TO THE FEDERAL AGENCIES

AND AMERICAN TAXPAYERS WHO PROVIDE THE MAJORITY OF THE FUNDING.

WORKING WITH THE LEVEL OF RESOURCES PROVIDED, THE OFFICE OF THE INSPECTOR GENERAL HAS ACHIEVED AN IMPRESSIVE RECORD OF COST EFFECTIVENESS. AUDITS AND INVESTIGATIONS OF THE OPM ADMINISTERED TRUST FUND PROGRAMS HAVE RESULTED IN SIGNIFICANT FINANCIAL RECOVERIES TO THE TRUST FUNDS AND COMMITMENTS BY PROGRAM MANAGEMENT TO RECOVER ADDITIONAL AMOUNTS. IN FISCAL YEAR 2000, THESE RECOVERIES AND COMMITMENTS TOTALED APPROXIMATELY $105.2 MILLION. THIS EQUATES TO APPROXIMATELY $11 OF POSITIVE FINANCIAL IMPACT FOR EACH DIRECT PROGRAM DOLLAR SPENT. IN ADDITION, OFFICE OF THE INSPECTOR GENERAL AUDITS AND INVESTIGATIONS PROVIDE A SIGNIFICANT DETERRENT AGAINST FUTURE INSTANCES OF FRAUD, WASTE, AND ABUSE.

THE OFFICE OF THE INSPECTOR GENERAL'S FISCAL YEAR 2002 REQUEST INCLUDES ADDITIONAL RESOURCES TOTALING $333,000. SPECIFICALLY, THIS INCREASE WILL BE USED TO OFF-SET THE IMPACT OF THE ANTICIPATED JANUARY 2002 PAYRAISE AND INFLATION.

THE OFFICE OF THE INSPECTOR GENERAL CONTINUES TO SEEK INCLUSION OF THE FEHBP AS A FULL PARTICIPANT IN THE HEALTH INSURANCE PORTABILITY

AND ACCOUNTABILITY ACT OF 1996 (HIPAA). THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP) WAS EXCLUDED FROM REMEDIAL AND CIVIL ENFORCEMENT AUTHORITIES FOR HEALTH CARE FRAUD WHICH WERE MADE APPLICABLE TO ALL OTHER FEDERAL HEALTH CARE PROGRAMS. WITH SUPPORT FROM THE DEPARTMENT OF JUSTICE IN THE LAST ADMINISTRATION AND THE INSPECTOR GENERAL AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, WE HAVE BEEN WORKING TO AMEND HIPAA TO INCLUDE THE FEHBP IN ITS DEFINITION OF THE FEDERAL HEALTH BENEFITS PROGRAM. AS A RESULT OF THIS EXCLUSION, THE FEHBP IS THE ONLY FEDERAL HEALTH PROGRAM WITHOUT BENEFIT OF MOST OF HIPAA'S ANTI-FRAUD PROVISIONS, DESPITE ITS STANDING AS THE THIRD LARGEST FEDERAL HEALTH INSURANCE PROGRAM. REMOVAL OF THE FEHBP'S SPECIFIC EXCLUSION FROM THIS DEFINITION WOULD ENABLE OPM TO TAKE ADVANTAGE OF ENHANCED SANCTIONS, SUCH AS MANDATORY EXCLUSION OF INDIVIDUALS AND ENTITIES THAT HAVE BEEN CONVICTED OF A FELONY RELATING TO HEALTH CARE FRAUD OR CONTROLLED SUBSTANCES, AND MANDATORY MINIMUM DURATION OF CERTAIN DISCRETIONARY EXCLUSIONS. WE COULD ALSO TAKE ADVANTAGE OF HIPAA'S REVISED STANDARD OF PROOF IN CIVIL MONETARY PENALTY CASES, INCREASING PENALTIES PER FALSE CLAIM FROM $2,000 TO $10,000, AND NEW ADMINISTRATIVE PENALTIES FOR INCORRECT CODING, MEDICALLY UNNECESSARY SERVICE, AND ANTI-KICKBACK PROVISIONS. THIS LEGISLATION WOULD ENABLE THE INSPECTOR GENERAL TO WORK MORE EFFECTIVELY AND

ON AN EQUAL FOOTING WITH OTHER FEDERAL AGENCIES IN FIGHTING FRAUD AGAINST THE NATION'S LARGEST EMPLOYER-SPONSORED HEALTH INSURANCE PROGRAM.

THANK YOU FOR THIS OPPORTUNITY TO STATE ONCE MORE MY RESOURCE REQUEST FOR FISCAL YEAR 2002.

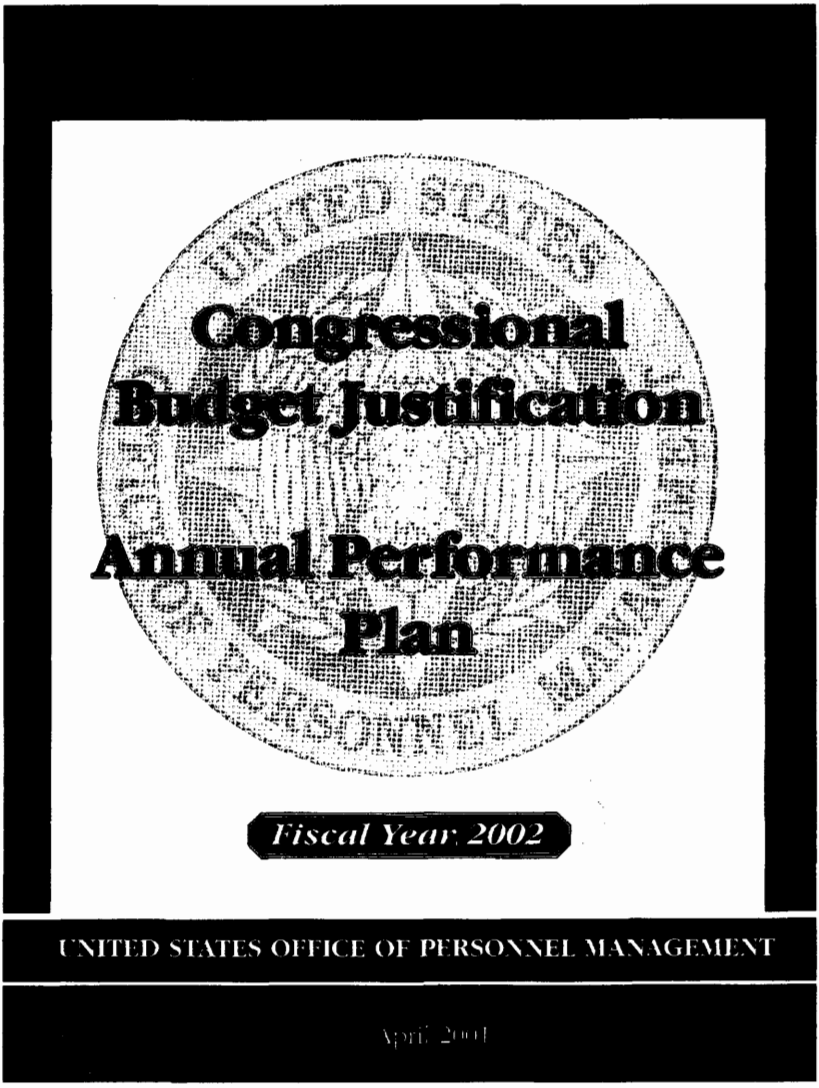

Congressional
Budget Justification
Annual Performance
Plan
Fiscal Year 2002
UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
April 2001

TABLE OF CONTENTS

SUMMARY 1
U.S. Office of Personnel Management's Budget Justification/Performance Plan Summary 1
OPM Budget Request 2
Foundation of the FY 2002 Annual Performance Plan:
Mission, Strategic Goals 4
How OPM's Annual Plan is Linked to our Strategic Plan 5

SUMMARY TABLES
OPM FY 2002 Appropriation Request 7
FY 2002 Administrative Obligations 8
FY 2002 Transfers from the Trust Funds 10

RESOURCE SUMMARY BY STRATEGIC GOAL 11

CROSSWALK OF STRATEGIC GOALS/OBJECTIVES
TO FY 2002 ANNUAL PERFORMANCE GOALS 19

VERIFICATION AND VALIDATION 39

SALARIES AND EXPENSES ACCOUNT 47

GENERAL FUND APPROPRIATION 53
Office of Merit Systems Oversight and Evaluation (OMSOE) 57
Employment Service (ES) 81
Workforce Compensation and Performance Service (WCPS) 97
Investigations Service (IS) 115
Office of Workforce Relations (OWR) 123
Executive Resources (ER) 143
Administrative Services (ADMIN) 157
Office of Human Resources and EEO 157
Office of the Chief Information Officer 166
Office of Contracting and Administrative Services 179
Executive and Other Services (EX SRV) 191
Office of the Director 191
Office of the Chief Financial Officer 193
Office of the General Counsel 197
Office of Communications 202
Office of Congressional Relations 206
President's Commission on White House Fellowships 209

TRANSFERS FROM THE TRUST FUNDS 215
Retirement and Insurance Service 219

ADVANCES AND REIMBURSEMENTS 241
Retirement and Insurance Service 245
Workforce Compensation and Performance Service 247
Office of Workforce Relations 251

OFFICE OF THE INSPECTOR GENERAL 255

PAYMENT ACCOUNTS 271

GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS 272

GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE 273

PAYMENT
TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND 274

REVOLVING FUND ACCOUNT 275
DOD Testing 281
Employment Service 283
Investigations Service 287
Office of Workforce Relations 293
Executive Resources 297

U. S. OFFICE OF PERSONNEL MANAGEMENT

FY 2002 BUDGET JUSTIFICATION/PERFORMANCE PLAN

SUMMARY

We have incorporated our FY 2002 Congressional Budget Justification and our FY 2002 Annual Performance Plan required by the Government Performance and Results Act into this single, comprehensive document.

OPM provides human resource management leadership and services to Federal agencies and employees. It provides policy guidance, advice, and direct personnel services and systems to the agencies; operates USAJOBS, a worldwide job information and application system; oversees the Federal civil service merit systems, covering nearly 1.8 million employees; and provides fast, friendly, accurate, and cost-effective retirement, health benefit, and other insurance services to Federal employees, annuitants, and agencies.

In FY 2002, OPM will support a broad range of existing strategic human resources management tools and produce proposals for new and expanded tools to attract, develop, manage, and retain a productive workforce. Such tools include compensation flexibilities, continual learning and skill development, work/life balance programs, and a supportive work environment. In this endeavor, OPM will explore best and innovative practices from both the private and other public sectors.

In 2002, OPM will, among other actions:

- Implement a fully-functional, on-line workforce planning system to help Federal agencies align human resources with accomplishment of agency mission and objectives and meet the President's goal to flatten the Federal hierarchy.

- Expand access to Federal employment information by partnering, for the first time, with private sector companies to create links to the USAJOBS web site and maintain a 90 percent or better customer satisfaction level among USAJOBS users.

- Increase by 10% the number of agencies with human resources management accountability systems that are aligned with strategic mission and goals.

- Complete implementation of the Federal Employees Health Care Protection Act of 1998, which includes mandatory and permissive debarments and civil monetary penalties for untrustworthy health care providers to sustain the integrity of the Federal Employees Health Benefits Fund.

- Conduct 15 nation-wide agency merit system oversight reviews, including reviews of

Executive Branch agencies whose personnel are not covered by title 5 of the U.S. Code, and a number of small agencies to ensure Federal agencies operate merit-based systems.

OPM BUDGET REQUEST

OPM's total FY 2002 request of $15.6 billion, an increase of $0.6 billion over FY 2001, is composed of appropriations that are 1 percent discretionary and 99 percent mandatory. OPM's budget request consists of two discretionary appropriation accounts containing general funds and trust funds totaling $226.4 million and three mandatory payment appropriations totaling an estimated $15.4 billion. In FY 2002, OPM's administrative accounts will support 2,984 FTE, the same level as in FY 2001. Since our downsizing began in FY 1993, we have reduced our FTE level by 52 percent or 3,224 from the base level of 6,208.

DISCRETIONARY APPROPRIATIONS

Salaries and Expenses:

General Fund: OPM's general fund request for basic operating expenses totals $99.0 million and 788 FTE, which includes a total increase of $5.1 million over FY 2001. The request includes $3.2 million for the governmentwide Human Resources Data Network (HR-DN) project, an increase of $2.2 million, to remain available until expended. The request also includes $2.9 million to help defray inflationary costs. This will allow us to continue to provide high-quality, innovative human resources leadership, oversight, and technical assistance to Federal agencies.

Transfers from Trust Funds: For the administration of the civil service retirement and insurance programs, OPM is requesting a total of $115.9 million in transfers from the trust funds for 1,275 FTE. The request includes $21.8 million for the Retirement Systems Modernization (RSM) project, an increase of $11.3 million, to remain available until expended. The request also includes $2.9 million to help defray inflationary costs.

Advances and Reimbursements: This account also includes 141 FTE to be financed by reimbursements from other agencies for the provision of HRM technical assistance, and from OPM programs for the provision of agency-wide services.

Office of Inspector General Salaries and Expenses:

The request for the Office of the Inspector General (OIG) totals $11.4 million and 112 FTE, and includes $1.4 million in general funds and $10.0 million in transfers from the trust funds to enable the OIG to carry out its audit, investigative and review responsibilities. The request includes an increase of $0.3 million to help defray inflationary costs. This account also includes one FTE to be financed by reimbursements from the Department of Treasury's Auditor Training Institute.

REVOLVING FUND

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2002 budget includes an estimated $300.0 million in obligations and 668 FTE to be financed by other agencies for OPM's services. These services include: professional development and continuous learning for Federal managers and executives; testing of potential military inductees for the Department of Defense in those locations where it is cost-effective for OPM to do so; providing employment information; providing assessment services; automating other agencies' staffing systems; examining for vacancies when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and the selection, coordination and development of Presidential Management Interns. The Investigations Service conducts checks, inquiries, and background security investigations of individuals who are candidates for positions identified as critical-sensitive by the requesting agencies, or reinvestigations of individuals occupying positions identified as critical-sensitive.

MANDATORY APPROPRIATIONS

Government Payment for Annuitants, Employees Health Benefits:

A "such sums as may be necessary" appropriation is requested for an estimated $6.1 billion, an increase of $0.5 billion over FY 2001, to finance the Government's share of health benefit costs for 1.9 million annuitants participating in the program.

Government Payment for Annuitants, Employees Life Insurance:

A "such sums as may be necessary" appropriation is requested for an estimated $33.0 million, an increase of $1.0 million over FY 2001, to finance the Government's share of life insurance premiums for 400,000 annuitants under 65 years of age electing post-retirement coverage.

Payment to the Civil Service Retirement and Disability Fund:

A "such sums as may be necessary" appropriation is requested for an estimated $9.2 billion, no change from FY 2001, to finance liabilities created by legislation enacted since 1969 which affected benefits (primarily pay raises).

FOUNDATION OF THE FY 2002 ANNUAL PERFORMANCE PLAN

The foundation for our integrated FY 2002 Annual Performance Plan and Budget Justification can be found in *Federal Human Resources Management for the 21st Century*, our current strategic plan. This plan was developed with input from our stakeholders and issued in September 2000. It is available on OPM's website, at www.opm.gov. The cornerstone for the plan is its mission statement and four related strategic goals.

OPM's MISSION

In order to support the Federal Government's ability to have the best workforce possible to do the best job possible,

We **lead** Federal agencies in shaping human resources management systems to effectively recruit, develop, manage and retain a high quality, diverse workforce;
We **protect** national values embodied in law, including merit principles and veterans' preference;
We **serve** Federal agencies, employees, retirees, their families and the public through employment information, pay administration, benefits delivery and technical assistance; and
We **safeguard** employee benefit trust funds.

OPM'S STRATEGIC GOALS

GOAL I	LEAD. *THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.*
GOAL II	PROTECT. *THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.*
GOAL III	SERVE. *OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES AND THE PUBLIC.*
GOAL IV	SAFEGUARD. *THE EMPLOYEE BENEFIT TRUST FUNDS ARE MODELS OF FINANCIAL EXCELLENCE AND INTEGRITY.*

HOW OPM'S ANNUAL PLAN IS LINKED TO OUR STRATEGIC PLAN

Our FY 2002 Annual Plan is completely integrated with our Congressional Budget Justification. Because it is linked to the budget, the details of the Annual Plan are organized by program area and funding source.

To assist with understanding the linkages between our strategic goals and the individual performance plans for each program area, we have included two reference tools: 1) a complete listing of all of the program goals that relate to each Strategic Plan goal, under the tab labeled "Crosswalk to Strategic Plan"; and 2) a table of resources linked to each strategic goal under the tab labeled "Resource Summary by Goal."

Our goal in preparing this performance plan has been to ensure that the reader has a clear sense of not only what we plan to accomplish, but the particular strategies and tactics we will employ, and the measures of success we will use. Each program plan is presented in the same format and includes the following sections:

- **Description of Activity** -- describes the primary responsibilities for the program, and includes a description of the skills and systems that are necessary for the program to carry out its responsibilities successfully.

- **Annual Plan Goals** -- each of which are numbered consecutively within each program, and appear directly below the Strategic Plan goal and objective they support.

- **Means** -- a list of the specific strategies and actions to be carried out in FY 2002 for each goal.

- **Indicators/Performance Results** -- a list of the indicators, or measures, of success for the annual goal. Each indicator is followed by information, *in italics*, on accomplishments for FY 2000, and actions for FY 2001 that relate specifically to the performance measure described.

- **Verification and Validation** -- at the end of each program plan is a list of specific verification and validation strategies for the indicators included in the plan. This list supplements the section under the tab "Verification and Validation" that covers all of our programs.

OPM FY 2002 APPROPRIATION REQUEST

ACCOUNTS REQUIRING CONGRESSIONAL ACTION

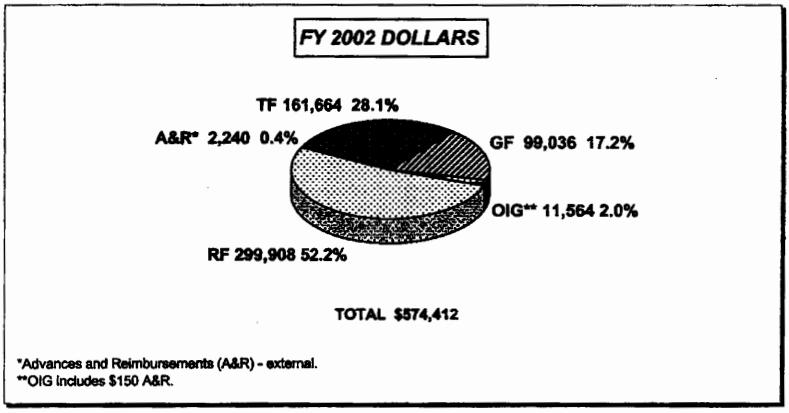
(dollar amounts in thousands)

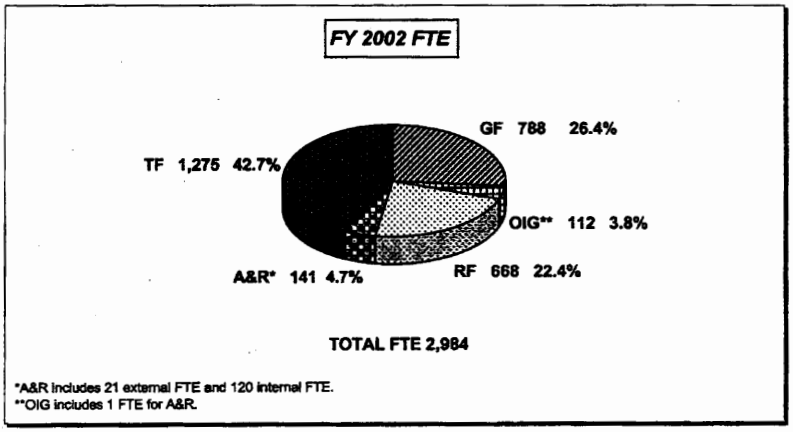
	GENERAL FUND BUDGET AUTHORITY	TRUST FUNDS BUDGET AUTHORITY	TOTAL
TOTAL REQUEST	**$15,464,434**	**$125,944**	**$15,590,378**
APPROPRIATIONS:			
Discretionary:	**100,434**	**125,944**	**226,378**
Salaries & Expenses:	**99,036**	**115,928**	**214,964**
General Fund	95,836	---	95,836
General Fund - HR-DN, (No-Year)	3,200	---	3,200
Trust Funds - Annual	---	94,151	94,151
Trust Funds - Retirement Systems Modernization, (No-Year)	---	21,777	21,777
OIG Salaries & Expenses:	**1,398**	**10,016**	**11,414**
General Fund	1,398	---	1,398
Trust Funds	---	10,016	10,016
Mandatory:	**15,364,000**	**---**	**15,364,000**
Government Payment for Annuitants, Employees Health Benefits "Such sums as may be necessary"	6,102,000	---	6,102,000
Government Payment for Annuitants, Employees Life Insurance "Such sums as may be necessary"	33,000	---	33,000
Payment to the Civil Service Retirement and Disability Fund: * "Such sums as may be necessary"	9,229,000	---	9,229,000

* Permanent budget authority of $13,236,000 (not shown here) requires no Congressional action.

OFFICE OF PERSONNEL MANAGEMENT
FY 2002 ADMINISTRATIVE OBLIGATIONS

($000s)





OFFICE OF PERSONNEL MANAGEMENT

ADMINISTRATIVE OBLIGATIONS

(dollar amounts in thousands)

ACCOUNT	FY 2001		FY 2002		FY 2002 CHANGE	
	$	FTE	$	FTE	$	FTE
Salaries and Expenses:	**$232,582**	**2,204**	**$262,940**	**2,204**	**$30,358**	---
General Fund:	93,888	788	99,036	788	5,148	---
General Fund	93,888	788	95,836	788	1,948	---
General Fund - HR-DN (no-year)	---	---	3,200	---	3,200	---
Trust Funds Total:	136,454	1,275	161,664	1,275	25,210	---
Trust Fund (annual)	91,285	---	94,151	---	2,866	---
Trust Fund - Title V:	31,736	---	45,736	---	14,000	---
Section 8348	24,236	---	24,236	---	---	---
Section 8909 (FEHB Demo)	500	---	500	---	---	---
Long-Term Care	3,000	---	20,000	---	17,000	---
FERCCA	4,000	---	1,000	---	(3,000)	---
Trust Fund (no-year)	13,433	---	21,777	---	8,344	---
Advances and Reimbursements	2,240 *	141	2,240 *	141	---	---
Inspector General - Salaries & Expenses:	**$11,231**	**112**	**$11,564**	**112**	**$333**	---
General Fund	1,357	15	1,398	15	41	---
Trust Fund (annual)	9,724	96	10,016	96	292	---
Advances & Reimbursements	150	1	150	1	---	---
Revolving Fund:	**$301,159**	**668**	**$299,908**	**668**	**($1,251)**	---
DOD Testing	7,565	157	7,862	157	297	---
Employment Service	37,755	364	36,363	364	(1,392)	---
Investigations Service	188,709	42	186,337	42	(2,372)	---
Workforce Relations	37,382	27	39,377	27	1,995	---
Executive Resources	29,748	78	29,969	78	221	---
TOTAL OPM	**$544,972**	**2,984**	**$574,412**	**2,984**	**$29,440**	---

* External

OFFICE OF PERSONNEL MANAGEMENT

FY 2002 TRANSFERS FROM THE TRUST FUNDS

NEW OBLIGATIONAL AUTHORITY

(dollar amounts in thousands)

	OPM		
	S&E	OIG	TOTAL
TRUST FUNDS:			
Civil Service Retirement and Disability Fund:			
Annual	$77,689	$1,091	$78,780
No-Year (Retirement Systems Modernization)	21,777	---	21,777
Sub-Total	$99,466	$1,091	$100,557
Employees and Retired Employees Health Benefits	15,158	8,430	23,588
Employees Life Insurance	1,304	495	1,799
Total OPM	$115,928	$10,016	$125,944

The Merit Systems Protection Board (MSPB) also receives an annual transfer for administrative costs from the Civil Service Retirement and Disability Fund. MSPB's FY 2002 request is $2,520. MSPB is not part of OPM and submits its budget separately.

FY 2002

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

SUMMARY OF GOALS I THROUGH IV

ACTIVITIES	Salaries & Expenses $	Salaries & Expenses FTE	Trust Fund $	Trust Fund FTE	Advances & Reimbursements $	Advances & Reimbursements FTE	Revolving Fund $	Revolving Fund FTE	Total $	Total FTE
Grand Total	100,434	803	171,880	1,371	2,390	142	299,908	668	574,412	2,984
Merit Sys. Oversight & Effectiveness	21,330	214	0	0	0	0	0	0	21,330	214
Employment Service	26,614	191	0	0	0	0	36,363	364	62,977	555
ES - DOD Testing	0	0	0	0	0	0	7,862	157	7,862	157
Retirement & Insurance Service	0	0	149,716	1,211	930	5	0	0	150,646	1,216
Workforce Comp. & Perf. Service	8,291	78	0	0	300	3	0	0	8,591	81
Investigations Service	3,231	39	0	0	165	5	186,337	42	189,733	86
Workforce Relations	4,590	44	0	0	845	8	39,377	27	44,812	79
Executive Resources	2,565	23	0	0	0	1	29,969	78	32,534	102
Administrative Services	21,606	92	8,858	39	14,070	74	0	0	44,534	205
Executive & Other Services	10,809	107	3,090	25	7,690	45	0	0	21,589	177
Less Internal A&R	0	0	0	0	(21,760)	0	0	0	(21,760)	0
	99,036	788	161,664	1,275	2,240	141	299,908	668	562,848	2,872
Inspector General	1,398	15	10,016	96	150	1	0	0	11,564	112

Goal I. LEAD. The Federal Government Effectively Recruits, Develops, Manages, And Retains A High Quality And Diverse Workforce Even As The Labor Market And Workplace Undergo Significant And Continuous Change.

ACTIVITIES	Salaries & Expenses $	Salaries & Expenses FTE	Trust Fund $	Trust Fund FTE	Advances & Reimbursements $	Advances & Reimbursements FTE	Revolving Fund $	Revolving Fund FTE	Total $	Total FTE
Total	45,866	354	8,084	67	0	0	0	0	53,950	421
Merit Sys. Oversight & Effectiveness	4,764	44	0	0	0	0	0	0	4,764	44
Employment Service	17,113	111	0	0	0	0	0	0	17,113	111
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	7,486	62	0	0	0	0	7,486	62
Workforce Comp. & Perf. Service	4,203	41	0	0	0	0	0	0	4,203	41
Investigations Service	2,876	35	0	0	0	0	0	0	2,876	35
Workforce Relations	3,672	35	0	0	0	0	0	0	3,672	35
Executive Resources	453	4	0	0	0	0	0	0	453	4
Administrative Services	7,753	39	443	3	0	0	0	0	8,196	42
Executive & Other Services	5,032	45	155	2	0	0	0	0	5,187	47
	45,866	354	8,084	67	0	0	0	0	53,950	421
Inspector General	0	0	0	0	0	0	0	0	0	0

FY 2002

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

Goal II. PROTECT. The Federal Government, As An Employer, Consistently Honors Merit Principles in Managing Its Workforce.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	24,503	212	0	0	0	0	0	0	24,503	212
Merit Sys. Oversight & Effectiveness	13,901	128	0	0	0	0	0	0	13,901	128
Employment Service	2,351	15	0	0	0	0	0	0	2,351	15
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	0	0	0	0	0	0	0	0
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	355	4	0	0	0	0	0	0	355	4
Workforce Relations	918	9	0	0	0	0	0	0	918	9
Executive Resources	231	2	0	0	0	0	0	0	231	2
Administrative Services	3,866	25	0	0	0	0	0	0	3,866	25
Executive & Other Services	2,881	29	0	0	0	0	0	0	2,881	29
	24,503	212	0	0	0	0	0	0	24,503	212
Inspector General	0	0	0	0	0	0	0	0	0	0

Goal III. SERVE. OPM's High Quality, Cost Effective Human Resources Services Meet The Evolving Needs Of Federal Agencies, Employees, Retirees, Their Families, And The Public.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	30,085	237	142,264	1,114	24,000	141	299,908	668	496,237	2,160
Merit Sys. Oversight & Effectiveness	2,665	42	0	0	0	0	0	0	2,665	42
Employment Service	7,150	65	0	0	0	0	36,363	364	43,513	429
ES - DOD Testing	0	0	0	0	0	0	7,862	157	7,862	157
Retirement & Insurance Service	0	0	131,750	1,063	930	5	0	0	132,680	1,068
Workforce Comp. & Perf. Service	4,088	37	0	0	300	3	0	0	4,388	40
Investigations Service	0	0	0	0	165	5	188,337	42	186,502	47
Workforce Relations	0	0	0	0	845	8	39,377	27	40,222	35
Executive Resources	1,881	17	0	0	0	1	29,969	78	31,850	96
Administrative Services	9,987	28	7,795	31	14,070	74	0	0	31,852	133
Executive & Other Services	2,896	33	2,719	20	7,690	45	0	0	13,305	98
	28,667	222	142,264	1,114	24,000	141	299,908	668	494,839	2,145
Inspector General	1,398	15	0	0	0	0	0	0	1,398	15

FY 2002

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

Goal IV. SAFEGUARD. The Employee Benefit Trust Funds Are Models Of Financial Excellence And Integrity.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	0	0	21,332	190	150	1	0	0	21,482	191
Merit Sys. Oversight & Effectiveness	0	0	0	0	0	0	0	0	0	0
Employment Service	0	0	0	0	0	0	0	0	0	0
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	10,480	86	0	0	0	0	10,480	86
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	0	0	0	0	0	0	0	0	0	0
Workforce Relations	0	0	0	0	0	0	0	0	0	0
Executive Resources	0	0	0	0	0	0	0	0	0	0
Administrative Services	0	0	620	5	0	0	0	0	620	5
Executive & Other Services	0	0	216	3	0	0	0	0	216	3
	0	0	11,316	94	0	0	0	0	11,316	94
Inspector General	0	0	10,016	96	150	1	0	0	10,166	97

1592

FY 2001

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

SUMMARY OF GOALS I THROUGH IV

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Grand Total	95,245	803	146,178	1,371	2,390	142	301,159	688	544,972	2,984
Merit Sys. Oversight & Effectiveness	20,681	214	0	0	0	0	0	0	20,681	214
Employment Service	25,803	191	0	0	0	0	37,755	364	63,558	555
ES - DOD Testing	0	0	0	0	0	0	7,565	157	7,565	157
Retirement & Insurance Service	0	0	124,854	1,211	930	5	0	0	125,784	1,216
Workforce Comp. & Perf. Service	8,039	78	0	0	300	3	0	0	8,339	81
Investigations Service	3,133	39	0	0	165	5	188,709	42	192,007	86
Workforce Relations	4,450	44	0	0	845	8	37,382	27	42,677	79
Executive Resources	2,487	23	0	0	0	1	29,748	78	32,235	102
Administrative Services	18,815	92	8,600	39	14,070	74	0	0	41,485	205
Executive & Other Services	10,480	107	3,000	25	7,880	45	0	0	21,170	177
Less Internal A&R	0	0	0	0	(21,760)	0	0	0	(21,760)	0
	93,888	788	136,454	1,275	2,240	141	301,159	668	533,741	2,872
Inspector General	1,357	15	9,724	98	150	1	0	0	11,231	112

Goal I. LEAD. The Federal Government Effectively Recruits, Develops, Manages, And Retains A High Quality And Diverse Workforce Even As The Labor Market And Workplace Undergo Significant And Continuous Change.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	44,427	354	6,823	67	0	0	0	0	51,250	421
Merit Sys. Oversight & Effectiveness	4,622	44	0	0	0	0	0	0	4,622	44
Employment Service	16,586	111	0	0	0	0	0	0	16,586	111
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	6,243	62	0	0	0	0	6,243	62
Workforce Comp. & Perf. Service	4,072	41	0	0	0	0	0	0	4,072	41
Investigations Service	2,788	35	0	0	0	0	0	0	2,788	35
Workforce Relations	3,560	35	0	0	0	0	0	0	3,560	35
Executive Resources	443	4	0	0	0	0	0	0	443	4
Administrative Services	7,478	39	430	3	0	0	0	0	7,908	42
Executive & Other Services	4,878	45	150	2	0	0	0	0	5,028	47
	44,427	354	6,823	67	0	0	0	0	51,250	421
Inspector General	0	0	0	0	0	0	0	0	0	0

FY 2001

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

Goal II. PROTECT. The Federal Government, As An Employer, Consistently Honors Merit Principles In Managing Its Workforce.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	23,747	212	0	0	0	0	0	0	23,747	212
Merit Sys. Oversight & Effectiveness	13,498	128	0	0	0	0	0	0	13,498	128
Employment Service	2,280	15	0	0	0	0	0	0	2,280	15
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	0	0	0	0	0	0	0	0
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	345	4	0	0	0	0	0	0	345	4
Workforce Relations	890	9	0	0	0	0	0	0	890	9
Executive Resources	224	2	0	0	0	0	0	0	224	2
Administrative Services	3,713	25	0	0	0	0	0	0	3,713	25
Executive & Other Services	2,797	29	0	0	0	0	0	0	2,797	29
	23,747	212	0	0	0	0	0	0	23,747	212
Inspector General	0	0	0	0	0	0	0	0	0	0

Goal III. SERVE. OPM's High Quality, Cost Effective Human Resources Services Meet The Evolving Needs Of Federal Agencies, Employees, Retirees, Their Families, And The Public.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
Total	27,071	237	120,079	1,114	24,000	141	301,159	668	472,309	2,160
Merit Sys. Oversight & Effectiveness	2,561	42	0	0	0	0	0	0	2,561	42
Employment Service	6,937	65	0	0	0	0	37,755	364	44,692	429
ES - DOD Testing	0	0	0	0	0	0	7,565	157	7,565	157
Retirement & Insurance Service	0	0	109,871	1,063	930	5	0	0	110,801	1,068
Workforce Comp. & Perf. Service	3,967	37	0	0	300	3	0	0	4,267	40
Investigations Service	0	0	0	0	165	5	188,709	42	188,874	47
Workforce Relations	0	0	0	0	845	8	37,382	27	38,227	35
Executive Resources	1,820	17	0	0	0	1	29,748	78	31,568	96
Administrative Services	7,624	28	7,568	31	14,070	74	0	0	29,262	133
Executive & Other Services	2,805	33	2,640	20	7,690	45	0	0	13,135	98
	25,714	222	120,079	1,114	24,000	141	301,159	668	470,952	2,145
Inspector General	1,357	15	0	0	0	0	0	0	1,357	15

FY 2001

OFFICE OF PERSONNEL MANAGEMENT
RESOURCE SUMMARY BY STRATEGIC GOAL
(dollar amounts in thousands)

Goal IV. SAFEGUARD. The Employee Benefit Trust Funds Are Models Of Financial Excellence And Integrity.

ACTIVITIES	Salaries & Expenses $	Salaries & Expenses FTE	Trust Fund $	Trust Fund FTE	Advances & Reimbursements $	Advances & Reimbursements FTE	Revolving Fund $	Revolving Fund FTE	Total $	Total FTE
Total	0	0	19,276	190	150	1	0	0	19,426	191
Merit Sys. Oversight & Effectiveness	0	0	0	0	0	0	0	0	0	0
Employment Service	0	0	0	0	0	0	0	0	0	0
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	8,740	86	0	0	0	0	8,740	86
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	0	0	0	0	0	0	0	0	0	0
Workforce Relations	0	0	0	0	0	0	0	0	0	0
Executive Resources	0	0	0	0	0	0	0	0	0	0
Administrative Services	0	0	602	5	0	0	0	0	602	5
Executive & Other Services	0	0	210	3	0	0	0	0	210	3
	0	0	9,552	94	0	0	0	0	9,552	94
Inspector General	0	0	9,724	96	150	1	0	0	9,874	97

CROSSWALK OF FY 2000 TO FY 2005 STRATEGIC PLAN GOALS AND OBJECTIVES TO FY 2002 ANNUAL PERFORMANCE GOALS

ORGANIZED BY FUND AND PROGRAM ACTIVITY

This table provides an easy-to-understand guide that links OPM's ***FY 2002 Annual Performance Goals*** to OPM's ***Strategic Plan Goals***. The following *Crosswalk* contains the program specific annual performance goals that support OPM's general goals and objectives, as stated in the FY 2000-2005 Strategic Plan. Each section begins with one of the four Strategic Plan goals in a box and in bold. Underneath each Strategic Plan goal are the FY 2002 resources committed to achieving this goal, across all OPM programs. Next, are the more specific strategic objectives from the Strategic Plan. Below each Strategic Plan objective is a list of all annual program goals which support that particular objective. The lists are organized by the funding section in which the goals are found (S&E/General Fund Appropriation, Transfers from the Trust Fund, or Revolving Fund).

Crosswalk of Annual Performance Goals by Strategic Plan Goal/Objective, Fund, and Program Activity

GOAL I	LEAD. *THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.*

FY 2002 Resource Summary for Goal I ($ in 000'S)

	Salaries & Expenses	*Trust Fund*	*Advances & Reimbursements*	*Revolving Fund*	*Total*
Obligations	$45,866	$8,084	0	0	$53,950
FTE	354	67	0	0	421

Strategic Objective: Agencies have a model for workforce planning, analysis and forecasting, plus a number of state-of-the-art tools and strategies for recruitment, selection, development and succession planning by FY 2001, and, in future years, will have continual enhancements to meet needs yet to be identified by agencies.

S&E/General Fund Appropriation

Program	*Annual Goal*
Employment Service Goal 1	Implement a fully-functional, on-line workforce planning system to help Federal agencies align human resources with accomplishment of agency mission and objectives and meet the President's goal to flatten the Federal hierarchy.

Strategic Objective: A flexible, competitive and performance-oriented strategic rewards environment that allows the Government to recruit, manage and retain a high quality and diverse Federal workforce is developed by FY 2002.

Salaries and Expenses/General Fund Appropriation

Program	*Annual Goal*
Workforce Compensation and Performance Service Goal 1	Options for performance-oriented approaches to strategic compensation in the Federal government are formulated and vetted among stakeholders so that legislative proposals can be drafted and forwarded for action.
Workforce Compensation and Performance Service Goal 2	Performance improvements in agencies throughout the Government are promoted by maintaining a flexible, decentralized policy framework for managing employee performance, particularly through effective use of appraisal and awards.

Transfers from the Trust Funds

Program	*Annual Goal*
Retirement and Insurance Service Goal 1	The Federal employee benefit programs are enhanced to offer a more flexible range of benefits as OPM explores new benefit offerings and implements new programs.

Strategic Objective: Federal agencies have an increased understanding of and commitment to a family-friendly workplace culture that helps workers balance their careers and personal responsibilities, and that contributes to agencies' ability to effectively recruit and retain employees. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Workforce Relations Goal 1	To promote work/life and wellness programs governmentwide and provide agencies with policy guidance and information resources on a full range of work/life and wellness initiatives.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Strategic Objective: By FY 2004, human resources development strategies result in Federal training that is better linked to agency strategic goals, is more measureable, and is more outcome-oriented.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Workforce Relations Goal 2	Strategic human resource development policy, programs, and initiatives are formulated and advanced so that Federal agencies are better equipped to address their workforce development needs.

Strategic Objective: Federal agencies have an increased understanding of and commitment to effective and cooperative labor-management relationships that continually improve performance and service to the public. (Ongoing).

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Workforce Relations Goal 3	Federal agencies have increased understanding and commitment to effective employee and labor-management relationships that improve performance and service to the public.

Strategic Objective: Agency hiring incorporates new hiring authorities, computer technology and state-of-the-art applicant assessment tools to identify and quickly select a high quality and diverse workforce. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Employment Service Goal 2	Develop and implement employment policies and initiatives that are sound, innovative and flexible in order to recruit and retain a high quality and diverse Federal workforce.

Strategic Objective: By FY 2002, existing programs and flexibilities plus new initiatives, support the retention of employees whose departure from Government service would mean a loss of critical competencies or reduction in agency performance.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Workforce Compensation and Performance Service Goal 3	Retention efforts in agencies throughout the Government are promoted by encouraging and facilitating the use of existing compensation flexibilities (such as special salary rates, retention allowances, and work scheduling flexibilities) and introducing new compensation flexibilities, as needed.

Transfers From the Trust Funds

Program	*Annual Goal*
Retirement and Insurance Service Goal 2	Modifications to the Federal retirement system that support retention are examined and coupled with other benefit offerings.

Strategic Objective: By FY 2004, the Government's executive resources systems appropriately distinguish leadership and technical/professional attributes and help agencies develop, select and manage an exceptional executive corps.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Executive Resources Goal 1	Continue the comprehensive, long-term study of the organization, structure, and composition of the Senior Executive Service and other senior personnel systems begun during FY 2001.
Executive Resources Goal 2	SES performance management systems incorporate balanced measures which help agencies to improve individual and organizational performance, hold executives accountable for results, and provide an adequate basis for personnel decisions.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Strategic Objective: By FY 2005, governmentwide hiring selections are based on assessment tools that are more comprehensive in assessing the full range of competencies needed to perform the jobs of the future.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Employment Service Goal 3	Conduct occupational studies that will provide a foundation for developing selection criteria for the Information Technology, Trades and Labor, and Science and Engineering occupations.

Strategic Objective: The personnel security community makes effective use of the investigative policy we establish and the leadership we provide as a member of the U.S. Security Policy Forum (SPF) of the U.S. Security Policy Board. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Investigations Service Goal 1	Only suitable applicants, appointees and employees are hired for, and remain in, the Federal competitive service.
Investigations Service Goal 2	Promote uniform application of investigative standards mandated by statue and executive order by developing and implementing governmentwide investigative policy.

Strategic Objective: Effective and timely guidance is available to agencies for creating and using alternative dispute resolution programs that can reduce the cost of disputes, reduce litigation, and increase employee satisfaction with the dispute resolution process. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Workforce Relations Goal 4	Agencies make use of alternative dispute resolution (ADR) programs in order to make dispute resolution a more timely, cost-effective and less divisive process.

Strategic Objective: By 2003, aligning human resources management (HRM) with agency mission, improving the capability of human resources professionals, and identifying a set of well-accepted measures for assessing improved HRM governmentwide improves the overall effectiveness of HRM.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Merit Systems Oversight and Effectiveness Goal 1	Improve the overall effectiveness of governmentwide HRM by promoting innovative merit-based HRM projects, including agency alignment of HRM with mission; improving the capability of HR professionals; and identifying well-accepted measures for assessing HRM.

Strategic Objective: Agencies have access to more efficient and effective governmentwide HRM technology solutions developed through the OPM-sponsored Human Resources Technology Council (HRTC). (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
HRTC Goal	Governmentwide human resources business process redesign, systems modernization efforts, and planning initiatives to fully exploit the use of modern automated technologies are pursued by the Human Resources Technology Council (HRTC) as a result of the leadership and support provided by OPM.
HR-DN Goal	Reengineer governmentwide HRM recordkeeping and reporting practices to facilitate the use of human resources data, streamline and improve governmentwide reporting.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Strategic Objective: Clearly communicated and effective human resources management (HRM) regulations, policies and guidance across the full spectrum of HRM continue to support agencies' missions and to carry out the will of the Congress and of the President, as expressed in law and directive. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Merit Systems Oversight and Effectiveness Goal 2	Provide analyses of current HRM topics to OPM program offices in order to improve HRM policies and programs.
Employment Service Goal 4	Federal workforce diversity and veteran hiring efforts for Executive Branch departments and agencies are monitored and reported on, and policies, guidance, and strategies are developed. Assist agencies in increasing diversity levels in key Federal occupations and at key pipeline grade levels as they endeavor to achieve a workforce representing all segments of society, honoring national values placed in law.
Workforce Compensation and Performance Service Goal 4	Needed changes in all significant workforce compensation and performance policies and programs are identified, and changes are introduced so that Federal agencies are better equipped to respond to changing human resources needs in the 21st century.
Workforce Compensation and Performance Service Goal 5	Governmentwide position classification and job grading systems are improved to include more up-to-date standards and to apply more streamlined approaches to classification.
Workforce Compensation and Performance Service Goal 6	Governmentwide efforts to organize agencies and programs using flatter, less hierarchical, and more streamlined structures are supported by policies and guidance that promote effective delayering and position management practices.

GOAL II	**PROTECT.** ***THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.***

FY 2002 Resource Summary for Goal II ($ in 000'S)

	Salaries & Expenses	*Trust Fund*	*Advances & Reimbursements*	*Revolving Fund*	*Total*
Obligations	$24,503	0	0	0	$24,503
FTE	212	0	0	0	212

Strategic Objective: Agencies continue to adhere to the merit system principles and other laws, rules, regulations and public policies governing human resources management even as flexibilities increase and new systems are introduced. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Merit Systems Oversight and Effectiveness Goal 3	Improve and support the high standard of agency adherence to the merit system principles and other laws, rules, regulations and public policies governing Federal human resources management.
Investigations Service Goal 3	Agency personnel security programs are made more effective as a result of OPM evaluations which note best practices, identify deficiencies and make recommendations for improvement.
Executive Resources Goal 3	All career SES selections, particularly those of noncareer employees for career SES appointments, comply with merit principles; agencies comply with statute and regulation in their use of noncareer and limited appointment authorities.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Strategic Objective: By FY 2005, all agencies have implemented accountability systems that effectively hold responsible officials accountable for their human resources operations and results.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Merit Systems Oversight and Effectiveness Goal 4	Encourage and facilitate the development and improvement of agency accountability for conducting HRM in accordance with the merit system.

Strategic Objective: All agency units that conduct employment examinations under our delegated authority are fully trained, covered by effective internal examining accountability systems, and meet our criteria for recertification. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Employment Service Goal 5	Competitive examining is conducted correctly to ensure that Federal agencies comply with civil service laws, rules, regulations, and executive orders and support the merit principles.

Strategic Objective: Decisions of Federal adjudicatory agencies and decisions of OPM in acting on appeals are consistent with civil service laws, regulations and policies. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Employment Service Goal 6	Agency requests for variations, exceptions, extensions, waivers, adjudications, and Schedule C activities are responded to in a manner that is both timely and consistent with law and merit staffing principles so that agencies can proceed in a timely manner.
Office of Workforce Relations Goal 5	Third party decisions that warrant OPM intervention are identified to ensure that case decisions are consistent with civil service laws, rules, and policies.

GOAL III **SERVE *OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES AND THE PUBLIC.***

FY 2002 Resource Summary for Goal III ($ in 000'S)

	Salaries & Expenses	*Trust Fund*	*Advances & Reimbursements*	*Revolving Fund*	*Total*
Obligations	$30,065	$142,264	$24,000	$299,908	$496,237
FTE	237	1,114	141	668	2,160

Strategic Objective: Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Merit Systems Oversight and Effectiveness Goal 5	Provide technical assistance to agencies to improve the overall effectiveness of agency human resource management.
Employment Service Goal 7	Agencies receive clear, accurate, timely staffing advice, assistance and models to ensure that the lawful rights of employees and applicants (including minorities, veterans, displaced employees) are safeguarded and that managers are aware of staffing tools they can use to accomplish strategic objectives.
Office of Workforce Relations Goal 6	Stakeholders receive responsive and useful advice and technical assistance to assure that employee relations, employee health services, work/life initiatives, labor-management relations, and human resource development are a part of agencies' fully integrated human resource systems.
Executive Resources Goal 4	Leadership and management skills, public service values, and a governmentwide perspective are key factors in selections for all SES positions.
Executive Resources Goal 5	Through the biennial executive resources allocation process, maintain an executive workforce that is consistent with Administration policy and the overall size of the Federal Government.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Program	*Annual Goal*
Workforce Compensation and Performance Service Goal 7	Federal agencies receive timely, accurate, and useful advice and technical assistance on performance, classification, and employee compensation that keep them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.

Advances and Reimbursements

Program	*Annual Goal*
Office of Workforce Relations Goal 6	Stakeholders receive responsive and useful advice and technical assistance to assure that employee relations, employee health services, work/life initiatives, labor-management relations, and human resource development are a part of agencies' fully integrated human resource systems.
Workforce Compensation and Performance Service Goal 7	Federal agencies receive timely, accurate, and useful advice and technical assistance on performance, classification, and employee compensation that keep them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.

Strategic Objective: Direct HR services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost-effective choices to meet individual and governmentwide customer needs. (Ongoing)

Revolving Fund

Program	*Annual Goal*
Employment Service Goal 9	Provide expert human resource products and services that meet agency specific needs to ensure that Federal agencies receive high quality, cost effective employment services needed to run high performing organizations.
Employment Service Goal 10	Administer the Armed Services Vocational Aptitude Battery for the Department of Defense (DoD) and provide related services.
Investigations Service Goal 4	The quality of investigations is maintained and workload demands are met with timely, relevant products.
Office of Workforce Relations Goal 7	Through the Training Management and Assistance Program (TMA), assistance is provided to Government agencies in managing the development of training and other human resource management solutions that meet specific short and long-range agency objectives.
Executive Resources Goal 8	Participation in OPM's executive and managerial training programs is increased and income and costs are balanced.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Strategic Objective: The following major human resources programs continue to provide and improve governmentwide cost-effective service that meets or exceeds customer expectations: (Ongoing)

- USAJOBS - Timely, accurate and complete employment information is available for employees and the public.
- Central Personnel Data File (CPDF) - Accurate and timely workforce statistics and information are available to decision makers.
- Compensation administration - Timely and accurate information and assistance are available to decision makers for pay and leave administration purposes.
- Insurance program benefits - These benefits are flexible, comprehensive, quality-driven and based on informed choice.

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Office of Merit Systems Oversight and Effectiveness Goal 6	Meet the workforce information needs of the White House, Congress, Federal agencies, the public, and other customers through the Central Personnel Data File (CPDF).
Employment Service Goal 8	USAJOBS, the governmentwide employment information system, provides service to job seekers and agencies resulting in accessible, cost effective and efficient recruitment of highly skilled and diverse candidates.
Workforce Compensation and Performance Service Goal 8	Continue to administer current compensation systems (annual pay adjustment process, Cost-of-Living Allowance program, Federal Wage System, special salary rates, etc.) in an efficient, accurate, and timely manner.
Retirement and Insurance Service Goal 6	Insurance Programs customers can make informed decisions about their health care, and they are provided with quality insurance products and services.

Strategic Objective: The competencies and leadership effectiveness of Federal executives and managers continuously improve through training, development and voluntary mobility. (Ongoing)

Salaries & Expenses/General Fund Appropriation

Program	*Annual Goal*
Executive Resources Goal 6	Continual learning and voluntary mobility are valued as strategies for maximizing executive effectiveness. Agencies and executives increasingly use training, development, sabbaticals, details, temporary assignments, and movement within and between agencies to broaden perspectives and gain fresh insights on leadership.

Revolving Fund

Program	*Annual Goal*
Executive Resources Goal 7	Increase the efficiency and productivity of Federal agencies by developing the leadership skills of senior leaders and managers. OEMD will accomplish this by providing high quality, competency based, intellectually challenging, and affordable interagency leadership and management training to members of the Senior Executive Service corps, GS-15 senior executives and other managers.

Strategic Objective: Retirement system services are continuously improved and enhanced, and by FY 2009, a more efficient and modernized retirement system will be fully implemented that will provide prompt, accurate and consistent customer service to all stakeholders; accurate and timely payments to benefit recipients; accurate and consistent benefits counseling for eligible participants; and high customer satisfaction with all retirement services (claims processing, telephone services and retirement counseling).

Transfers from the Trust Funds

Program	*Annual Goal*
Retirement and Insurance Service Goal 3	FERS retirement claims processing times are reduced to FY 1999 levels and more customer services are delivered through self servicing.
Retirement and Insurance Service Goal 4	More retiring Federal employees receive benefits counseling and agency benefit officers are provided with improved information and tools for these services.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

Program	*Annual Goal*
Retirement and Insurance Service Goal 5	Perform acquisition planning and begin implementing the redesigned business processes and supporting technology for the modernized retirement system.

Advances and Reimbursements

Program	*Annual Goal*
Retirement and Insurance Service Goal 4	More retiring Federal employees receive benefits counseling and agency benefit officers are provided with improved information and tools for these services.

GOAL IV SAFEGUARD. *THE EMPLOYEE BENEFIT TRUST FUNDS ARE MODELS OF FINANCIAL EXCELLENCE AND INTEGRITY.*

FY 2002 Resource Summary for Goal IV ($ in 000'S)

	Salaries & Expenses	*Trust Fund*	*Advances & Reimbursements*	*Revolving Fund*	*Total*
Obligations	0	$21,332	$150	0	$21,482
FTE	0	190	1	0	191

Strategic Objective: The trust fund financial systems are in full compliance with the Federal Financial Management Improvement Act (FFMIA) and the Federal Managers' Financial Integrity Act (FMFIA) by FY 2003.

Transfers from the Trust Fund

Program	*Annual Goal*
Retirement and Insurance Service Goal 7	The trust fund financial systems are in substantial compliance with the Federal Financial Management Improvement Act and all financially-related management challenges are addressed.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

CORPORATE MANAGEMENT STRATEGIES

We cannot hope to achieve our goals and objectives unless we organize and manage our internal resources effectively. Recognizing the critical importance of our corporate management strategies, we have made them an integral part of our strategic plan. The following section of the Crosswalk links OPM's Annual Performance Goals to the Corporate Management Strategies.

OPM STRATEGIC PLAN: CORPORATE MANAGEMENT STRATEGY – HUMAN RESOURCES MANAGEMENT:

GOAL: ***We can recruit, develop, and maintain the high quality and diverse workforce necessary to accomplish OPM's current and future strategic goals with efficiency and innovation.***

Program	*Annual Goal*
Office of Human Resources and EEO Goal 1	OPM manages its workforce strategically and aligns its human resources in a manner that best supports accomplishment of the agency's strategic goals and furthers the President's HR management improvement objectives.
Office of Human Resources and EEO Goal 2	Recruitment and staffing strategies are based on workforce planning information and facilitate the hiring of a diverse, capable, and flexible workforce.
Office of Human Resources and EEO Goal 3	Innovative employee education and training programs and practices cultivate a workforce that is flexible, optimally trained, and capable of adapting to changing technology.
Office of Human Resources and EEO Goal 4	OPM's work environment attracts, retains, and satisfies employees and managers.
Office of Human Resources and EEO Goal 5	OHREEO uses the best available technology for personnel data processing and record keeping to provide fast, accurate, and efficient human resources services.
Office of Human Resources and EEO Goal 6	OPM's work environment promotes and values diversity, and is free from unlawful discrimination.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

OPM STRATEGIC PLAN: CORPORATE MANAGEMENT STRATEGY – INFORMATION TECHNOLOGY MANAGEMENT:

GOAL. ***Our information technology (IT) processes and infrastructure meet the evolving technology needs of our OPM program offices and the mandates of the Clinger-Cohen Act.***

Program	*Annual Goal*
Office of the Chief Information Officer Goal 1	IT operational support and services, which are provided in an efficient and effective manner, meet customer requirements and facilitate program offices achieving strategic goals.
Office of the Chief Information Officer Goal 2	Our mission-critical systems, infrastructure and information are protected by a robust IT security program.
Office of the Chief Information Officer Goal 3	Continuing improvements to our IT capital planning, control, and development process are implemented to assure optimal decisions on technology investments and the efficient and effective design and operation of the IT systems to achieve our strategic goals.
Office of the Chief Information Officer Goal 4	A sound and integrated agencywide IT architecture provides a standards based, interoperable and secure technology environment that meets our staff needs.
Office of the Chief Information Officer Goal 5	An information resources management program is in place that meets the requirements of the Paperwork Reduction, Freedom of Information, and Privacy Acts and ensures OPM's critical records are safeguarded.

Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity

OPM STRATEGIC PLAN: CORPORATE MANAGEMENT STRATEGY—FINANCIAL MANAGEMENT

GOAL: ***We safeguard OPM's financial resources and provide financial management leadership, services and information to OPM programs to assist them in meeting their strategic goals.***

Program	*Annual Goal*
Office of the Chief Financial Officer Goal 1	Prepare financial statements by the statutory due date and earn an unqualified audit opinion on the OPM financial statements.
Office of the Chief Financial Officer Goal 2	Modernize OPM's financial management systems.
Office of the Chief Financial Officer Goal 3	Financial management support and reporting is provided to ensure OPM's core functions can meet their goals and objectives.

VERIFICATION AND VALIDATION

A fundamental concept behind the Government Performance and Results Act (Results Act) is that measurement will become an integral part of program management and budget decisions. If measurement is to be used for such critical decision-making, it *must be based on useful, reliable, and valid data*. Chosen measures *must have meaning* for stakeholders and for program managers. Simultaneously, any *data collection must be practical and cost-effective*. These are not easy standards to meet.

At the U.S. Office of Personnel Management (OPM), we are fortunate in that we have a tradition of measurement in key program areas, and through these programs, direct access to top-quality measurement expertise. The Employment Service (ES), the Investigations Service (IS), the Office of Merit Systems Oversight and Effectiveness (OMSOE), and particularly the Retirement and Insurance Service (RIS) have developed and used extensive measurement information for many years prior to implementation of the Results Act. In addition, we have staff who are trained measurement experts, and are available to advise all parts of OPM in the design of reliable and valid measures.

Nevertheless, OPM, like other agencies, continues to face significant challenges in assuring that the various measures used to support the Results Act and to improve internal program management are appropriate, reliable, valid, and cost-effective, and that systems are in place to ensure that data quality remains high. OPM has taken steps to address these challenges, and to ensure that measurement data are used effectively to improve program management, but there is more to be done.

OPM has a three-part strategy for approaching these challenges:

- **Balanced Measurement:** Using a balanced set of measures, from multiple sources, to assess program performance;
- **Data and Internal Information Systems Quality:** Strengthening the quality of measurement data and systems used; and
- **Use of Measurement Data:** Ensuring that program managers understand how to use data effectively.

Each of these strategies is discussed below.

Balanced Measurement

OPM's Strategic Plan is built around four major goals which define outcomes for HRM leadership; merit system protection; technical assistance and services to agencies, employees, retirees and their families and the public; and trust fund management. Each goal defines several key objectives to be reached from now until 2005. Our Strategic Plan also includes long-term corporate management strategies for information technology, internal human resources, and

internal financial management systems. The FY 2002 Annual Performance Plan sets incremental targets for progress toward these external and internal strategic goals.

Our strategic planning and annual performance measurement process emphasizes formal, quantifiable methods for evaluating our effectiveness in accomplishing our goals. We are in the process of implementing a new measurement framework that identifies agency-level (corporate) performance measures that track to our *strategic* goals and represent the factors most critical to evaluating our success, and we will use these corporate measures as the primary basis for our external performance reporting. This approach is a change from our previous method of identifying and reporting performance measures that tracked to our specific *annual* goals. This method led to an unwieldy number of measures, which often varied from one year to the next (as the annual goals varied), and which did not always clearly demonstrate that we were meeting our strategic goals. Although we have not completed our implementation of the new measurement framework, this annual performance plan contains fewer goals, and fewer measures, than our previous plans, and will provide a better basis for reporting our performance at the end of the year.

Even as we reduced the number of measures, however, we are continuing to use an approach that depends on a balanced set of indicators from multiple available data sources. The indicators include both quantitative and qualitative measures, and range from user surveys to assess public and internal customer satisfaction with services provided, to direct data on the timeliness and quality of operations, to results such as workforce diversity, to more formal evaluations of the outcomes of specific policies and programs (e.g., the use of new policies, behavioral changes resulting from training programs).

The primary customer surveys used are OPM agency customer surveys (of HR Directors and HR Specialists) and both internal and external surveys of job-seekers, annuitants, and health insurance users. These surveys are described in more detail below.

The direct measures, such as financial data, comparative data on the diversity of the Federal workforce, timeliness of operations, and program data, are available from OPM's internal management information systems and systems maintained for Governmentwide use, like the Central Personnel Data File (CPDF), or from systems maintained by other agencies, like the Bureau of Labor Statistics and the Bureau of the Census.

The more formal evaluation studies are conducted both internally, by our individual program offices, and externally (by such organizations as the General Accounting Office, the Merit Systems Protection Board, and the National Academy of Public Administration). These organizations conduct periodic studies of Federal HRM practices and outcomes, and their findings are an important measure of program success. OPM's Office of the Inspector General also provides external evaluations, conducting audits and reviews of the administrative and earned benefits programs' financial systems, work processes, and performance measures.

We continually review our choices of program measures, and incorporate new or improved measures as needed. We also work with any external providers of data to be sure we are using the best sources, and using the data appropriately.

Following is information on the key surveys used as elements in OPM's balanced measurement program.

- **OPM Customer Satisfaction Surveys.** Two surveys are administered to assess how well we are meeting our responsibility to provide policy leadership, information, and assistance to agencies in conducting their HRM activities. Each survey is targeted to the appropriate customers for the different kinds of services OPM provides.

  The first survey is given to Human Resource Directors of Federal agencies and departments, including all members of both the Human Resources Management Council Executive Committee and the Small and Independent Agency Personnel Directors Group. This survey collects information regarding the extent of our collaboration with agencies in developing human resources policy, systems, tools, and other products. It also measures the extent to which these policies and products are useful and effective toward enabling agencies to recruit and retain the workforce they need to meet their missions. This survey was conducted for FY 1998, FY 1999 and FY 2000. It was administered electronically in FY 2000, an action taken to enhance the response rate.

  The second survey is administered periodically to a nationwide sample of HR specialists at all grade levels, and geographic locations. This survey collects information on the quality, usefulness and effectiveness of the advice, assistance, training, informational materials, and other support we provide to these staff for the administration of HR programs across Government. We first administered the survey in FY 1998, and again in FY 1999.

- **Client Satisfaction Survey of Retirement Program Customers.** We have conducted annual customer satisfaction surveys of our Civil Service retirees and survivor annuitants since 1990. The purpose of the surveys is to determine the level of client satisfaction with our services among retired employees and survivor annuitants. The areas covered by the survey include processing claims for retirement benefits, answering correspondence, handling telephone inquiries, processing of transactions for existing accounts and the extent and quality of retirement counseling that the annuitants received from their former employing agencies. Only annuitants retired in the last two years are asked to complete the retirement counseling sections. For FY 2000, two surveys were conducted, with the first using a sample of transactions that occurred between October 1, 1999, and February 29, 2000, and the second covering the period from March 1, 2000, through August 31, 2000. Taken together, survey questionnaires were mailed to random samples of 1,227 annuitants and survivor annuitants. We received responses from 797 of these customers for a response rate of 65%. The findings thus have a confidence level of 95 % and a margin of error of plus or minus 5%.

- **The American Customer Satisfaction Index.** The American Customer Satisfaction Index (ACSI) is an econometric indicator that was developed by the National Quality Research Center at the University of Michigan Business School and has been used in the private sector to measure customer satisfaction since 1994. It is based on modeling of

customer evaluations of quality of goods and services that are purchased in the United States.

We began to participate in the ACSI in 1999 and have used it to validate and complement our own surveys. Those surveyed are Federal retirees and survivor annuitants. For FY 2000, OPM's overall satisfaction score was 73, compared to the private sector score of 71.2. Specific results identifying areas of comparatively more or less satisfaction support findings from our own surveys of retirement program customers.

- **Merit Systems Principles Questionnaire.** The Office of Merit Systems Oversight and Effectiveness uses the *Merit Systems Principles Questionnaire (MSPQ)* as a primary diagnostic indicator of employee and managerial perception of the merit system in their agencies, prior to making an oversight visit. The questionnaire is also given to a statistically valid, random sample of employees Governmentwide late each summer. The results from the Governmentwide survey are used as a benchmark for agency MSPQ data for the next fiscal year's oversight reviews.

  The MSPQ includes questions on the perception of merit principles and human resources management effectiveness, including effective use of employees. It is our primary measurement tool for determining if the merit principles that are the foundation of the Federal civil service are being consistently honored and for assessing whether we are maintaining an effective oversight program. Several OPM program offices also use the results as surrogate measures of certain objectives and as indicators of needed improvements in policy.

  In FY 1999, the entire questionnaire was significantly shortened and the questions were reorganized and refocused on the respondents' immediate work unit and experience. As a result of these changes, we could not compare the results of the FY 2000 survey to the previous two years' reported data. Instead, we reported new baseline numbers, and will use these to measure trends over the next five years.

Data Quality (Validation and Verification)

We continue to focus on the quality and reliability of the measures used to assess our progress, and are taking specific steps to ensure our data are sufficiently robust for decision making. We recognize the need to strengthen the data used to support some of our performance indicators. A preliminary review by our Office of the Inspector General (OIG) of the indicators used to assess our FY 2000 performance indicated that 59% of the indicators were based on reliable information. However, the OIG was unable to determine the reliability of 24% of the indicators reviewed, and found that the remaining 17% were unreliable. Although these figures may improve in the OIG's final report, clearly we have to improve our data validation and verification processes.

Our transition to corporate measures will strengthen the quality and reliability of our measurement data, since we will be able to focus on fewer measures. We are also working to improve our data validation and verification program, including management controls and

certification. One major step we have taken to enhance our program is to work very closely with our OIG throughout the year, as we design, collect, and evaluate data to assess our goal performance. This action has already resulted in significant improvements in the quality of our data reporting.

We have also taken other steps to make our performance data more reliable for the FY 2002 performance plan. For instance, we discontinued several indicators from our previous plans that were not based on reliable data sources. We have established an agency level performance measurement workgroup that is institutionalizing our surveys of HR Directors and Specialists to ensure these data collection tools are administered on a regular schedule and provide relevant and reliable information. Also we are improving our data collection procedures and controls pertaining to performance data. And, we take care to indicate at the beginning of the year the most critical of the multiple indicators used for particular goals, so that we are objectively evaluating goal performance.

Low response rates for the HR Directors' and HR Specialists' surveys are a particular concern. In FY 1999, the response rate to the HR Directors' survey was low enough to cause us to choose not to use the survey results in our annual performance report. In FY 2000, the response was improved but remained low enough to result in a margin of error of 9.9%. Thus, while we used the results to describe our performance for FY 2000, the performance information is not as precise as we would prefer. Additionally, concerns we had about the response rate to the FY 1999 HR Specialists' survey prompted us to postpone repeating it until the spring of 2001. Fortunately, while this survey had a response rate of only 24% when last administered in FY 1999, the size of the sample was large enough to support a 2% margin of error, with a 95% confidence level. However, this was a missing piece of data to report progress for FY 2000 performance.

For many of our indicators, we relied on secondary anecdotal information to determine whether we had met the target established in our previous performance plans, and will continue to do so in FY 2002. However, we are moving to enhance the procedures we use to collect and track this informal feedback, to ensure these data are more reliable and valid.

In summary, OPM will take the following steps to improve the quality of all of our measurement information:

- We use our internal Results Act working group to share experiences on data quality, validity, and objectivity of data measures being used in OPM programs. The working group shares best practices and assists each other to make improvements where needed.
- We review the quality standards followed by external data suppliers to ensure that we can have confidence in the data they provide.
- We work with our Office of the Inspector General as they conduct their annual reviews of our Results Act implementation, and implement their recommendations.

- We use only accepted professional accounting and tracking software to measure cost savings and improvements in quality and efficiency, and assess accuracy of data through quality control reviews.

- We use accepted professional survey design, sampling techniques, and analysis procedures for internally developed customer satisfaction surveys, to ensure reliability and validity. We consider alternate strategies to improve response rates.

- We use accepted qualitative analysis techniques to assess direct feedback, participant evaluation forms, and focus group results, to ensure objectivity.

- We evaluate qualitative analyses of feedback against survey data to determine if the findings from the two assessment methods are consistent, and follow up on any discrepancies with additional research, including focus groups, telephone interviews, or on-site visits on specific issues.

- We continually improve our data collection to be sure we are using the most efficient and cost-effective processes. We use automation to collect data whenever possible, including customer satisfaction data. We position many of our data collection functions and processes outside of our program operating areas to ensure data integrity.

- We continually improve our management information systems, to ensure that they provide managers with the information they need, as well as information for external reporting purposes. The RIS management information system (described in detail in the RIS program section of the Annual Plan) serves as a good example.

Use of Measurement Data

In addition to the challenges of assuring good measurement, it is important to ensure that managers understand how to interpret data, how to balance measurement data with other sources of information, and how to integrate measurement review and reporting into their program management.

To help ensure effective use of measurement in OPM, we will:

- Continue to align individual performance plans for executives, managers, and employees with the achievement of the Strategic and Annual Plan goals and objectives. This process began in FY 1998 and will be completed in FY 2001.

- Ensure that management and staff have the knowledge and skills they need to use measurement information. We share widely useful guidance materials from other agencies and support necessary training of key staff.

- Continue to communicate to all employees the content of the Strategic and Annual Plans, including the measures of success, so that employees are more aware of how their work helps to accomplish our strategic goals. To this end we have held two all-hands

management retreats to discuss the agency's goals and measurement plans, and we post our plans and reports on our intranet website, THEO, for access by all OPM employees.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES ACCOUNT

DESCRIPTION

The Office of Personnel Management's Salaries and Expenses (S&E) account finances the operating expenses necessary to carry out OPM's authorized functions and responsibilities, excluding those specifically included under the Office of the Inspector General and the Revolving Fund accounts. This account has the following three separate fund sources:

- **Salaries and Expenses/General Fund Appropriation**

  This annual appropriation pays for the operating expenses required to carry out OPM's mandated responsibilities. This primarily includes Merit Systems Oversight and Effectiveness, Employment Service, Workforce Compensation and Performance Service, Investigations Service, Workforce Relations and the Executive Resources programs.

  This appropriation also finances other programs for which OPM has been assigned administrative responsibility. These include the President's Commission on White House Fellowships and parts of the Voting Rights Act program.

  In addition, this appropriation funds the S&E share of agencywide Administrative Services and Executive Services.

- **Transfers from the Trust Funds**

  OPM receives from Congress an annual appropriation to pay the operating expenses associated with OPM's administration of the civil service retirement and insurance programs. In addition, this appropriation funds the Trust Funds' share of agencywide Administrative Services and Executive Services.

  These funds are transferred from OPM's Civil Service Retirement and Disability Fund, Employees and Retired Employees Health Benefits Fund, and Employees Life Insurance Fund.

- **Advances & Reimbursements**

  OPM provides services, on a reimbursable basis, to other agencies when OPM possesses special skills and technical expertise that are more economical than alternative public or private sources, e.g., sponsoring conferences and providing technical assistance on human resources management.

  In addition, OPM has internal reimbursements from other OPM accounts to finance their share of agencywide Administrative Services and Executive Services.

SALARIES AND EXPENSES ACCOUNT

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	**$211,496**	**$254,342**	**$284,700**	**$30,358**
Offsetting Collections:				
Advances and Reimbursements	$9,244	$24,000	$24,000	---
Trust Fund (Annual)	90,671	91,285	94,151	2,866
Permanent Indefinite Authority				
Title V	17,352	31,736	45,736	14,000
New Trust Fund (No-Year)	---	10,477	21,777	11,300
Prior Trust Fund (No-Year)	4,465	2,956	---	(2,956)
Total	**$121,732**	**$160,454**	**$185,664**	**$25,210**
Budget Authority:				
General Fund/Annual	**$90,584**	**$94,095**	**$95,836**	**$1,741**
Rescission	(344)	(207)	---	207
General Fund/No-Year (HR-DN)	---	---	3,200	3,200
Total	**$90,240**	**$93,888**	**$99,036**	**$5,148**
Trust Funds Budget Authority:				
Annual	**$91,486**	**$91,486**	**$94,151**	**$2,665**
Annual (Rescission)	(347)	(201)	---	201
No-Year	4,000	10,500	21,777	11,277
No-Year (Rescission)	(15)	(23)	---	23
Total	**$95,124**	**$101,762**	**$115,928**	**$14,166**
Outlays	**$101,826**	**$93,683**	**$94,547**	**$864**
Full-Time Equivalents	**2,045**	**2,204**	**2,204**	**0**

SALARIES AND EXPENSES ACCOUNT

(General Fund, Trust Funds and Advances and Reimbursements)

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$123,817	$127,114	$3,297
Personnel Benefits	27,334	28,432	1,098
Benefits for Former Personnel	55	57	2
Travel and Transportation of Persons	2,891	2,944	53
Transportation of Things	113	116	3
Rental Payments to GSA	17,063	17,421	358
Communications and Utilities	11,567	11,743	176
Printing and Reproduction	2,473	2,510	37
Other Services	59,873	85,048	25,175
Supplies and Materials	2,937	2,992	55
Equipment	6,219	6,323	104
Total Obligations	**$254,342**	**$284,700**	**$30,358**

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Merit Systems Oversight & Effectiveness	$20,680	$20,681	$21,330	$649
Employment Service	23,373	25,803	26,614	811
Workforce Compensation & Perf. Service	7,675	8,039	8,291	252
Investigations Service	3,140	3,133	3,231	98
Workforce Relations	4,594	4,450	4,590	140
Executive Resources	2,620	2,487	2,565	78
Administrative Services	18,740	18,815 *	21,606	2,791
Executive and Other Services	8,942	10,480	10,809	329
Total	**$89,764**	**$93,888**	**$99,036**	**$5,148**
Budget Authority:				
Annual	$90,584	$94,095	$95,836	$1,741
Rescission	(344)	(207)	--	207
No-Year (HR-DN)	--	--	3,200	3,200
Total	**$90,240**	**$93,888**	**$99,036**	**$5,148**
Outlays	**$101,826**	**$93,683**	**$94,547**	**$864**
Full-Time Equivalents:				
Merit Systems Oversight & Effectiveness	190	214	214	0
Employment Service	153	191	191	0
Workforce Compensation & Perf. Service	75	78	78	0
Investigations Service	31	39	39	0
Workforce Relations	42	44	44	0
Executive Resources	20	23	23	0
Administrative Services	92	92	92	0
Executive and Other Services	100	107	107	0
Total	**703**	**788**	**788**	**0**

* Includes $1 million for HR-DN.

SALARIES AND EXPENSES

GENERAL FUND APPROPRIATION

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$49,741	$51,382	$1,641
Personnel Benefits	10,844	11,384	540
Benefits for Former Personnel	35	36	1
Travel and Transportation of Persons	2,117	2,161	44
Transportation of Things	84	86	2
Rental Payments to GSA	8,164	8,335	171
Communications and Utilities	2,647	2,703	56
Printing and Reproduction	807	824	17
Other Services	15,529	18,123	2,594
Supplies and Materials	1,334	1,362	28
Equipment	2,586	2,640	54
Total Obligations	**$93,888**	**$99,036**	**$5,148**

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF MERIT SYSTEMS OVERSIGHT AND EFFECTIVENESS

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$20,680	$20,681	$21,330	$649
Full-Time Equivalents	190	214	214	---

DESCRIPTION OF ACTIVITY

The integrity of employment practices in the nation's civil service is fundamental to public trust and sound government. Oversight of the merit system is especially critical now because increased flexibilities, increased delegation to line managers, decreased human resource staffs and increased agency exemptions from Title V have resulted in an increasingly complex environment. That very complexity, coupled with the loss of HR expertise, breeds opportunities for abuse of the merit system.

OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) leads the Government's efforts to oversee the Federal merit system and helps agencies adopt and improve Human Resources Management (HRM) accountability systems that support their mission. OMSOE also manages OPM's role in HRM innovation including demonstration projects and alternative personnel systems, and promotes the alignment of human resources with agency mission priorities. Additionally, the OMSOE program serves as the central source for information on the Federal workforce, meeting the workforce information needs of OPM, other central management agencies, the Congress, the White House, the media, and the public. OMSOE also provides voting rights assistance at the request of the Department of Justice.

In order to meet these priorities, OMSOE recruits highly qualified applicants from other Federal agencies and the private sector. We especially seek HR professionals who have experience in operating and evaluating effective human resources management systems, developing and assessing merit systems and HR innovations, and/or advanced technological expertise in HR technology applications and systems.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 4,764 Full-Time Equivalents: 44

By 2003, aligning human resources management (HRM) with agency mission, improving the capability of human resources professionals, and identifying a set of well-accepted measures for assessing improved HRM governmentwide improves the overall effectiveness of HRM.

OMSOE Goal 1: **Improve the overall effectiveness of governmentwide HRM by promoting innovative merit-based HRM projects, including agency alignment of HRM with mission; improving the capability of HR professionals; and identifying well-accepted measures for assessing HRM.**

Established under Strategic Goal I, this program goal outlines OPM's commitment to improving the effectiveness of HRM policies and programs. By promoting innovative merit-based HRM projects, Federal agencies are better able to recruit, develop, manage and retain the workforce necessary to accomplish their missions.

Means:

- Promote and oversee implementation and evaluation of agency-based tests of improvements in HRM policy and programs (such as demonstration projects) that support agency missions.
- Collaborate with stakeholders to identify a set of well-accepted HRM measures for use Governmentwide by 2003.
- Promote the alignment of HRM with agency mission.

➢ Collect baseline information on status of HR workforce transformation. OPM is committed to helping HR staffs transform themselves in response to profound changes in the HR profession. Our three-part study, *An Occupation in Transition*, found serious gaps between competencies possessed by Federal HR professionals and competencies required. We are gathering information on what agencies are doing and what remains to be done to implement the transformation of Federal HR workforce to these new competencies.

➢ Design and produce useful web-accessible tools and guides to promote development of the HR profession.

Indicators/Performance Results:

➢ Agency-based tests of HRM programs and policies continue and grow in scope of content with input or participation from OMSOE. (source: Federal Register notices, evaluation reports)

In FY 2000:
Monitoring of current demonstration project evaluations continued to ensure adherence to our evaluation standards and to merit system principles.
- *OMSOE completed the review and approval of the Acquisition Demonstration Project Evaluation Plan.*
- *OMSOE also completed the review and approval of the Commerce Demonstration Project Implementation Report.*

In FY 2001:
In addition to our regular monitoring of current demonstration projects, OMSOE is also working with the DoD laboratory demonstration projects, which are now exempt from OPM approval and evaluation requirements due to recent legislation, to ensure that the DoD laboratory demos meet the same research and evaluation objectives as all other demonstration projects

➢ Improvements in policy, law, rule and regulation result from information gained through evaluation, lessons learned and best practices of HRM innovation projects. (source: changes in policy, regulation, law)

In FY 2000:
- *OMSOE considered options for expanded demonstration authority. OMSOE streamlined our process and procedures to accommodate the anticipated increased interest in and use of the Authority.*
- *OMSOE continued to respond to agency requests for information on best practices and lessons learned and provided technical assistance on new approaches to HR in such*

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

areas as pay, staffing and managing organizational change drawn from the public and private sectors.

- *OMSOE exercised our leadership role in HR innovation, including demonstration projects, performance based organizations and alternative personnel systems.*

In FY 2001: *In response to the increasing numbers of alternative personnel systems exempted from OPM requirements, we issued two new civil service rules to clarify accountability, oversight and workforce information requirements for such systems.*

➢ Customer satisfaction with usefulness of policy, products and guidance developed and extent of collaboration.

Human Resource Directors	**"Policy Leadership" Percent Satisfied or Very Satisfied**				
Policy Setting	FY 1998 Baseline	FY 1999 Result	FY 2000 Result	FY 2001 Goal	FY 2002 Goal
Demonstration Projects and Alternative Personnel Systems	36%	Not Avail.	49%	50-54%	50-54%

Human Resource Directors	**"Opportunity for Involvement" Percent Satisfied or Very Satisfied**				
Policy Setting	FY 1998 Baseline	FY 1999 Result	FY 2000 Result	FY 2001 Goal	FY 2002 Goal
Demonstration Projects and Alternative Personnel Systems	41%	Not Avail.	74%	75-79%	75-79%

➢ Evidence that an increasing number of agencies are properly integrating HRM into strategic planning: (a) "Large" agencies, and (b) "Small" agencies. We will determine the baseline for this measure by the end of FY 2002. The baseline will be based on data collected for FY 2001 and FY 2002 – this measure will subsequently be updated every two years (next update will occur in FY 2004).

Clearly communicated and effective human resources management (HRM) regulations, policies, and guidance across the full spectrum of HRM continue to support agencies' missions and to carry out the will of the Congress and of the President, as expressed in law and directive. (Ongoing)

OMSOE Goal 2: **Provide analyses of current HRM topics to OPM program offices in order to improve HRM policies and programs.**

Established under Strategic Goal I, this program goal outlines OPM's commitment to improving the effectiveness of HRM policies and programs. By improving the effectiveness of Federal HRM policies and programs, Federal agencies are better able to recruit, develop, manage and retain the workforce necessary to accomplish their missions.

Means:

- Identify areas of HRM that need attention by analyzing the Central Personnel Data File (CPDF), the *Merit System Principles Questionnaire* (*MSPQ*), oversight reviews, HRM demonstration project evaluations, the results of earlier studies, current HR trends and OPM priorities. Conduct at least two major HRM special studies in the areas identified above. OMSOE will identify the special studies to be conducted in FY 2002 during the Spring of 2001.

- Propose to OPM program offices any HRM policy areas that need attention as indicated by these special studies.

Indicators/Performance Results:

- OMSOE special studies produce valuable information that contributes to policy or program proposals. (source: changes in policy, regulation, law)

  OMSOE special studies are designed to provide information that will assist OPM and agencies in their efforts to manage the government's human resources better. The information in the reports will inform OPM in assessing whether certain legislative or regulatory changes are necessary, and how to provide agencies with direction on how they can best manage their HR systems. Some of these special studies will be published for external audiences, and all of them will provide input to OPM policy-making efforts.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

In FY 2000:

OMSOE completed and distributed four special studies in early FY 2000 that were started in FY 1999. They should have significant impact on human resources management operations. The first is a study of the HR workforce in transition. The second study involves the operation of recruitment, retention and relocation bonuses within agencies. This study is already providing data for OPM's total compensation effort. The third study is "The Changing Face of Performance Recognition." The fourth study reviews what authorities agencies are using to make employee work life more family friendly.

In FY 2001:

OMSOE has already completed one special study and plans to publish at least three more by the end of the fiscal year. The study that has already been distributed is Federal Benefits Counseling: Putting the Pieces Together. In FY 2001, OMSOE will also select the special study topics to research in FY 2002.

In FY 2002:

OMSOE will continue its efforts to issue special studies that will benefit the HR community, as well as, shape HR policy.

➢ Customer satisfaction with usefulness of products developed.

OPM STRATEGIC PLAN GOAL II:

PROTECT. THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 13,901 Full-Time Equivalents: 128

Agencies continue to adhere to the merit system principles and other laws, rules, regulations and public policies governing human resources management even as flexibilities increase and new systems are introduced. (Ongoing)

OMSOE Goal 3: **Improve and support the high standard of agency adherence to the merit system principles and other laws, rules, regulations and public policies governing Federal human resources management.**

The health of the merit system remains fundamental to public trust and sound government. This program goal was established under Strategic Goal II to ensure that personnel practices are

carried out in accordance with the merit system principles (MSPs), as well as other laws rules and regulations. OPM leads the Federal government's efforts to oversee the Federal merit system, and to promote awareness and understanding of the MSPs.

Means:

➢ Conduct 15 nationwide agency merit system oversight reviews, including reviews of Executive Branch agencies whose personnel are not covered by title 5 of the U.S. Code, and a number of small agencies to ensure Federal agencies operate merit-based systems. Audit 70 delegated examining units.

➢ Address individual employee equity concerns through the classification appeal, pay claim and Fair Labor Standards Act complaint processes.

➢ Identify, analyze and act on those third party decisions warranting formal OPM intervention, reconsideration or judicial review.

Indicators/Performance Results:

➢ Reviews reflect adherence to the merit principles and compliance with HR laws and regulations. (source: results from oversight reviews)

In FY 2000:

- *OMSOE reviewed seven large agencies and eight small agencies (including some alternative personnel systems within these organizations). In addition, 78 delegated examining audits were conducted. OMSOE continued to emphasize developing alternate approaches to assist in ensuring that the merit system functions effectively within the Federal Government. We focused on alternative personnel systems within the agencies scheduled for review in this year of our four-year cycle. We continued to publish Oversight Notes.*

Several examples of overarching themes or lessons from our FY 2000 oversight reviews follow:

- ***Staffing:** Overall, agencies were complying with the requirements for veterans preference and for providing fair and open competition for Federal jobs, but some corrective actions were required where public notice was not provided. We saw agencies working to rightsize and focus on succession management following downsizing. Also, agencies were working to improve diversity of applicants and of current staff.*

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

- ***Workforce Management:*** *We saw agencies struggling with the use of performance-based systems for making decisions on pay, awards, training, and retention. Even those agencies converting to pass-fail systems have endured significant employee dissatisfaction with its use. We saw agencies using quality step increases without exploring the cost of those increases. Agencies were working to improve the relationship of performance to pay, awards, and performance ratings. Agencies were working to provide developmental opportunities for employees. Agencies were offering a wide variety of family friendly programs such as alternative work schedules, child care, telework and elder care. Employees were appreciative of these efforts, but said agencies need to keep working on these issues.*

- *Also in FY 2000, we began to experiment with an alternate oversight approach. Using this approach, when an agency has established an effective onsite oversight system and agrees to allow us to participate in all reviews and provide us copies of their reports, we will forego our cyclic review. Rather than the one picture every four years provided by our cyclic reviews, these agreements can provide us with constant information about the state of the merit system in agencies. We will closely monitor the effectiveness of this experimental approach. In March 2000, the first agreement under this approach was signed with the Social Security Administration.*

In FY 2001:

- *In October, OMSOE signed a second alternate oversight approach agreement with the Department of the Army. OMSOE will continue its efforts in seeking an alternate oversight approach and to monitor the effectiveness of this experimental approach.*

- *In addition, OMSOE continues to 1) conduct onsite reviews of agency IPA programs as part of the broader review cycle and 2) requires agencies to submit an annual report of IPA Mobility program activity.*

➢ Appropriate and timely resolution of problems found during the review process. (source: results from oversight reviews)

In FY 1999:
Oversite reviews continued to take in consideration the general perspectives that became evident during the FY 1999 reviews:

Individual rather than agency-wide problems of a serious nature: Hiring non-veterans to positions restricted to veterans. Hiring a relative, downgrading individuals without providing them adequate appeal rights, and back-dating incentive awards. Systemic avoidance of hiring veterans through the use of multi-disciplinary announcements. Lack of a system for providing veterans preference in excepted appointments. Lack of adequate

examining knowledge by the entire staff of an agency delegated examining operation. Use of Outstanding Scholar as the sole appointment source without any competitive examining. Intentional misclassification to reduce the number of positions counted against personnel staff ratios.

The speed of problem resolution depends on each review. Many problems encountered on-site are corrected immediately. Where OMSOE discovers a substantial amount of violations or systemic problems, OMSOE routinely follows up on reviews and requires an initial response within 60 days. Often that time frame is sufficient to correct all the problems.

Agencies show a willingness to solve their own problems. One example involves an agency which re-instituted its own internal accountability program this year because of serious problems we discovered at one of its sites last year

In FY 2000:
OMSOE continued to work with agencies to solve problems in a timely and satisfactory manner. The problems we did find continue to be anecdotal rather than systemic. Agencies are truly striving for compliance, and continue to be cooperative.

In FY 2001:
OMSOE is maintaining its schedule of agency reviews as laid out in its four-year review plan for agencies, covering FY 2000 through FY 2004; and its five-year review plan for small and independent agencies, covering FY 2000 through FY 2004.

In FY 2002:
OMSOE continues its efforts to meet its agency review plans.

➢ There is high customer satisfaction with the review process (source: Balanced Scorecard used in Outcome Assessment report and customer feedback).

Agencies complete an assessment form following each review. The agencies rate the review on factors such as: providing useful information and feedback, addressing important human resource issues, articulating clear expectations and explaining the reasons for required and recommended actions. Agency satisfaction with reviews is rated on a scale of 1 = Poor, 5 = Outstanding.

In FY 2000: Average agency satisfaction with reviews was 4.37.

In FY 2001 and FY 2002 OMSOE will continue to work toward improving agency satisfaction with oversight reviews.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

➢ Workforce's perceptions of equity and merit in the workplace (source: Merit System Principles Questionnaire)

OMSOE collects the governmentwide data from the Merit System Principles Questionnaire (MSPQ) in the last quarter of every fiscal year so that results are available for use in oversight reviews beginning in the first quarter of the next fiscal year. OMSOE distributes the survey to a governmentwide sample of Federal employees, including supervisors and managers.

In FY 2000:
The FY 2000 MSPQ governmentwide data was collected in late FY 1999. This data serves as a baseline for future years.

The perception of these values is influenced by many factors, including Federal personnel policies and practices; current governmentwide economic, cultural and social conditions; and other issues. We, therefore, expect substantive change in the perception of these principles to occur only over a period of years. Over the next five years, we hope to maintain the high percentage levels of favorable responses for many of the principles. OPM programs will continue to use the results of the MSPQ as an indicator of policy areas which need attention, with a long-term focus on improving the responses for those principles with less favorable responses.

In FY 2001:
The FY 2001 MSPQ was administered to a random sample of Federal employees in June 2000. We are analyzing the questionnaire results. The Governmentwide sample results is being used for comparison purposes with the MSPQ results obtained in conjunction with our FY 2001 oversight reviews.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

The results for the FY 2000 questionnaire and our goals for FY 2001 and FY 2002 follows:

Merit System Principles	%Favorable		
	FY 2000 (baseline)	FY 2001 (goal)	FY 2002 (goal)
1. Recruit, select and advance on the basis of merit.	62	Stable	improved
2. Treat employees and applicants fairly and equitably.	63	Stable	improved
3. Provide equal pay for equal work, and reward excellent performance.	44	Improved	improved
4. Maintain high standards of integrity, conduct, and concern for the public interest.	76	Stable	stable
5. Manage employees efficiently and effectively.	54	Improved	improved
6. Retain or separate employees on the basis on their performance.	65	Stable	improved
7. Educate and train employees when it will result in better organizational and individual performance.	58	Improved	improved
8. Protect employees from improper political influence.	67	Stable	improved
9. Protect employees against reprisal for the lawful disclosure of information.	41	Improved	improved

➢ Classification appeals, pay claims and Fair Labor Standards Act program decisions are timely, understandable and complete. (source: Classification Appeals Program Management Information System (CAPMIS))

In FY 2000:
In FY 2000 OMSOE adjudicated 139 classification appeals and 13 FLSA claims. Also, in FY 2000 we took on the responsibility for processing pay claims and subsequently processed 24 of those claims.

The feedback from the FY 2000 classification appeals survey indicated that typically both the agencies and the employees believe that our decisions have been timely, understandable and have addressed the issues raised. We received original surveys from 163 agencies and 69 employees. We began using a revised survey on April 1, which was responded to by 29 agencies and 10 employees.

Several assessment forms received early in the fiscal year spoke specifically to the issue of timeliness. Many appellants stated that they were not informed of OPM's timeframe for deciding an appeal. It was also apparent that, when considering how long it took for their

classification appeal to be resolved, many appellants began counting from the time they first raised the issue with their supervisor.

For this and other reasons, we revised our acceptance letters to appellants and agencies to state the OPM timeframe of 60 workdays after the agency administrative report is received to decide an appeal. We also stressed in the letters the importance of the administrative report by stating that OPM could not begin work on an appeal until the report was received. In the hope of improving our customers' satisfaction with OPM's timeliness, we revised our employee survey to distinguish between the time it takes an agency to process an appeal and the time it takes OPM to process an appeal. We began using the revised surveys on April 1, 2000.

In FY 2001: We are also in the process of making improvements to regulations, which pertain to the classification appeals process for both General Schedule and Federal Wage System positions.

By FY 2005, all agencies have implemented accountability systems that effectively hold responsible officials accountable for their human resources operations and results.

OMSOE Goal 4: **Encourage and facilitate the development and improvement of agency accountability for conducting HRM in accordance with the merit system.**

This program goal was established under Strategic Goal II because by fostering the development of agency accountability systems OPM is simultaneously promoting agency adherence to the merit system principles. As Federal HRM becomes increasingly decentralized and more HRM authority is delegated to agencies and managers, it is increasingly important that agencies have a strong internal capability for ensuring accountability and compliance with the merit system principles.

Means:

- Assess agency HRM accountability systems.
- Improve ways to evaluate the effectiveness of HRM accountability systems.
- Promote and assist agencies in developing and improving their accountability systems.

Indicators/Performance Results:

➢ Increase by 10% the number of agencies' human resources management accountability systems that are aligned with strategic mission and goals.

In FY 2000:
We reviewed internal HRM accountability efforts at seven large agencies and eight smaller ones, as part of the OMSOE agency reviews. Assessment and tabulation of the results is not yet complete. However, as of mid-year we had over 60 agencies or major agency components in our database, a number that will continue to grow as the OMSOE review cycle proceeds. Mid-year results show a gradually increasing percentage of the agencies in the database have established HRM goals aligned with agency goals (currently 76%), and a large minority (43%) have now also identified and are tracking HR measures.

Our "HRM Accountability System Development Guide" continues to be available on the OPM web site as a basic primer in accountability and as a tool for agencies seeking to improve their accountability systems. We also continue to work individually with agencies seeking assistance in developing HRM accountability systems. We worked with the Department of Interior this year to help implement the system developed with our help the previous year. We also took on a new client, IRS, which sought our help in designing an accountability system after the model described in the "Guide." In addition to this guidance, we provided IRS and Interior with access to CPDF data that could be used for measurement purposes, and sent a team to IRS in July 2000 to teach the accountability staff there how to use it.

FY 2000 was a breakthrough year in terms of the impact of our HRM accountability program throughout OPM. The "hierarchy of accountability" model found in the "System Development Guide" became the basis for OPM's HR strategic alignment pyramid, which was unveiled by Director Lachance in June 2000. This new strategic alignment thrust was also strongly influenced by our September 1999 special report, "Strategic Human Resources Management: Aligning with the Mission."

In FY 2001:
OMSOE clarified and strengthened accountability requirements in an executive order, creating two civil service rules.

In FY 2002:
OMSOE will develop standards for evaluating the effectiveness of accountability systems.

➢ Overall accountability for HRM increases in agencies, as measured by the results of oversight reviews and appropriate special studies. (New indicator in FY 2001. In FY 2001:

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

We will develop and establish a baseline for this measure in FY 2001, and target results in FY 2002.)

➢ Surveys of HR Directors (or Interagency Advisory Group Accountability Committee representatives) indicate satisfaction with our policy leadership and with their opportunity for involvement in this area. (Data from FY 1999 is not available.)

Human Resource Directors	**"Policy Leadership" Percent Satisfied or Very Satisfied**			**"Opportunity for Involvement" Percent Satisfied or Very Satisfied**		
Policy setting/Program Area	FY 2000 Baseline	FY 2001 Goal	FY 2002 Goal	FY 2000 Baseline	FY 2001 Goal	FY 2002 Goal
Accountability	60%	61-65%	61-65%	61%	62-66%	62-66%

➢ Increase Governmentwide awareness of the Merit Principles and Prohibited Personnel Practices, as evidenced by results from the Merit System Principles Questionnaire. Line manager must be aware of the Merit Principles before they can actually apply them in their HRM decision making.

In FY 2000:
We continued to make available to agencies a variety of Merit Principles educational tools, including our award-winning video with accompanying training module, wallet cards, brochures, and mouse pads. OMSOE staff also made over 15 Merit Principles presentations at the OPM Management Development Centers, directly reaching some 1000 current or aspiring managers from across Government.

In the governmentwide MSPQ survey, 61% of those responding reported awareness of the Merit System Principles, and 75% reported awareness of the Prohibited Personnel Practices. The FY 2001 MSPQ was administered to a random sample of Federal employees in June 2000. We are analyzing the questionnaire results. The Governmentwide sample results will be used for comparison purposes with the MSPQ results obtained in conjunction with our FY 2001 oversight reviews.

We will continue to utilize various educational approaches toward maintaining and improving the awareness of the Merit Principles and Prohibited Personnel Practices. We will continue our promotion of the Merit Principles through the OPM Management Development Centers, other training vendors and internal agency training.

In FY 2001:
OMSOE will continue the MSPQ survey and educational efforts.

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 2,665 Full-Time Equivalents: 42

Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

OMSOE Goal 5: **Provide technical assistance to agencies to improve the overall effectiveness of agency human resource management.**

This program goal was established under Strategic Goal III because by providing HRM technical assistance and guidance we are attempting to meet the needs of our customers, particularly Federal agencies. OPM serves the Federal HR community by developing tools and other products and publications, as well as facilitates information sharing in the Federal HR community.

Means:

- Provide agencies with technical assistance, guidance, policies, lessons learned and other information on the development, implementation, operation and evaluation of:
  - HR innovation projects across the Federal Government, including demonstration projects, alternative personnel systems and Performance Based Organizations;
  - accountability systems; and
  - improved strategic human resources alignment in agencies, through integration of decisions about people with decisions about results.

- Coordinate and share information to support the changing role of the Federal human resources workforce.

- Coordinate and share information on human resource measures and measurement systems.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

Indicators/ Performance Results

- OMSOE technical assistance, tools and information are web-supported and are easily accessible by agencies.

  In FY 2000:
  OMSOE developed additional resource material for agencies on HRM measurement.

  OMSOE convened an interagency advisory group (via our HRMC HRM Accountability Committee) to expand the Accountability Clearinghouse with additional examples. OMSOE putt out a call for more agency inputs, as well as contributed more information ourselves.

  OMSOE also stepped up our efforts to work one-on-one with agencies to assist them in developing their systems. OPM assistance has led to completion of an HRM accountability system for the Department of Interior, with implementation of the system underway.

- Increase in the number, scope, type of technical assistance, information sharing and products.

  In FY 2000:
  OMSOE increased its role in assisting agencies interested in alternative personnel systems, including PBOs.

  OMSOE prepared and disseminated additional information, and shared lessons learned and best practices on various aspects of innovation projects from development, to partnership, to accountability.

➢ Technical assistance meets customer needs. (Source: OPM Customer satisfaction survey.)

Human Resource Specialists	**"Information Sharing" Percent Satisfied or Very Satisfied**				
Program Area	FY 1998 Baseline	FY 1999 Result	FY 2000	FY 2001 Goal	FY 2002 Goal
HRM Accountability	Not avail.	66%	No Data	67-71%	67-71%
HR Innovation- Alternative Personnel Systems	Not avail.	57%	No Data	58-62%	58-62%

Human Resource Specialists	**"Technical Assistance" Percent Satisfied or Very Satisfied**				
Program Area	FY 1998 Baseline	FY 1999 Result	FY 2000	FY 2001 Goal	FY 2002 Goal
HRM Accountability	Not avail	69%	No Data	70-74%	70-74%
HR Innovation- Alternative Personnel Systems	Not avail.	47%	No Data	48-52%	48-52%

Human Resource Specialists	**Percent Satisfied/Very Satisfied**			
Guidance Material/Reports	FY 1999 Result (Products rated vary year to year; none rated in 1998)	FY 2000	FY 2001 Goal	FY 2002 Goal
MSP Video	59%	No Data	60%	60%
HRM System Development Guide	63%	No Data	64%	64%
Strategic HRM and alignment	60%	No Data	61%	61%
HR Flexibilities and demonstration guidance materials	70%	No Data	71%	71%

The OPM Customer Satisfaction Survey of Human Resource Specialists was not administered in FY 2000. However, we do have some anecdotal customer service data.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

We received positive written and oral feedback (emails, letters, phone calls) from human resource professionals at Federal departments, agencies and managers regarding our Internet site, flexibility handouts, demo factsheets & HR innovation tools. We continue to upgrade our Internet site and to provide HR innovation information based on customer input and inquiries.

The following major human resources programs continue to provide and improve governmentwide cost-effective service that meets or exceeds customer expectations. (Ongoing)

Central Personnel Data File (CPDF) - Accurate and timely workforce statistics and information are available to decision makers.

OMSOE Goal 6: **Meet the workforce information needs of the White House, Congress, Federal agencies, the public, and other customers through the Central Personnel Data File (CPDF).**

This program goal aligns with OPM's strategic goal of service (Strategic Goal III). By serving as the single source for the collection and dissemination of workforce statistics, OPM serves its customers both effectively and efficiently. In addition to providing workforce statistics, OPM also provides personnel documentation guidance and data standards to over 1600 operating personnel offices throughout the Federal government.

Means:

- Maintain core workforce information program functions.
- Improve the variety and accessibility of workforce information available to customers on the World Wide Web.
- Increased attention to employee development and use of modern software tools to improve staff capability.
- Continue to improve the process for building personnel data files.

Indicators/Performance Results:

- Increased customer satisfaction with workforce information products and services. In 2002, 80% of customers will be highly satisfied or satisfied based on surveys results. In a FY 2000

survey of agency human resources directors, the workforce information program received a 73% positive score, and we hope to increase this level of satisfaction in 2001.

In FY 2000, we built a web-based query and analysis tool called FedScope that become operational at the end of the fiscal year. FedScope provides unprecedented customer access to Federal employment data. We also re-organized our statistical staff to better meet customer needs.

In FY 2001, we will expand FedScope to include more workforce information data. We will also create new web-based products for customers, including a geographic data tool, and a frequently asked question section. We will employ a self-subscribing e-mail list to stay in better touch with our customers, and develop improved ways to collect satisfaction information from them. We are also investing in employee development and improved technology for our front-line statistical staff.

In FY 2002, we will further expand FedScope to provide special arrays of data to high volume customers. We will also offer new web-based products that are more responsive to customer demand.

- Increase in customers using self-service, web-based workforce information products. We currently receive 50,000 web site hits per week, and will see that number grow as new products are introduced.

As previously noted, in FY 2000 we introduced FedScope on the web. We also made usability improvements to many of our online statistical publications.

As previously noted, in FY 2001 we will be expanding FedScope, and also developing new web-based products. We're also redesigning our entire web site to make it more effective for customers to use, and improving staff capability in web development. Our strategy is to invest staff time developing outstanding web tools like FedScope that enable customers to get the Federal employment statistics they desire in a self-service mode.

In FY 2002 we expect our web-based offerings to be comprehensive and will initiate a campaign to make more customers aware of self-service options, and a training initiative to improve their skills in using online tools.

- Less cost to maintain the Central Personnel Data File (CPDF) system. CPDF is the primary human resources data file for the government, and the cost to maintain the system is unknown, so we are establishing a process for identifying the cost.

In FY 2000 we made progress on a project initiated in FY 1999 to accept new data for CPDF from agencies in a safer, more efficient electronic mode. Buy the end of the FY, 49% of all

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

CPDF data was being submitted electronically. We also initiated a study to document the entire CPDF build process and measure cost.

In FY 2001 we will use the results of the study to establish baseline cost, and then to determine ways to further improve the process. We will also expand our electronic data submission project to more agencies.

In 2002 we will look for additional cost savings, but major changes are not expected in this area in FY 2002 as the Human Resource Data Network project moves closer to implementation.

- Maintain high CPDF submission accuracy. The goal is 97% accuracy on core data elements as measured by data analysis. We currently meet this goal.

In FY 2000 we improved the communication of data standards with the HR community through a very popular self-subscribing e-mail service (over 600 subscribers) that keeps the people responsible for making CPDF submissions up-to-date with requirements.

In FY 2001 we will continue to improve communications, and also maintain our extensive program of data quality review. We also expect that increased attention to agency-specific data through expanded use of FedScope will provide extra encouragement to agencies to submit accurate data for CPDF.

In 2002 we will initiate a consulting program with individual agencies who have re-occurring problems with data accuracy. However, major changes are not expected in this area in FY 2002 as the Human Resource Data Network project moves closer to implementation.

- Maintain CPDF status file data timeliness. It currently takes 135-140 days to re-fresh the CPDF system (status file) with new data. The status file is updated 4 times each year.

In FY 2000, our expanded electronic data submission process resulted in a slight improvement in data timeliness.

In FY 2001, we have established a new measurement system to track timeliness, and with increased management attention, we expect performance to marginally improve.

In FY 2002, we'll look for additional opportunities to improve timeliness, including the avoidance of submission errors (which occur in a highly variant pattern) that slow the process down. However, major changes are not expected in this area in FY 2002 as the Human Resource Data Network project moves closer to implementation.

NOTE: OMSOE supports the Voting Rights Act of 1965 (Public Law 89-110) by providing observers for elections, and examining and producing lists of eligible voters who are protected under the provisions of the Act.

OMSOE Goal 7: **To ensure voting rights are protected under the Voting Rights Act.**

This program goal was established under Strategic Goal III because OPM has responsibilities under the Voting Rights Act of 1965 to provide certain services at the request of the Department of Justice. The Act authorizes the Office of Personnel Management (OPM) the responsibility for:

- Providing Federal Examiners to register voters and to receive complaints during elections, and
- Providing Federal Observers to observe the election process in areas designated by the Attorney General of the United States.

Means:

- Provide Federal observers and examiners for elections at the request of the Civil Rights Division, U.S. Department of Justice.
- Build and maintain a bilingual, bicultural cadre of observers for race-based and language-based exercises.
- Maintain voter lists as required by the Act.

Indicators/Performance Results:

- The Department of Justice's requirements for observers, reports and voter list maintenance are met (source: management records).

  In FY 2000:

  OMSOE met 100% of Department of Justice requirements. We provided 500 skilled observers for elections in Alabama, Arizona, California, Georgia, Louisiana, Mississippi, New Jersey, New Mexico, New York, and Texas. This included support for ten language-based elections held at locations where the predominate language of voters is not English.

S&E/General Fund Appropriation
Office of Merit Systems Oversight and Effectiveness

We provided Examiner-only support for 22 elections in Alabama, Arizona , Georgia, Louisiana, Mississippi, New York, North Carolina, South Carolina, Texas, and Utah. We also processed the removal of 2,776 names and 877 changes in names, addresses, and/or voting precincts in the lists of Federally registered voters for jurisdictions in Alabama, Georgia, Louisiana, Mississippi and south Carolina. (Theses large numbers represent a major effort with the counties in the State of Mississippi to bring their lists up-to-date.)

VERIFICATION AND VALIDATION

- An outcome-focused system model that applies HRM indicators for each merit system principle will be used for measuring adherence to the merit system principles, and compliance with laws and regulations.
- Accepted data collection, analysis and evaluation practices will be used to collect HRM data, study policies and programs, review agency operations and answer technical inquiries.
- The *Merit System Principles Questionnaire*, which measures employee attitudes annually on merit practices, will be valid and reliable according to accepted practices.
- Proposals for HRM policy change will be fully justified by the quality and quantity of the evidence produced by the data, analyses and evaluations performed.
- Accepted, automated tracking software will be used to monitor progress in data collection, analyses, studies and reviews.
- Feedback will be collected from clients according to accepted evaluation practices.

FY 2002 BUDGET CHANGES:

An increase of $649,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EMPLOYMENT SERVICE
(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$ 23,373	$25,803	$26,614	$811
Full-Time Equivalents	153	191	191	---

DESCRIPTION OF ACTIVITY

For efficiency and flexibility, in 1994 OPM delegated authority for most employment examining to agencies, but retained responsibility to see that agencies adhere to the Government's "corporate policy" for staffing, as expressed in law, Presidential direction, and regulation. That policy includes merit principles, veterans' preference, and a commitment to equal opportunity. To make delegated examining work well, OPM provides training and reference materials to agencies. Agency examining operations must be certified, and later re-certified, by OPM. OPM's assistance to these units has become more critical as agencies have reorganized and downsized their personnel staffs, and have lost their more experienced staff to retirement.

With a tight labor market and streamlined operations, agencies need hiring policies and tools that are sound, innovative and flexible. The Employment Service (ES) continues to develop and improve tools that create high performing organizations. In addition to developing specific human resources (HR) tools for agencies to use, ES continually strives to provide agencies with a comprehensive approach to meeting their human resources management (HRM) needs, so that they can recruit, hire, retain, promote, and reassign staff in a way that best serves their needs. When those services are tailored to a particular agency, the work is done on a reimbursable basis.

ES performs core human resources employment functions that are essential to the conduct of Government operations. These functions include:

To honor national values placed in law, ES monitors and reports on Federal workforce diversity and veteran hiring efforts for Executive Branch departments and agencies.

To carry out the will of the Congress and the President, and to apply best practices in human resource management, ES develops, implements, and monitors employment policies for agencies to use when recruiting, selecting, promoting, reassigning, or downsizing.

ES develops, implements, and maintains human resources policies, plans and automated systems resulting in Governmentwide savings and efficiencies.

S&E/General Fund Appropriation
Employment Service

ES provides agencies' personnel offices, particularly at their headquarters level, with expert advice and assistance on the meaning and interrelationship of staffing policies and on alternative approaches to accomplishing objectives. This includes an effective program of support to agency Delegated Examining Units (DEU's) so that agencies continue to examine according to the merit system and related laws, regulations, and principles.

ES continually enhances and operates the Governmentwide employment information system, USAJOBS, which uses the Internet, telephones, and touch-screen kiosks to give the American public information about job vacancies throughout the Government, strengthening "fair and open competition" in a way that contributes to Governmentwide cost savings and to a high-quality and diverse Federal workforce. OPM supports the system with appropriated funds (S&E) and agencies contribute their share of the operation of USAJOBS through the Revolving Fund.

Employment Service operates the Governmentwide personnel program for Administrative Law Judges (ALJ's). Federal agencies appointing ALJ's must have confidence that the pool of applicants for selection truly represent the nations' best and brightest candidates for ALJ positions. To that end, ES administers the Federal Government's most extensive and exhaustive civil service examination in its inventory for ALJ positions. ES is also entrusted to protect the integrity and independent nature of the ALJ position through its policy decision making process. As part of its statutory and regulatory authority, ES must review and approve ALJ classifications, transfers, reassignments, promotions, reinstatements, restorations, details, and appointments into the Senior ALJ program. In addition, ES is required to maintain an ALJ Loan Program and provide reduction in force assistance to displaced ALJ's.

ES identifies required competencies for major Federal occupations, and conducts occupational analyses to identify critical tasks and to provide the valid information needed for improved recruitment, selection, promotion, and career development. The identification of these competencies and the analyses of occupational data provides a sound foundation for agencies to make the decisions needed to obtain a high quality workforce.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 Resource Summary: Obligations (000): $ 17,113 Full-Time Equivalents: 111

Agencies have a model for workforce planning, analysis and forecasting, plus a number of state-of-the-art tools and strategies for recruitment, selection, development and succession planning by FY 2001, and in future years, will have continual enhancements to meet needs yet to be identified by agencies.

ES Goal 1: **Implement a fully-functional, on-line workforce planning system to help Federal agencies align human resources with accomplishment of agency mission and objectives and meet the President's goal to flatten the Federal hierarchy.**

Changing Federal workforce demographics, such as the shortage of younger employees, the large number of employees expected to retire in the next several years, and the constant demand for new skills (especially in the information technology area), creates the need for OPM to develop a Workforce Planning and Analysis system that will guide agencies in their workforce planning efforts. The system will facilitate effective succession planning and staffing of Federal agencies.

Means:

- Using stakeholder input, OPM will revise and update the Workforce Planning System.
- In partnership with the Human Resource Management Council, OPM will provide continuing support and guidance to HR professionals and agency planners on workforce planning methodology and resources.
- OPM will work with the HRMC, to sponsor meetings and conferences and will conduct an ongoing communications effort with the HRMC and other critical stakeholders.
- Conduct presentations and host workshops to provide agencies with information on the Federal workforce planning process as a way to delayer the government.

S&E/General Fund Appropriation
Employment Service

Indicators and Performance Results:

- Workforce Planning surveys reflect that agencies are incorporating elements of our Federal system to write their workforce plans.

  In FY 2000, OPM designed a five step workforce planning model to help agencies develop and implement their workforce plans. We also held the first governmentwide workforce planning conference and planned a series of mini-sessions for FY 2001. Also, in FY 2001, OPM assembled a team of employees from across the Federal government to develop the requirements for the final version of the workforce planning and analysis system. Once the system is developed we will continue to update and adjust it accordingly.

- Workforce Planning web-site usage statistics reflect that agencies are using the web-site to review and share information.

  At the end of FY 2000, OPM launched a workforce planning model and website to provide agencies with timely information on this vital issue. We were unable to collect any website usage statistics on this site in FY 2000 because the site was launched during the last week of FY 2000. In FY 2001, this website is being updated to reflect the most current information on our workforce planning efforts.

Agency hiring incorporates new hiring authorities, computer technology and state-of-the-art applicant assessment tools to identify and quickly select a high quality and diverse workforce. (Ongoing)

ES Goal 2: **Develop and implement employment policies and initiatives that are sound, innovative and flexible in order to recruit and retain a high quality and diverse Federal workforce.**

By utilizing our multi-talented and experienced workforce, OPM will continue to be the Federal Government's human resource leader. We will develop and implement efficient employment policies and initiatives so that agencies can properly align their employees with the overall mission of their organization. We also provide state-of-the-art assessment tools on a reimbursable basis to Federal agencies. Information on such tools as USAStaffing and the Organizational Assessment Survey are referenced in the revolving fund portion of this plan.

Means:

- Collaborate with the Administration and Congressional leadership to develop and implement policies that are based on achieving efficiencies in government operations.

- Obtain feedback on existing polices and programs and collaborate with agencies, interagency groups, and external stakeholder groups to consider needed revisions, and to identify the most productive and appropriate ways to implement new laws.

- Explore policies such as dual compensation to help bolster retention of Federal employees.

- Collaborate with agencies, interagency groups, and external stakeholder groups (such as veterans' organizations, minority representation groups, and others) to obtain feedback on existing policies and programs, to identify needed revisions, and to identify the most productive and appropriate ways to implement new laws.

- Maintain stewardship of the voluntary early retirement program through evaluating and approving agency requests for early retirements when agencies face delayering or restructuring. ES will also review Federal transition and out placement programs and recommend any needed improvements.

- Work cooperatively with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to suggest new approaches to employment which might be tested through Demonstration Projects, and help evaluate staffing proposals from agencies.

- Develop strategies that enhance employment opportunities for veterans, minorities, women, and persons with disabilities by working with constituent and stakeholder groups.

- Review the progress of the Career Intern Program.

- Update and clarify existing ALJ Regulations.

Indicators and Performance Results:

- An increase in the level of agency HR Directors' satisfaction with 1) OPM's employment policy leadership and 2) their opportunity for involvement, as measured by informal feedback and favorable ratings on the Customer Satisfaction Survey of HR Directors.

  According to the HR Director's survey satisfaction of employment policy are listed as follows:

Policy Leadership	*FY 1998*	*FY 1999*	*FY 2000*
Employment Information	*84%*	*Insufficient*	*86%*
Selection and Promotion	*76%*	*Data*	*76%*
Workforce Restructuring	*81%*		*79%*
HR Systems Automation	*54%*		*No question related to this item in DCSS*

S&E/General Fund Appropriation
Employment Service

- Favorable perception of employees Governmentwide that staffing is conducted in accordance with Merit Systems Principle 1, "Recruit, select, and advance on the basis of merit," as measured by 50% favorable rating, or higher, on relevant questions in the MSPQ. Rating system is based on Favorable, Neutral, and Unfavorable responses from participants.

  Merit Principle #1 - "Recruit, select, and advance on the basis of merit."
  Percentage of favorable responses:

MSPQ FY 1999	*MSPQ FY 2000*
62%	*64%*

- Meet with stakeholders to share information and gather ideas about improving the services we provide.

  During FY 2000, ES met regularly with the Staffing Issues Group, the Employment Information Work Group, and other agency task force groups to address specific problems (e.g., IRS seasonal employment, President's Task Force on Employment of Persons *with Disabilities). Through partnerships with agencies, ES established workgroups to develop policy, guidance, regulations, and other appropriate tools. Focus groups also met to develop a competency-based approach for the information technology and accountant pilots. Diversity workshops were also held.*

- Issue proposed ALJ regulations in FY 2002.

By FY 2005, governmentwide hiring selections are based on the assessment tools that are more comprehensive in assessing the full range of competencies needed to perform the jobs of the future.

ES Goal 3: **Conduct occupational studies that will provide a foundation for developing selection criteria for the Information Technology, Trades and Labor, and Science and Engineering occupations.**

Means:

- ES will complete three separate occupational surveys for the Information Technology, Trades and Labor, and Science and Engineering occupations to gather competency and task data. Occupational studies will cover employees and supervisors across four Information Technology professions, 99 Trades and Labor and 46 Science and Engineering.

Indicators and Performance Results:

- ES will identify task and competencies for the Information Technology, Trades and Labor, and Science and Engineering occupations covered by these studies and provide this information to the Federal human resource community.

Clearly communicated and effective human resources management (HRM) regulations, policies and guidance across the full spectrum of HRM continue to support agencies' missions and to carry out the will of the congress and of the President, as expressed in law and directive. (Ongoing)

ES Goal 4: **Federal workforce diversity and veteran hiring efforts for Executive Branch departments and agencies are monitored and reported on, and policies, guidance, and strategies are developed. Assist agencies in increasing diversity levels in key Federal occupations and at key pipeline grade levels as they endeavor to achieve a workforce representing all segments of society, honoring national values placed in law.**

Means:

- Conduct workshops, seminars and formal presentations on the status of Federal diversity efforts and agency roles for implementing them.
- Provide Federal diversity guidance, reports and data to help agencies and other stakeholders assess their own diversity policy goals and objectives.
- Monitor and support federal agency implementation of Executive Order 13163 to hire persons with disabilities.
- Monitor and support federal agency implementation of Executive Order 13171 to improve representation of Hispanics.
- Develop the first draft of the manual on Special Emphasis Programs in FY 2002.
- Have the first draft of the Standard Form 256 (Voluntary Self Identification of Handicap) ready in FY 2002.

S&E/General Fund Appropriation
Employment Service

Indicators and Performance Results:

- The Federal Equal Opportunity Recruitment Program (FEORP) Report (Annual Report) reflects increased agency awareness and strategies to improve the representation of minorities and women in the Federal workforce in FY 2002.

  The FEORP includes in-depth analyses on the representation of minorities and women in the Federal workforce. It features analysis of each group's representation (i.e., statistical profile) in the Federal workforce from the standpoint of occupational spread, grade distribution, etc. The report also provides comparisons using occupation specific (or "relevant") civilian labor force data to assess each group's representation by Federal occupation with private sector representation in similar occupations.

  OPM issued "Building and Maintaining a Diverse, High-Quality Workforce: A Guide for Federal Agencies" to provide specific guidance to agencies on developing an effective program to build and maintain a diverse, high-quality workforce. OPM also issued Individual statistical profiles of Women, Hispanics, Blacks, Asians, and Native Americans. These reports provide information to agencies and stakeholder groups to conduct workforce analyses, to develop recruiting plans, and to make informed human resources decisions.

- Evaluate comparative data to determine if minority hiring and retention has resulted in an increase in numbers in key grade levels (GS 13-15) where underrepresentation in the relevant labor market was shown in FY 1999.

  Comparing the FY 1999 workforce against the FY 2000 workforce, the Federal representation of minorities increased from 30.0 percent of the Federal workforce to 30.2 percent.

  All of the underrepresented groups showed increases at GS and related grades 13 to 15, as follows: Blacks went from 9.3 percent to 9.7 percent; Hispanics went from 3.9 percent to 4.0 percent; Asians/Pacific Islanders went from 4.4 percent to 4.6 percent; Native Americans remained the same at 1.0 percent.

  The level of under-represented groups increased from 30.0 percent in FY 1999 to 30.3 percent in FY 2000, an increase of 0.3 percent. Notwithstanding, the levels of representation for individual underrepresented groups varied between the two years. Blacks went from 17.4 percent to 17.5 percent, an increase of 0.1 percent; Hispanics went from 6.4 percent to 6.5 percent, an increase of 0.1 percent; Asians/Pacific Islanders went from 4.2 percent to 4.3 percent, an increase of 0.1 percent; Native Americans went from 1.9 percent to 2.0 percent, an increase of 0.1.

OPM STRATEGIC PLAN GOAL II:

PROTECT. THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.

FY 2002 Resource Summary: Obligations (000): $2,351 **Full-Time Equivalents:** 15

All agency units that conduct employment examinations under our delegated authority are fully trained, covered by effective internal examining accountability systems, and meet our criteria for recertification. (Ongoing)

ES Goal 5: **Competitive examining is conducted correctly to ensure that Federal agencies comply with civil service laws, rules, regulations, and executive orders and support the merit principles.**

To ensure that agencies are carrying out their delegated examining responsibilities in accordance with law and regulation, the Employment Service provides support to, and regularly recertifies, each operating Delegated Examining Unit to ensure that agency DEU staff receive our nationwide DEU training.

Means:

- Review quarterly reports filed by agency DEU's (of workload, certificate use, and veterans preference activity) for indicators that more frequent (or immediate) recertification and training is required; review adequacy of existing indicators, develop and implement revised/additional DEU performance based outcome measures, as needed.
- Provide testing guidance to agencies in conformance with professionally accepted testing standards.
- Use OMSOE audits to modify or provide training guidance as required.

Indicators and Performance Results:

- The DEU program is rated favorably by the agencies as indicated by formal and informal feedback.

  In FY 2000, Delegated Examining training has been very well received and agencies have requested additional training. The training handbook is viewed by agencies as very understandable and of practical value for their staff. Agencies are also very pleased with

the availability and content of the new Delegated Examining website. ES will continue to improve both the handbook and website in FY 2001/2002.

- Tools are maintained to support and improve DEU's.

Decisions of Federal adjudicatory agencies and decisions of OPM in acting on appeals are consistent with civil service laws, regulations, and policies. (Ongoing)

ES Goal 6: **Agency requests for variations, exceptions, extensions, waivers, adjudications, and Schedule C activities are responded to in a manner that is both timely and consistent with law and merit staffing principles so that agencies can proceed in a timely manner.**

Means:

- Develop tracking mechanisms to measure time response to agencies' requests for personnel actions e.g., classification, promotion, transfers, reinstatements, reassignments, details, Senior ALJ program, and ALJ Loan program.

- Maintain expert staff fully knowledgeable of relevant statute, legislative history, case law, regulation, guidance, agency practice, and interaction between these various sources, in order to provide accurate reviews of issues.

- Review exceptions on a periodic basis to ensure that the basis for the exception is well-documented and compellingly justified.

- Monitor timeliness against standards established in FY 2000 for response to each type of review requested.

Indicators and Performance Results:

- Maintain performance consistent with the timeliness standard of answering correspondence with the ten-day timeframe.

- Actions are sustained by external reviewing authorities.

- Use existing ALJ database to track incoming requests and response time.

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $7,150 Full-Time Equivalents: 65

Our technical assistance and information on human resource policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

ES Goal 7: **Agencies receive clear, accurate, timely staffing advice, assistance and models to ensure that the lawful rights of employees and applicants (including minorities, veterans, displaced employees) are safeguarded and that managers are aware of staffing tools they can use to accomplish strategic objectives.**

By creating guidance and providing it through a variety of means, OPM will continue to help build an efficient and high performing Federal government.

Means:

- Regularly prepare and communicate regulations and standards to carry out laws and directives provided by the Congress, the President, and the courts, and to ensure that agencies can hire, promote, and retain a high quality workforce suited to an agency's mission. Information will be shared using many forms of communication, including the *Federal Register*, OPM's Internet website, specialized publications, a conference, presentations at conferences and meetings, as well as through many thousands of responses to letters, phone calls, and e-mail.

- Review and analyze data, best practices and literature, share information internally and externally, identify obstacles and opportunities to work with our stakeholders in the Human Resource Community.

- Conduct presentations before the Administrative Law Judge (ALJ) Work Group; Federal agencies; and other ALJ Associations.

- Use studies, reports and analysis conducted by others to identify problem areas and opportunities for improvement. Track constituent inquiries, complaints and comments to identify patterns, problems and benchmarks.

S&E/General Fund Appropriation
Employment Service

- Collaborate with other OPM Services and the Office of Merit Systems Oversight and Effectiveness (OMSOE) as policy and program reviews are conducted, to ensure that policies and programs are supportive of each other and that they facilitate high performance in Federal agencies.

- Answer inquiries and provide technical advice and assistance on governmentwide staffing issues.

- Conduct occupational studies to provide the analytic foundation for Human Resource programs.

Indicators and Performance Results:

- Evaluate qualitative feedback from agencies on the usefulness of guidance provided, including feedback mechanisms on the OPM website and the HR Directors' Survey.

  According to the HR Director's survey satisfaction of guidance provided is listed as follows:

	FY 2000	*FY 2001*
HRM Policy Guidance:	*81.1%*	

- A favorable level of agency HR Directors' satisfaction with the methods used for communication of policy and other information, as measured by informal feedback and the HR Directors' Survey.

  Report levels of satisfaction for HR Specialists as measured in the Customer Satisfaction of HR Directors:

	FY 98	*FY 99*	*FY 00*	*FY 01*
Employment Information	*84%*	*80%*	*85%*	
Selection and Promotion	*79%*	*71%*	*75%*	
Veterans Preference	*84%*	*76%*	---	
RIF	*80%*	*69%*	---	
Workforce Restructuring	*82%*	*74%*	*79%*	
Career Transition	*73%*	*63%*	---	

- Favorable perception of employees governmentwide that staffing is conducted in Accordance with Merit System Principle #1 (Recruit, select, and advance on the basis of merit), as measured by a 50% or higher favorable rating on relevant questions in the MSPQ. Rating system is based on Favorable, Neutral, and Unfavorable responses from participants.

Government Merit System Principle #1 – "Recruit, select, and advance on the basis of merit." Percentage of favorable responses:

MSPQ FY 1999	*MSPQ FY 2000*	*MSPQ FY 2001*
62%	*64%*	

The following major human resource programs continue to provide and improve governmentwide cost-effective service that meets or exceeds customer expectations: (Ongoing)

USAJOBS – Timely, accurate and complete employment information is available for employees and the public.

ES Goal 8: **USAJOBS, the governmentwide employment information system, provides service to job seekers and agencies resulting in accessible, cost effective and efficient recruitment of highly skilled and diverse candidates.**

USAJOBS, the Governmentwide employment information system, provides legally required public access to Federal job listings and saves agencies millions of dollars in infrastructure costs. In serving the public and Federal employees, USAJOBS serves veterans, minorities, persons with disabilities, welfare-to-work candidates, students, dislocated workers, and many other groups that have experienced difficulty in the past with obtaining fair consideration in the job market. If agencies were required to independently create and operate similar automated public job announcement systems, costs would exceed an estimated $300 million each year. USAJOBS has other activities supporting OPM Strategic Goal III in the revolving fund portion of this plan.

Means:

- Promote awareness of the Federal Government as an employer of choice by providing information to Historically Black Colleges and Universities, member schools of the Hispanic Association of Colleges and Universities, veterans servicing organizations, State vocational rehabilitation offices, non-profit community service organizations serving persons with disabilities, welfare to work candidates and other special needs populations.

- Maintain the USAJOBS automated employment information system to carry expanded and more prominently displayed information on high priority initiatives such as employment for persons with disabilities, veterans and minority groups.

- Work with the Interagency Work Group on Employment Information and other relevant parties (e.g. Department of Labor, Veterans' Service Organizations, ect) to maintain USAJOBS quality.

S&E/General Fund Appropriation
Employment Service

- Expand access to Federal employment information by partnering, for the first time, with private sector companies in order to create links to the USAJOBS website.

Indicators and Performance Results:

- Provide web-based publicity for ten focused recruiting programs through USAJOBS.

- Make enhancements to the USAJOBS web-site.

  USAJOBS continues to successfully provide critical employee information to Federal agencies, employees, and the public. It's a centralized one-stop shopping service for vacancy announcements and various items of relevant employment information available 24 hours a day, 7 days a week. In FY 2000, we implemented two new job searches, a student search and a part-time search.

  ES will be collaborating with the Employment Information Workgroup and the Human Resource Management Council to explore necessary changes and updates to the USAJOBS web site. We are currently exploring a re-design of the USAJOBS web site with input from these two critical stakeholders.

- According to the HR Director's survey satisfaction of USAJOBS operations and improvements are listed as follows:

	FY 2000
USAJOBS Operations and Improvements:	*75.5%*

VERIFICATION AND VALIDATION

The support for the measures included in this Plan is described below:

- ES will use the Customer Satisfaction Survey of HR Directors, informal feedback, participant evaluation forms, and focus group results, to evaluate satisfaction.

- ES will use data from Governmentwide surveys such as OPM's Merit System Principles Questionnaire, and from surveys conducted by external organizations such as the Merit Systems Protection Board, the General Accounting Office, and the National Partnership for Reinventing Government, which have met professional standards for validity and reliability.

- ES will use results from OPM oversight reviews, MSPB and GAO which have been conducted following accepted professional evaluation practices.

- ES will use appropriate, valid and reliable external data sources to collect and track comparison personnel data (such as the Central Personnel Data Base).

FY 2002 BUDGET CHANGES:

An increase of $811,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$7,675	$8,039	$8,291	$252
Full-Time Equivalents	75	78	78	---

DESCRIPTION OF ACTIVITY

Workforce Compensation and Performance Service (WCPS) encourages innovative thinking and long-range planning about the forms, delivery, and cost management of both direct and indirect compensation for Federal employees in the 21st century; and promotes results-oriented performance management and recognition in support of the Results Act and performance-oriented organizations.

WCPS comprises the programs responsible for performance management and incentive awards, classification, compensation strategic planning and policy, and pay and leave administration. It includes the Strategic Compensation Center, which links the systems for classification, compensation, and performance management with the Government's management systems, with the objective that the Government's investments in people and in their compensation work together for performance and results. For administrative purposes, WCPS also includes the Federal Prevailing Rate Advisory Committee (FPRAC).

In order to meet these responsibilities, WCPS recruits highly-experienced human resource specialists and managers from other Federal agencies who have hands-on experience in supervising and operating performance management, classification, and compensation programs. As needed, it hires contractors who are applications experts to upgrade or replace automated systems. All existing automated systems have been upgraded to the new agency standards and employees have been trained in the new standards and applications. Major projects are controlled and monitored with an automated project tracking system, and required core competencies for each employee have been identified.

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES, AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $4,203 Full-Time Equivalents: 41

A flexible, competitive, and performance-oriented strategic rewards environment that allows the Government to recruit, manage, and retain a high quality and diverse Federal workforce is developed by FY 2002.

WCPS Goal 1: Options for performance-oriented approaches to strategic compensation in the Federal government are formulated and vetted among stakeholders so that legislative proposals can be drafted and forwarded for action.

This program goal was established under Strategic Goal I to design a new performance-oriented system for determining the value of work and setting and adjusting basic pay for all Federal workers in a highly flexible structure to adjust to rapidly changing mission needs, technologies, and labor markets.

Means:

- Develop and pursue an integrated set of policy alternatives that can be packaged as a set of legislative proposals and/or a report to the Director by thoroughly canvassing all Federal stakeholders to understand the range of views on compensation and classification issues.

- Maintain comprehensive research on best practices in private and public sector compensation systems, techniques, and practices to find flexible, competitive, and comprehensive compensation and classification tools that can be utilized within the Federal government, through review of academic and professional literature, and attending conferences and symposia.

Indicators/Performance Results:

➢ OPM develops and disseminates a comprehensive picture of state-of-the-art compensation practices, measured by the breadth of stakeholder involvement. Stakeholders include Federal agencies, employee organizations, and public policy organizations.

At the Strategic Compensation Conference 2000, WCPS presented 27 workshops on compensation issues, including updates on classification, performance management, and strategic compensation, as well as sessions on information technology and the HR challenge, the role of the compensation practitioner, does pass/fail work, and broadbanding.

The Strategic Compensation Conference 2001 continues this practice of offering the HR and compensation community a focused opportunity to hear and see the latest developments in pay, classification, and performance management inside and outside the Federal Government.

The Strategic Compensation Policy Center's website will provide access to summaries of the Center's research findings and an overview of the work done to develop policy proposals for changes in the Federal compensation platform, as and when those proposals are cleared for dissemination.

➢ The resulting proposals address all aspects of white-collar compensation in a legislative package and/or a report to the Director. These proposals aim at increasing the capacity of agencies to devise responses to special needs for recruitment and retention, and address commonly used tools in the private sector.

WCPS Goal 2: **Performance improvements in agencies throughout the Government are promoted by maintaining a flexible, decentralized policy framework for managing employee performance, particularly through effective use of appraisal and awards.**

This program goal was established under Strategic Goal I to promote performance improvements by maintaining a flexible, decentralized framework for appraisal and awards within which agencies can establish results-oriented and merit-based programs for managing employee performance at the individual, group, and organizational level.

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

Means:

- Help agencies establish results-oriented and merit-based programs for planning, measuring, developing, rating and rewarding employee performance at the individual, group, and organizational level that are tailored to agency mission, structure, culture, workforce, and work technology.

- Provide guidance and assistance to agencies through distribution of newsletters, reports, and guides; timely responses to customer inquiries; and effective support of Administration initiatives.

- Use the Strategic Compensation Conference to distribute guidance materials to share best practice experiences and discuss emerging issues and trends, with particular emphasis on using all processes of employee performance management to improve individual and organizational performance.

Indicators/Performance Results:

- The performance management program develops products that address and explain the five fundamental processes of performance management (planning, monitoring, developing, rating, and rewarding performance).

  The first OPM Director's PILLAR (Performance, Incentives, and Leadership Linked to Achieve Results) Awards were presented on August 28, 2000, at the Strategic Compensation Conference 2000. This is an honorary award established to recognize and publicize effective employee performance management programs, processes, and practices that support alignment of employee performance management practices with organizational strategic goals as well as results-oriented and customer-focused performance.

  The OPM Director's PILLAR Award Program is to be conducted each year, using the annual Strategic Compensation Conference for making the presentations and showcasing the achievements of the winners as they address the component performance management processes.

- An increasing amount of performance management products and information is available to users through automated means, such as the Performance Management Clearinghouse on the Internet.

  In FY 2000, presentations made at the Strategic Compensation Conference 2000 were made available at OPM's website.

The newsletter Workforce Performance *and other performance management publications are routinely made available through the Performance Management Technical Assistance Center on OPM's website.*

➢ A continuous increase in the level of HR Specialists' satisfaction with OPM's information sharing about performance appraisal and incentive awards policies (or maintenance at 80% or higher) as measured by the CSS.

Program Area	*FY 1998*	*FY 1999*	*Target FY 2001*	*Target FY 2002*
Performance Appraisal	*73%*	*70%*	*72%*	*74%*
Incentive Awards	*74%*	*68%*	*70%*	*72%*

➢ Improvement in employees' perception that their individual performance appraisal is a fair reflection of their performance as measured by a 1% increase in the percentage of favorable ratings in the annual Merit Systems Principles Questionnaire. This increase is an annual increment to reach the 5-year strategic target of a 5% increase in favorable ratings.

MSPQ question: My performance appraisal is a fair reflection of my performance . Percentage of favorable responses:

FY 1999	*64%*
FY 2000	*67%*
FY 2001 target	*67%*
FY 2002 target	*68%*

➢ Improvement in employees' perception of pay equity as measured by a 1% increase in the percentage of favorable ratings in the annual Merit Systems Principle Questionnaire. This increase is an annual increment to reach the 5-year strategic target of a 5% increase in favorable ratings.

Merit System Principle #3 - Provide equal pay for equal work and reward excellent performance. Percentage of favorable responses:

FY 1999	*44%*
FY 2000	*45%*
FY 2001 target	*46%*
FY 2002 target	*47%*

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

By FY 2002, existing programs and flexibilities plus new initiatives support the retention of employees whose departure from Government service would mean a loss of critical competencies or reduction in agency performance.

WCPS Goal 3: **Retention efforts in agencies throughout the Government are promoted by encouraging and facilitating the use of existing compensation flexibilities (such as special salary rates, retention allowances, and work scheduling flexibilities) and introducing new compensation flexibilities, as needed.**

This program goal was established under Strategic Goal I to encourage the use of compensation flexibilities and thus improve the prospects of retaining a high-quality workforce.

Means:

- Work with agencies to initiate and refine requests for special salary rates in order to promote the retention of well-qualified employees in specific occupations and geographic locations.

- Provide advice and assistance to agencies on the use of retention allowances and look for ways to improve the usefulness of this tool through regulatory changes and/or legislative action.

- Assist agencies in identifying flexible work scheduling arrangements that would improve retention efforts.

Indicators/Performance Results:

- Informal feedback from agencies through direct contacts, Human Resources Management Council (HRMC) meetings, and/or comments on the Customer Satisfaction Survey (CSS) and at seminars, conferences, and/or workshops indicate that OPM's effort's to encourage and facilitate the use of compensation flexibilities are beneficial to agencies.

Clearly communicated and effective human resources management (HRM) regulations, policies, and guidance across the full spectrum of HRM continue to support agencies' missions and to carry out the will of the Congress and of the President, as expressed in law and directive. (Ongoing)

WCPS Goal 4: Needed changes in all significant workforce compensation and performance policies and programs are identified, and changes are introduced so that Federal agencies are better equipped to respond to changing human resources needs in the 21st century.

This program goal was established under Strategic Goal I to identify policy issues that need updating in order to improve the human resources climate in the Federal government.

Means:

- Work with other OPM services, including the Office of Merit Systems Oversight and Effectiveness, to identify statutes, executive orders, regulations, and policies in need of review in the areas of performance management and incentive awards, position classification, employee compensation, and pay and leave administration, to support and facilitate high performance in Federal agencies.

- Work closely with stakeholder groups, including HR specialists, employee organization representatives, and public policy organizations to seek comments on specific policies and programs in order to identify needed legislative and regulatory changes.

- Formulate appropriate policy proposals, both legislative and regulatory, and issue timely regulations, interpretations and guidance on needed changes identified in reviews and through stakeholder input.

Indicators/Performance Results:

- Increase in the level of agency HR Directors' satisfaction with regard to 1) OPM's performance management, incentive awards, position classification, employee compensation, and pay and leave administration policy leadership, and 2) their opportunity for involvement, as measured by informal customer feedback and/or a continuous increase over FY 1998 levels in the percentage of favorable ratings (or maintenance at 80% or higher) in the OPM HR Directors' Customer Satisfaction Survey (DCSS).

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

FY 1999 survey data were not usable due to technical problems. The FY 2000 survey did not include questions on agency involvement in many program areas. FY 2001 and FY 2002 targets are based on a continuing increase in favorable ratings (up to a maintenance level of 80% satisfaction).

			Target	Target
Policy Leadership	*FY 1998*	*FY 2000*	*FY 2001*	*FY 2002*
Performance Management	*85%*	*78%*	*80%*	*80%*
Position Classification and Position Management	*58%*	*68%*	*70%*	*72%*
Pay & Leave Administration	*78%*	*87%*	*80%*	*80%*
Federal Wage System (FWS)	*67%*	*62%*	*69%*	*71%*
Agency Involvement				
Performance Management	*88%*	--	*80%*	*80%*
Position Classification and Position Management	*63%*	--	*65%*	*67%*
Pay & Leave Administration	*68%*	--	*70%*	*72%*
FWS	*58%*	--	*60%*	*62%*
Compensation Administration Initiatives & Strategic Compensation Reform Efforts	--	*64%*	*66%*	*68%*

➢ New or revised policy guidance and regulations are issued in a timely manner, so that agency needs are met without delay, and informal feedback from agencies through direct contacts, Human Resources Management Council (HRMC) meetings, and/or comments on the Customer Satisfaction Survey (CSS) and at seminars, conferences, and/or workshops indicate that these policies are beneficial to agencies.

In a typical year, WCPS issues about two dozen new or revised regulations. The number and timing of these issuances frequently is driven by external events, such as enactment of legislation affecting Federal pay and leave policies. In some cases, WCPS regulatory efforts are undertaken in response to a specific need expressed by our customers. The timeliness of WCPS' regulatory efforts will be judged on the basis of customer satisfaction with our overall responsiveness to the needs of the Federal human resources community.

WCPS Goal 5: Governmentwide position classification and job grading systems are improved to include more up-to-date standards and to apply more streamlined approaches to classification.

This program goal was established under Strategic Goal I to simplify the classification system, decrease its administrative burden, and thus improve the prospects of recruiting and retaining a high-quality workforce.

Means:

- Continue developing job family position classification standards (i.e., series definitions, titling instructions, and grading criteria) that address work of all similar series in their occupational families into unified, consistent, user-friendly documents.

- Undertake projects to further the simplification and credibility of materials used to support classification determinations, including improving the development process itself.

- Work closely with the Position Classification Network of the HRMC and other stakeholders to identify and discuss concerns areas of interest.

Indicators/Performance Results:

- Declining weighted average age of classification standards indicates that standards are more current. (Note that but for (a) the release of new final standards in a given year and (b) shifts in population across occupations, the average age indicator would naturally increase by 12 months each year.)

	Weighted average age of standards:
FY 1999 baseline average age	*219 months*
FY 2000 actual average age	*228 months*
FY 2001 target average age	*217 months*
FY 2002 target average age	*219 months*

The baseline average, FY 2000 actual average, and FY 2001 and FY 2002 target averages have been corrected to reflect recalculations. There were errors in the original database calculation which reported several of the standards as more than 150 years old. In addition, the production schedule has been updated. These errors have been corrected in the above figures. In addition, we are refining these figures further to take into account subpopulations whose correct series, title, and grade are determined using functional guides, rather than occupational standards.

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

➢ The HR community and managers are familiar with and understand the new simplified classification approach, as demonstrated through informal responses from the HRMC Position Classification Network, the classification website questionnaire, conferences, and/or forums.

➢ Issue at least six additional final job family standards and/or functional guides.

Final job family standards for the following kinds of work will be issued in FY 2001:

- *Administrative Work in the Human Resources Management Group, GS-0200*
- *Assistance Work in the Human Resources Management Group, GS-0200*
- *Professional and Administrative Work in the Accounting and Budget Group, GS-0500*
- *Assistance and Technical Work in the Medical, Hospital, Dental, and Public Health Group, GS-0600 (1st installment – additional occupational series and groups may be added later)*
- *Assistance Work in the Legal and Kindred Group, GS -0900*
- *Administrative Work in the Information Technology Management Group, GS-2200 (1st installment – additional occupational series may be added later)*

In addition, draft job family standards and functional guides for some or all of the following kinds of work will be released for review, comment, and test application during FY 2001:

- *Professional Work in the Biological Sciences Group, GS-0400*
- *Technical Work in the Physical Sciences Group, GS-1300*
- *Professional Work in the Mathematics and Statistics Group, GS-1500*
- *Administrative Work in the Equipment, Facilities, and Services Group, GS-1600*
- *Administrative Work in the Investigation Group, GS–1800*
- *Research Grade Evaluation Guide*

Final job family standards and functional guides for some or all of the following kinds of work will be issued in FY 2002:

- *Professional Work in the Biological Sciences Group, GS-0400*
- *Technical Work in the Physical Sciences Group, GS-1300*
- *Professional Work in the Mathematics and Statistics Group, GS-1500*
- *Administrative Work in the Equipment, Facilities, and Services Group, GS-1600*
- *Administrative Work in the Investigation Group, GS–1800*
- *Research Grade Evaluation Guide*

In addition, draft job family standards and functional guides for some or all of the following kinds of work will be released for review, comment, and test application during FY 2002:

- *Assistance Work in the General Administrative, Clerical, and Office Services Group, GS–0300*
- *Professional Work in the Medical, Hospital, Dental, and Public Health Group and in the Veterinary Medical Science Group, GS–0600/0700*
- *Assistance and Technical Work in the Medical, Hospital, Dental, and Public Health Group and in the Veterinary Medical Science Group, GS–0600/0700 (2nd installment – adding technical occupations from GS-0600 and GS-0700 groups)*
- *Professional Work in the Engineering and Architecture Group, GS-0800*
- *Technical Work in the Engineering and Architecture Group, GS-0800*
- *Professional and Administrative Work in the Business and Industry Group, GS–1100*

WCPS Goal 6: Governmentwide efforts to organize agencies and programs using flatter, less hierarchical, and more streamlined structures are supported by policies and guidance that promote effective delayering and position management practices.

This program goal was established under Strategic Goal I to ensure that Federal agencies were receiving accurate program guidance that improves the prospect of recruiting and retaining a high-quality Federal workforce.

Means:

➢ Issue and maintain information and guidance about position management and effective organizational structures.

➢ Ensure that position management assistance and guidance is congruent with and supports agency workforce planning efforts.

➢ Ensure that classification policy and guidance supports agency delayering efforts.

Indicators/Performance Results:

➢ Position management guidance is issued, as necessary.

➢ Improvement in the level of agency HR Directors' satisfaction with regard to 1) OPM's position management policy leadership, and 2) their opportunity for involvement, as measured by informal customer feedback and/or a continuous increase over baseline levels, to be established in FY 2001, in the percentage of favorable ratings (or maintenance at 80% or higher) in the OPM HR Directors' Customer Satisfaction Survey (DCSS).

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

- Improvement in the level of agency HR Specialists' satisfaction with regard to specific guidance material issued each year, as measured by informal customer feedback and/or a continuous increase over baseline levels, to be established in FY 2001, in the percentage of favorable ratings (or maintenance at 80% or higher) in the OPM HR Specialists' Customer Satisfaction Survey (CSS).

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $4,088 Full-Time Equivalents: 37

Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible, and user-friendly. (Ongoing)

WCPS Goal 7: Federal agencies receive timely, accurate, and useful advice and technical assistance on performance, classification, and employee compensation that keep them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.

This program goal was established under Strategic Goal III to ensure that agencies are receiving proper advice and assistance on HRM issues.

Means:

- Establish standard procedures to enhance distribution of program materials using electronic media.

- Assist agencies in making strategic use of available flexibilities to solve human resources management problems.

- Disseminate the latest information on pay and leave, classification, performance management, and employee compensation through electronic communications, meetings of appropriate HRMC Networks, and consultation with individual agency representatives.

- Seek involvement of existing stakeholder groups, such as appropriate HRMC Networks.
- Continue to update the HRCD-ROM and other automated packages.
- Provide assistance to other OPM program offices assisting Federal agencies.

Indicators/Performance Results:

- Increase in the level of HR Specialists' satisfaction with OPM's technical assistance concerning WCPS program areas as measured by informal customer feedback and/or a continuous increase over FY 1998 levels in the percentage of favorable ratings (or maintenance at 80% or higher) in the CSS.

	Technical Assistance			
Program Area	*FY 1998*	*FY 1999*	*Target FY 2001*	*Target FY 2002*
Position Classification and Position Management	*70%*	*63%*	*65%*	*67%*
Annual Pay Adjustment	*83%*	*81%*	*81%*	*81%*
Pay Administration	*81%*	--	--	--
Leave Administration	*83%*	--	--	--
Pay and Leave Administration	--	*83%*	*83%*	*83%*
Family-friendly Programs	--	*81%*	*81%*	*81%*
Premium Pay and Hours of Work	*78%*	*81%*	*81%*	*81%*
Federal Wage System	*77%*	*72%*	*74%*	*76%*
Performance Appraisal	*71%*	*68%*	*70%*	*72%*
Incentive Awards	*72%*	*66%*	*68%*	*70%*

- Agencies are satisfied with the advice WCPS provides, as demonstrated by their positive response to WCPS publications in the CSS and/or informal comments, and increased requests for advice and assistance through various media, and as demonstrated by responses to website customer surveys and other means.

  The Customer Satisfaction Survey was not conducted in FY 2000. In FY 1999, WCPS guidance materials and reports received consistently high ratings in the CSS, with positive responses ranging from a low of 63% to a high of 92%, with an overall average of 74%.

- HRCD-ROMs are updated and enhanced as appropriate.

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

- Enhance existing and create additional fact sheets on pay administration issues on the website as needed.

- Provide technical assistance, litigation support, and analysis of legislative proposals on to other OPM offices. Assistance is timely and accurate, as demonstrated through informal comments, selection for participation in internal agency task forces, letters of congratulation, and nominations for agency internal awards.

The following major human resources programs continue to provide and improve Governmentwide cost-effective service that meets or exceeds customer expectations:

Compensation Administration - Timely and accurate information and assistance are available to decision makers for pay and leave administration purposes.

WCPS Goal 8: Continue to administer current compensation systems (annual pay adjustment process, Cost-of-Living Allowance program, Federal Wage System, special salary rates, etc.) in an efficient, accurate, and timely manner.

This program goal was established under Strategic Goal III to ensure that Federal employees continue to be paid in an efficient, accurate, and timely manner.

Means:

- Maintain and/or modify, as necessary, a methodology for comparing GS and non-Federal salaries in designated locality pay areas.

- Conduct and implement the results of OPM's annual review of special rates for white-collar employees.

- Monitor title 38 delegation agreements on special pay authorities for health care workers and facilitate agreement among agencies on use of delegated authorities.

- Provide staff support to the Federal Salary Council, the Office of Management and Budget, and the President's Pay Agent, as appropriate, for decisions on (a) the ECI-based pay adjustment, (b) locality payments for GS and other employees, and (c) SES pay rates.

- Prepare an annual report of the President's Pay Agent on locality payments.

- Issue salary tables and other explanatory materials to assist agencies in implementing pay adjustments.

- Provide Governmentwide leadership and staff support for FWS labor-management partnership activities, primarily through the Federal Prevailing Rate Advisory Committee.

- Conduct a continuing program of maintenance and improvement regarding FWS pay policies and programs.

- Conduct living-cost surveys in keeping with the terms of the COLA settlement agreement.

Indicators/Performance Results:

- All actions necessary to make new pay schedules effective are accomplished within statutory deadlines, and agencies are provided with sufficient information to implement new pay schedules on a timely basis.

  WCPS provides cost and other analyses needed for the Administration to plan for annual Federal pay raises, and issues salary tables that implement changes in the General Schedule basic and locality pay increases. For example, in FY 2000 these included 32 locality pay tables, 33 law enforcement officer tables, and 427 special salary rates tables, as well as tables covering the Executive Schedule, members of the Senior Executive Service, administrative law judges, and members of Boards of Contract Appeals, and posted them on the website in two formats, HTML and PDF.

- Prepare the annual report by the President's Pay Agent in a complete and timely manner.

  WCPS provides staff support to the President's Pay Agent and prepares the annual report to the President on locality pay.

  WCPS reviews numerous requests for adding additional locality pay areas or modifying the definitions of existing locality pay areas.

- Work with the Survey Implementation Committee (SIC) to conduct nonforeign area cost-of-living surveys.

- Continue to establish electronic versions of pay and leave documents, such as the non-appropriated fund manual and leave forms.

S&E/General Fund Appropriation
Workforce Compensation and Performance Service

➢ Through comments and feedback provided informally and/or through the DCSS, relevant Federal agencies, unions, and employee groups express satisfaction with OPM's efforts to involve stakeholders in FWS administration. This is demonstrated by a continuing increase in the level of satisfaction reported in the DCSS (or maintenance at 80% or higher) with agency involvement in these areas.

FY 1999 survey data were not usable due to technical problems. The FY 2002 goal is tied to the results of the FY 1998 baseline.

	FY 1998	FY 2000	FY 2001	FY 2002
FWS Agency involvement	*58%*	*No data*	*60%*	*62%*

➢ Maintain the level of satisfaction of HR Specialists with regard to the pay tables guidance materials, as expressed in the CSS and/or informal comments.

Program Area	*FY 1998*	*FY 1999*	*Target FY 2001*	*Target FY 2002*
Pay tables guidance	*92%*	*92%*	*90%*	*90%*

➢ Increase in the level of HR Specialists' satisfaction with OPM's technical assistance concerning pay systems as measured by informal customer feedback and/or a continuous increase in the percentage of favorable ratings (or maintenance at 80% or higher) in the CSS.

Program Area	*FY 1998*	*FY 1999*	*Target FY 2001*	*Target FY 2002*
Annual pay adjustment process	*83%*	*81%*	*81%*	*81%*
Federal Wage System	*77%*	*72%*	*74%*	*76%*

➢ An increase in the level of HR Specialists' satisfaction with OPM's information sharing about pay issues as measured by informal customer feedback and/or a continuous increase in the favorable ratings (or maintenance at 80% or higher) in the CSS.

Program Area	*FY 1998*	*FY 1999*	*Target FY 2001*	*Target FY 2002*
Annual pay adjustment process	*92%*	*85%*	*85%*	*85%*
Federal Wage System	*80%*	*74%*	*76%*	*78%*
Pay administration	*85%*	-	-	-
Leave administration	*87%*	-	-	-
Pay and leave administration	-	*86%*	*86%*	*86%*
Family-friendly programs	-	*86%*	*86%*	*86%*
Premium pay and hours of work	*80%*	*77%*	*79%*	*80%*

➢ Improvement in employees' perception of pay equity as measured by a 1% increase in the percentage of favorable ratings in the annual Merit Systems Principles Questionnaire. This increase is an annual increment to reach the 5-year strategic target of a 5% increase in favorable ratings.

Merit Systems Principle #3 -- Provide equal pay for equal work and reward excellent performance. Percentage of favorable responses:

FY 1999	*44%*
FY 2000	*45%*
FY 2001 target	*46%*
FY 2002 target	*47%*

VERIFICATION AND VALIDATION

- WCPS will continually assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's *Merit System Principles Questionnaire*, the OPM customer satisfaction survey and participant evaluation forms will be utilized.

- FY 2002 data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices to determine customer satisfaction and acceptance of WCPS products and services, and the level of progress toward achieving WCPS goals.

- Client access to information has been measured by such accepted accounting means as web page "counter" software and Government Printing Office data on the numbers of publications and CD-ROMs ordered. Using baselines from FY 1998 and FY 1999, WCPS will measure and report the progress of client access during FY 2002.

- To the extent that WCPS relies on other organizations such as the Government Printing Office for data and information, standard tracking systems have been developed and implemented by those organizations.

- Ongoing customer service assessment efforts through daily contacts and meetings with agency and other stakeholders that provide continuous feedback about program delivery and customer satisfaction.

FY 2002 BUDGET CHANGES:

An increase of $252,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$3,140	$3,133	$3,231	98
Full-Time Equivalents	31	39	39	---

DESCRIPTION OF ACTIVITY

OPM is responsible for ensuring the fitness and suitability of applicants for and appointees to positions in the Federal service. The Investigations Service (IS) provides policy guidance and oversight for agency security and suitability programs.

Through its security appraisal function, IS inspects and evaluates personnel security and suitability programs in other departments and agencies to fulfill IS oversight responsibility and to ensure compliance with the provisions of Executive Orders 10450 and 12968.

In addition, IS oversees the conduct of investigations to determine the fitness and suitability of persons entering Federal positions. Investigations are conducted, through a contract with a corporation, to resolve suitability issues, enforce the civil service laws, rules and regulations.

IS has also continued its leadership role in the personnel security and suitability community by serving as an active member of the Security Policy Forum. In addition, IS hosts meetings several times each year with agency representatives to discuss governmentwide security and suitability issues.

S&E General Fund Appropriations
Investigations Service

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): S 2,876 Full-Time Equivalents: 35

The personnel security community makes effective use of the investigative policy we establish and the leadership we provide as a member of the U.S. Security Policy Forum (SPF) of the U.S. Security Policy Board. (Ongoing)

IS Goal 1: **Only suitable applicants, appointees and employees are hired for, and remain in, the Federal competitive service.**

This program goal was established under Strategic Goal I since ensuring suitability is a basic recruitment component. As the Governmentwide leader for suitability policy, OPM plays a vital role in promoting the efficiency and integrity of the Federal service.

Means:

➢ Determine applicant suitability when an agency or OPM office refers applications for resolution of serious issues to include:

- Screening cases for seriousness and relevance.
- Acting on cases with potentially serious issues for further investigation.
- Proceeding with cases that require more extensive investigation.
- Rating applicants ineligible after review of issues surfaced with agencies.
- Directing removals of appointees to Federal positions after case review, resolving cases in favor of the subject, discontinuing cases for administrative reasons or, if appropriate, referring the case for agency adjudication.

➢ Continue ongoing liaison with agencies to share information with security offices regarding suitability adjudication to ensure suitability of all Federal employees.

➢ Issue final suitability regulations and issue supplemental guidance.

➢ Develop and conduct suitability training for agencies.

Indicators/Performance Results:

➢ Carry out suitability casework for agencies.

Suitability Decisions	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Agency referrals	1,608	1,419	1,500	1,000
Determinations Completed	1,560	1,433	1,500	1,000
Extensive Investigation Completed	402	467	450	450
Ineligible Rulings	152	175	200	200
Ineligible/Non Response Rulings	308	363	350	300
Direct Removals	58	37	50	50

The FY 2002 workload projections assume that new suitability regulations will be finalized and in place during FY 2001 and that agencies will implement their delegated responsibilities. Under these new regulations agencies would not be required to refer as many applicant suitability cases to OPM for a determination. After initial review of the facts, agencies will be responsible for making the final decision if a favorable determination is made or an unfavorable determination on cases where the issues are not serious enough to warrant a referral to OPM. OPM will continue to take action and direct removals in the most serious cases.

➢ Minimize the number of suitability decisions overturned by MSPB on appeal.

Out of 1,433 suitability determinations made in FY 2000, only two have been reversed upon appeal to the Board.

➢ Timeliness of suitability case processing. We expect our contractor to complete these cases within certain time frames. For fieldwork scheduled as part of a suitability investigation we expect cases to be delivered by the contracted delivery date.

S&E General Fund Appropriations
Investigations Service

Time standards for suitability cases have been included as part of our new contract requirements.

➢ Increase satisfaction levels of HR Specialists as measured by the OPM Customer Survey. We expect to improve the HR Specialists' satisfaction levels in FY 2002 by expanding our communication with the HR community through various means.

Human Resource Specialists	**Information Sharing - Percent Satisfied or Very Satisfied**				**Technical Assistance - Percent Satisfied or Very Satisfied**			
Program Area	FY 1998 Baseline	FY 1999 Result	FY 2001 Goal	FY 2002 Goal	FY 1998 Result	FY 1999 Result	FY 2001 Goal	FY 2002 Goal
Suitability Determinations	67.2%	63.9%	65%	67%	66.4%	63.9%	65%	67%

Note: There was no survey of HR Specialists during FY 2000.

To help improve the level of HR Specialist's understanding of, and satisfaction with OPM's suitability determinations, we will invite representatives from agencies' human resource offices to participate in the new Investigations' Suitability Focus Group. This focus group will begin meeting once the regulations have been approved and put into place in agencies. We will also provide suitability training and a suitability processing handbook to agencies to supplement the new regulations.

IS Goal 2: **Promote uniform application of investigative standards mandated by statute and executive order by developing and implementing governmentwide investigative policy.**

This goal was established under Strategic Goal I because uniformity in the application of investigative standards will aid in the recruitment and retention of the Federal workforce.

Means:

➢ OPM issuance of and training on new suitability regulations.

➢ Participate as an active member of the Security Policy Forum of the U.S. Security Policy Board, and promote governmentwide uniformity in the application of investigative standards by being a member of the deliberative bodies which set and enforce policy, and by ensuring that OPM regulations and individual agency delegations and agreements reinforce the national standards.

➢ Monitor the appropriateness of investigative requests.

- Assess the results of the Investigations Customer Satisfaction Assessment Survey. This survey asks about our effectiveness in communicating and implementing governmentwide changes in investigative policy, process, or direction as well as our customers' overall satisfaction with our services.

- Develop and disseminate investigative policy and guidance to other Federal agencies through Federal Investigations Notices (FIN's), regulations, publications, on-site visits and training.

- Make security appraisal visits to determine the extent to which agencies have implemented new policies and standards.

Indicators/Performance Results:

- Continue as an active member of the U.S. Security Policy Forum of the U.S. Security Policy Board and the Federal Working Group of the Criminal Justice Information System (CJIS) Advisory Policy Board.

  OPM continues to be a highly respected member of the U.S. Security Policy Forum (SPF). OPM chairs the Personnel Security Committee which develops governmentwide policy, chairs the Investigations Working Group, and has staff members on virtually all the substructure committees, working groups and panels of the SPF. We have also been invited to be members of a number of other security community groups, including the Industrial Security Summit and the Board of Governors of the Extranet for Security Professionals, among others.

  Our Assistant Director for Operations was appointed to a two-year term to serve on the Federal Working Group of the CJIS Advisory Policy Board.

- Increased governmentwide uniformity in the application of investigative standards.

  During the Security/Suitability appraisals conducted in FY 2000, particular attention was again paid to agencies' implementation of the investigative standards and adjudicative guidelines approved by the President in FY 1998. We reviewed agencies' internal regulations to ensure that full implementation had taken place. If they had not been fully implemented, we worked with the agency to ensure that they were on course for compliance with the President's mandate. We have found that we need to continue to educate agencies in this area to ensure that they are in full compliance. We gather this information in our security appraisal visits or through conversations with agencies. We expect to have more information as to the extent of compliance during FY 2001 and FY 2002.

S&E General Fund Appropriations
Investigations Service

➢ Feedback from Investigations' Customer Satisfaction Assessment Survey. The first survey was administered in the second half of FY 1998 to help us determine how well we are providing services and guidance to our customer agencies. We expect to administer this survey instrument every eighteen to twenty-four months after having established our baseline data from the 1998 survey.

We received a 37% response rate to our FY 2000 Customer Satisfaction Assessment Survey. OPM Investigations Service sent it to 249 customer agency or program level security offices (this third survey was sent to more than twice as many offices as the first survey). Of those responding, 95% are satisfied with the content and quality of OPM's investigations and 94% are satisfied with the policy guidance and support provided by Investigations Service staff.

We convened a focus group comprised of representatives from our largest customer agencies each month to discuss their investigative needs and help us improve our service. We plan to conduct another Customer Satisfaction Assessment in FY 2001 to see how the responses compare.

➢ Extent to which agencies have implemented new policies and standards.

Our information from a great number of agencies shows that most have implemented the new standards in whole or in part. Other agencies are making efforts to reprogram funds so that they can be in full compliance with the new standards. We gather this information either during on-site visits or through conversations with customer agency staff. We have implemented a new self-assessment tool for agencies which should provide us with more accurate and timely information on the implementation of new policies and standards.

OPM STRATEGIC PLAN GOAL II:

PROTECT. THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 355 Full-Time Equivalents: 4

Agencies continue to adhere to the merit system principles and other laws, rules, regulations, and public policies governing human resources management even as flexibilities increase and new systems are introduced. (Ongoing)

IS Goal 3: **Agency personnel security programs are made more effective as a result of OPM evaluations which note best practices, identify deficiencies and make recommendations for improvement.**

This program goal was established under Strategic Goal II because OPM's security and suitability appraisal program will identify how well agencies are carrying out their security and suitability programs which help ensure protection of the merit system.

Means:

- Inspect and evaluate agencies' personnel security programs.
- Identify deficiencies in agencies' personnel security programs and recommend corrective actions for problems identified.
- Continue to train agency security staffs on security operations.
- Carry out security appraisals.
- Conduct investigations into alleged abuses (including test fraud) of the merit system at the request of OPM's or agencies' examining offices.
- In FY 2002, continue to assess comments from users of the Investigations Service Web site which provides information and assistance to agency personnel security officers.

Indicators/Performance Results:

- Results of agency security appraisal self-assessments.

  We received 14 security appraisal self-assessments from agencies in FY 2000. Results from the self-assessments have led us to schedule two agencies for on-site inspections in FY 2000. We expect to have the results of at least ten additional agency self-assessments in FY 2001 that will help us better focus our on-site inspections in FY 2002.

- Quality of agencies' personnel security operations.

  In FY 2000, we carried out 5 inspections and evaluations of agencies' personnel security program operations, identified deficiencies and made recommendations for corrective action.

- Agency feedback.

  We will provide suitability adjudication classes to agency security and suitability staff.

S&E General Fund Appropriations
Investigations Service

➢ Improvements made in agencies' security and suitability programs.

➢ Respond to agency examining office requests for investigations into alleged merit system abuse.

We carried out seven investigations into alleged abuses of the merit system at the request of agency examining offices in FY 2000. As a result of these investigations, three individuals were found to be ineligible for appointment to positions in the Federal competitive service.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to validate workload measures and validate the health of the business.

- IS completed a Web site which aids personnel security offices in agencies. Information on our services, frequently asked questions and other valuable information on Executive Orders and regulations pertaining to investigations and suitability adjudication are available on this site.

- An agency self-assessment tool was implemented in FY 1999 that allows OPM to monitor security and suitability in agencies.

FY 2002 BUDGET CHANGES:

In increase of $98,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$4,594	$4,450	$4,590	$140
Full-Time Equivalents	42	44	44	---

DESCRIPTION OF ACTIVITY

The Office of Workforce Relations (OWR) provides policy leadership, protects the integrity of civil service laws, regulations and policies, and serves its customers by providing tools and assistance in developing a workplace culture that sustains high performance, enhances quality of work life, and supports learning. The Office combines several programs including the Office of Work/Life Programs, the Office of Human Resources Development, and the Office of Labor and Employee Relations. OWR's mission includes:

- promoting work/life and wellness programs governmentwide;
- enhancing Federal training to support agency strategic goals through performance improvement and learning; and
- assisting Federal agencies in developing and maintaining effective employee and labor-management relations programs that support performance and mission accomplishment.

OWR also provides, on a reimbursable basis, training and management assistance to improve human resources management, and, on a limited basis, employee assistance services.

S&E/General Fund Appropriation
Office of Workforce Relations

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $3,672 Full-Time Equivalents: 35

Federal agencies have an increased understanding of and commitment to a family Friendly workplace culture that helps workers balance their careers and personal responsibilities, and that contributes to agencies' ability to effectively recruit and retain employees. (Ongoing)

OWR Goal 1: **To promote work/life and wellness programs governmentwide and provide agencies with policy guidance, and information resources on a full range of work/life and wellness initiatives.**

This program goal was established to support Strategic Goal I so that agencies would embrace a wide array of work/life and wellness initiatives to use as tools for recruitment, retention, improved productivity and morale. Through the use of these programs, Federal agencies can enhance their workplace environments and become better positioned as employers of choice. The Office of Work/Life Programs started FY 2001 with a Campaign for Work/Life and Wellness to initiate a year-long effort to help agencies better market and develop their work/life and wellness programs. That effort will be continued in FY 2002 as more agencies adopt and offer more programs and expand those already in existence.

Means:

- Develop and market information resources on the full range of work/life and wellness programs.
- Develop policies, guidance and regulations on new and revised initiatives.

- Promote the expansion of telecommuting throughout the Federal government through conferences and seminars; training modules; and revised guidance.

- Promote the implementation of the child care tuition assistance programs through dissemination of the Child Care Subsidy Report and events that highlight agency programs.

- Assess Federal employees' elder care needs through a governmentwide study.

Indicators and Performance Results:

- High levels of attendance and customer satisfaction at seminars, conferences, working groups, and other special interest meetings that we sponsor. "High levels" of customer satisfaction are defined as scores of 3.5 or better on a 1-5 point Likert scale with 5 being highest and/or ratings of 75% or better on survey data in which higher percentages represent more favorable ratings. "High levels" of participation are defined as a minimum of 25 agencies present at each event.

  The OWLP hosts a variety of events that provide participants with the latest information and policies on many of our subject areas that include dependent care issues such as child care and elder care; alternative ways of working such as telecommuting and alternative work schedules; physical health care programs such as preventive health measures and fitness centers; and mental health initiatives that include violence prevention. Events for all of these subject areas have been very well received. They are planned as a result of customer input and our knowledge of current trends in the work/life/wellness field. Our primary clients, the agency work/life coordinators, EAP administrators, and health coordinators are the principal attendees. At every event, we ask participants to identify other topics for which they need information and our future events are planned in consideration of that input.

  Our most recent event was held March 15, 2001 and the focus was telecommuting. Approximately 300 participants heard about agency efforts to expand telecommuting; the progress on revised policies; and the one-stop website for telecommuting information. We are planning a full day conference, the development of training modules agencies can use for both managers and employees, and we are working with GSA and several agencies on revising and clarifying policies on telecommuting.

  In an effort to get national exposure to the work/life and wellness programs offered in the Federal government, we partnered with the Alliance of Work/Life Professionals at their national conference. Nearly 100 Federal agency personnel attended pre-conference workshops dealing with Federal work/life and wellness issues, which we sponsored prior to the Alliance of Work/Life Professionals annual meeting. The workshops covered the full array of work/life and wellness programs. All of the attendees indicated they were in favor of OWLP partnering again with the AWLP at their annual conference and we plan to do so.

S&E/General Fund Appropriation
Office of Workforce Relations

Over 70 participants attended a half day session on child care training. The training was held for work/life coordinators and other agency representatives who have responsibility for child care programs. The training included information on the establishment of on-site centers; providing employees with advice on choosing child care; and the child care tuition assistance programs.

Over 100 participants attended the 2 sessions in our auditorium on the child care tuition assistance regulations. The training was held to help agencies implement the child care tuition assistance program. Another session was held at the invitation of the Dallas Federal Executive Board and the session was held in Dallas. Within an 11 month timeframe, 15 agencies implemented child care tuition assistance programs and other agencies continue to call OPM for guidance.

Nearly 200 participants attended our Oct. 24th Work/Life/Wellness kick-off event. This event was held as the first in a series of events and other programs to highlight for agencies the importance of developing work/life and wellness programs.

Over 70 agencies were represented during our Work/Life Working Group meeting attended by OPM's Director. This was a semi-annual meeting that focused on agency needs in the work/life and wellness arena. OPM has developed its plans to promote work/life and wellness programs based on the results of that meeting. The Director was interested in hearing from the agencies about the barriers to successful implementation of these programs.

➢ High levels of agency awareness and commitment to work/life and wellness initiatives as measured by the results of the HR Directors survey and other relevant surveys.

Agency awareness and commitment to work/life and wellness initiatives can be measured by survey questions that deal with the availability of programs; perceived help that is available to employees; and other questions that probe employee perceptions that their agencies are assisting them with their work/life balance concerns.

OWR surveyed HR Directors in FY 1999 to establish baseline data on the status of agency workplace violence programs. Eighteen of the twenty responding agencies reported existing or planned program components.

In addressing the issue of support for Family-Friendly Programs the following responses were received:

Question: Employee family responsibilities are understood and supported.

	Disagree	*Neutral*	*Agree*
Employee response:	*19%*	*21%*	*60%*
Manager/			

Supervisor response	*8%*	*11%*	*81%*

Question: Employees who have personal or work-related problems are offered help.

Employee response	*21%*	*20%*	*59%*
Manager/ Supervisor response	*8%*	*11%*	*81%*

The Office of Merit Systems Oversight and Evaluation (OMSOE) conducted a survey from May 1998 through September 1999 and obtained information on the availability of family-friendly programs from 8 large and 11 small agencies.

One question in their survey dealt with whether Work and Family Programs were available at the agencies. The results were as follows:

Program	*Large Agency*	*Small Agency*	*Combined Responses*	*%*
Part-time	*38*	*11*	*49*	*70.0*
Job Sharing	*19*	*3*	*22*	*31.4*
Telework	*38*	*8*	*46*	*65.7*
Flexible Work Schedule	*53*	*11*	*64*	*91.4*
Compressed Work Schedule	*55*	*11*	*66*	*94.3*
Resource/Referral Child/Elder Care	*39*	*10*	*49*	*70.0*
On-site Child Care	*25*	*5*	*30*	*42.9*
TOTAL	*59*	*11*	*70*	*100*

For the coming year, the MSPQ will ask respondents to identify whether their agencies provide elder care services and whether they offer telecommuting programs.

S&E/General Fund Appropriation
Office of Workforce Relations

By FY 2004, human resources development strategies result in Federal training that is better linked to agency strategic goals, is more measurable, and is more outcome oriented.

OWR Goal 2: **Strategic human resource development policy, programs, and initiatives are formulated and advanced so that Federal agencies are better equipped to address their workforce development needs.**

This program goal was established under Strategic Goal I to broaden and promote the role of OWR in assisting agencies in the development of their 21st century workforce and their capability to measure resultant performance improvements. The means under this program goal address HRD leadership activities, policy consultations and development, tools, and assistance that will enable agencies to link training to agency strategic goals and provide measurable outcomes to support the strategic planning process.

Means:

- Provide HRD leadership activities, tools, and assistance so that agencies view training, education, learning, and employee development as a valuable and necessary investment for achieving strategic agency goals.

- Formulate appropriate policy proposals, both legislative and regulatory, and issue regulations, interpretations and guidance on changes identified in reviews and through stakeholder input.

- Enhance existing and establish new collaborative relations with stakeholders and emerging experts in the HRD community.

- Increase Federal employee access to and use of learning technology.

- Promote widespread access to effective workplace learning strategies and tools.

Indicators/Performance Results:

- Our leadership of the Federal HRD function is recognized as indicated by an increase in the extent to which our advice and expertise is sought inside Government and by external groups.

  This is a new indicator; targeted data will first appear in FY-2001. The related feedback gathered to date from focus groups, interviews, and learning activity evaluations indicate that agencies want OPM to develop more guidance and publications; sponsor more learning activities; and continue to provide leadership through groups such as the Human Resources Development Council (HRDC), Training Technology Implementation

Group (TTIG), and the Government Performance and Results Act (GPRA) Interest Group.

OHRD developed proposed legislation to expand the authority for Federal agencies to pay for academic degrees and certificates, which responded to agency need for increased flexibility concerning workforce development issues. This proposed legislation generated significant Congressional interest and is still being considered for incorporation into a legislative package. The proposed legislation is anticipated to have governmentwide impact to agency efforts in recruiting and retaining skilled employees.

OHRD responded to the presidential approval of the first Federal Training Technology Task Force recommendation and developed guidelines to encourage and support agency Individual Learning Accounts (ILA's) pilots. The pilot program was supported by 12 agencies testing 16 different plans. Particularly noteworthy is OPM's participation in the pilot program. At the request of pilot agencies, OHRD established a working group of ILA pilot coordinators to foster collaboration and information sharing as they implemented their projects. OHRD's management of this group enabled them to more readily and effectively resolve pilot project challenges and concerns.

OHRD contributed substantially to the reshaping of the HRDC including the development of a new operating structure and revitalized committee partnerships. This revised structure establishes OPM as a permanent co-chair and recognizes OPM's reemergence as an HRD leader, and its important role in helping to shape the future of Federal HRD.

➢ Increasing numbers of agencies and program managers use training as a performance development tool and use innovative approaches to develop the workforce as measured by methods such as studies, focus groups, interviews, and other qualitative measures.

This is a new indicator; data will first appear in FY 2001.

➢ Agencies implement or enhance HRD strategies to develop the workforce as a result of OHRD leadership activities, tools, and expertise, as measured by surveys, informal feedback, evaluation instruments, and other qualitative measures.

Focus group and anecdotal feedback from agencies indicates a high level of satisfaction with the increasing number and content of leadership activities, tools, and expertise that OHRD is providing. As a result of a specially designed "premiere" workshop to introduce "A Guide to Strategically Planning Training and Measuring Results," agencies were able to learn about approaches to integrating training into strategic and performance plans. Ninety percent of the 193 workshop participants from 58 different agencies agreed that the "Guide" and the workshop would be significantly useful to help them link training goals to agencies plans, as required by OMB Circular A-11 and called for by Executive Order 13111. When asked about the overall guidance, learning

activities, and tools that OHRD provided, 79 percent of these same participants agreed that this assistance was useful.

OHRD provided support to the HRD community as well as all six subgroups of the Federal Training Technology Task Force, and contributed significantly to the final recommendations that were ultimately approved for implementation by the President. Furthermore, as an indication of our leadership role and expertise, OHRD was tasked with much of the implementation responsibility of the recommendations. The expected result is that agencies will have more tools available to develop their workforce and achieve their agency mission.

OHRD co-chaired the Training Technology Implementation Group (TTIG) which promotes applications and collaborations of learning technology as a viable and effective training tool. As a result, interest in the promotion of learning technology as a means of achieving agency goals and agency representation at meetings has increased. OHRD also responded to the identified needs of the group by creating an electronic discussion forum to support and encourage learning technology in the Federal community. Based on participant feedback, the TTIG is providing agencies with information and assistance to develop learning technology programs that will provide greater access to necessary training for their workforce.

OHRD continues to manage and promote the GPRA Interest Group, which effectively fosters collaboration among GAO, OMB, and OPM and operates as an agency tool for networking and sharing information on GPRA and related issues, such as human capital and workforce planning.

➢ Improved perception governmentwide that employees are educated and retained when it will result in better organizational or individual performance, as measured by a 2% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% increase in favorable ratings.

MSPQ Question on Merit System Principle #7: Educate and train employees when it will result in better organizational performance.

	Positive Responses
FY 1999	*58%*
FY 2000	*57 %*

This change is well within the margin of error for the survey. We will continue to monitor trends over time.

Federal agencies have an increased understanding of and commitment to effective and cooperative labor-management relationships that continually improve performance and service to the public.

OWR Goal 3: **Federal agencies have increased understanding and commitment to effective employee and labor-management relationships that improve performance and service to the public.**

This goal was established under Strategic Goal I in recognition of the fact that effective employee and labor-management relationships are critical to the ability of agencies to improve performance and service to the public.

Means:

- Work with administration and agency officials and Federal labor organizations to enhance the ability of agencies to create and sustain effective employee and labor-managment relations.

- Work with administration officials, other OPM offices, agencies, and other stakeholder groups to identify, formulate, and provide comments on changes in labor-relations and employee relations policies.

- Provide comments on other human resource policy proposals and guidance which reflects our governmentwide subject matter expertise in labor and employee relations, appeal and grievance rights, and dispute resolution.

Indicators/Performance Results:

- Labor organizations are regularly informed of proposed changes to governmentwide human resources policies or regulations and union recommendations and comments are fully considered. All statutory consultation requirements are met.

  In FY 2000, 39 proposed changes in OPM policies, regulations, or rules were forwarded to the Labor-Management Relations Division from OPM program offices. All 39 were transmitted to unions who hold Governmentwide consultation rights for their comments and/or questions.

- High levels of agency satisfaction with the information provided at OPM-sponsored meetings on employee and labor-management relations as measured by high attendance levels, survey results, and informal feedback.

  Six meetings of the HRMC Network on Labor-Management Relations were held in FY 2000. Each meeting had between 40 and 50 attendees. Attendance at network meetings remained high compared with FY 1999 sessions and informal feedback was very positive. In an email survey sent to all Directors of Labor Relations, we asked whether OPM's Labor-Management Relations Division did better this year in meeting their needs than we did in previous years. All respondents said "yes."

S&E/General Fund Appropriation
Office of Workforce Relations

We received positive feedback from labor and employee relations Directors through the HRMC Labor Relations Network, OPM's SOELR conference, training conferences, emails, letters, and telephone conversations. Feedback indicates an increase in customer satisfaction. The email survey asking Directors of Labor Relations whether OPM's Labor-Management Relations Division did better this year in meeting their needs than we did in previous years solicited the following remarks:

"You have always been responsive when I have had inquiries. Also appreciate your office's other support (e.g., the Network meetings, dissemination of case summaries, etc). Keep up the good work!"

"I will say that in the five months I have been with the Dept of Commerce, I have been to three IAG LR network meetings, SOELR, and the LR Directors' Retreat in Shepherdstown. All were well-organized and extremely valuable. In my book, the LMRD does an exceptional job of reaching out to its customers."

"You have continued to do a splendid job in keeping the LR community up to date on changes and developments in labor management relations. Your case updates and notices of upcoming programs are timely and informative. Keep up the good work."

"Both the issuances and the meetings were better than the previous year. I particularly appreciate the renewed effort to provide a venue for the exchange, orally as well as in writing, of views on emerging issues relating to labor-management relations."

➢ Agencies report, in informal feedback or in response to surveys, including (when available) the OPM Customer Satisfaction Survey (CSS), that OPM initiatives and guidance help them address labor relations and employee deficiencies in performance and conduct more efficiently and effectively.

Reported levels of satisfaction by HR Directors as measured by the CSS were as follows:

	FY 1998	FY 1999	FY 2000
Information Sharing	*90%*	*Insufficient*	*No data*
Technical Assistance	*84%*	*Data*	*No data*
Policy Leadership	*81%*		*76%*
Opportunity for Involvement	*89%*		*No data*

The FY 2000 survey of HR Directors did not include a specific question regarding satisfaction with instructional materials related to the identification and resolution of performance problems.

We received informal feedback from employee relations directors through OPM's Symposium on Employee and Labor Relations (SOELR), emails, letters, and telephone conversations. Informal feedback indicates continued high levels of customer satisfaction with our CD-ROM on poor performance and other employee relations materials and publications.

Similarly, the FY 2000 survey of HR Directors did not ask about Opportunity for Involvement. However, in a separate survey conducted by the Labor-Management Relations Division via email, respondents provided positive feedback. The email survey asked Directors of Labor Relations whether OPM's Labor-Management Relations Division did better this year in meeting their needs than we did in previous years. All respondents said "yes."

Reported levels of satisfaction by HR Specialists as measured by the CSS were as follows:

	FY 1998	FY 1999	FY 2000
ER Information Sharing	*74%*	*75%*	*No Data*
ER Technical Assistance	*70%*	*70%*	
Guide for Supervisors	*78%*	*80%*	
CD-ROM	*66%*	*72%*	
LR Information Sharing	*72%*	*68%*	
LR Technical Assistance	*66%*	*62%*	

There was no FY 2000 OPM Customer Satisfaction Survey of HR Specialists. OPM determined this survey was not reaching the appropriate audience. The survey will be changed and directed to expanded audiences.

- Improvement in the perception that steps are taken to deal with poor performance in the Federal Government as measured by the annual Merit Systems Principles Questionnaire.

MSPQ question - "In my work unit, steps are taken to deal with poor performers who cannot or will not improve."

Percentage of unfavorable responses: FY 1999 - 32% FY 2000 - 31%

The change in responses from FY 1999 to FY 2000 was within the margin of error for the survey. We will continue to assess this indicator over time, however, we note several potential limitations for these data. First, there is no commonly understood definition of what is "poor performance." Second, there are many steps that supervisors may take (such as counseling, training, or job restructuring) that are not necessarily known to other employees. Third, many employees likely respond to this question based on their overall impression of their supervisor, either good or bad, rather than on specific actions taken or not taken.

Effective and timely guidance is available to agencies for creating and using alternative dispute resolution programs that can reduce the cost of disputes, reduce litigation, and increase employee satisfaction with the dispute resolution process.

S&E/General Fund Appropriation
Office of Workforce Relations

OWR Goal 4: **Agencies make use of alternative dispute resolution (ADR) programs in order to make dispute resolution a more timely, cost-effective and less divisive process.**

This program goal was established in support of Strategic Goal I in recognition that use of alternatives to the traditional formal and often adversarial dispute resolution can result in more effective and efficient resolution of those disputes which in turn enables agencies to manage and retain a high quality and diverse workforce.

Means:

- Identify and showcase excellent ADR programs by maintaining the Agency ADR Resource Guide and by conducting the third annual OPM Director's Award for Outstanding ADR Programs in the Federal sector.

Indicators/Performance Results:

- Consistency in the quality and numbers of nominations for the OPM Director's Award for Outstanding ADR Programs in the Federal sector.

  The number and quality of nominations received for the FY 2000 Director's ADR Award reflected a continued high interest in ADR on the part of agencies. OPM showcased several of the FY 2000 award winners at the FY 2001 Symposium on Employee Labor Relations and included all of the several dozen nominees in the ADR Resource Guide.

- Continued positive agency feedback on the usefulness of the *Agency ADR Resource Guide.*

  In FY 2000, we continued to receive extensive, although primarily informal and anecdotal, feedback from agencies that they find the Guide to be an extremely useful resource in establishing and enhancing agency ADR programs.

- Improvement in employees' perception that employees are treated fairly and equitably, as measured by an increase in the percentage of favorable ratings in the annual MSPQ.

MSPQ FY 1999	*MSPQ FY 2000*
63%	*65%*

OPM STRATEGIC PLAN GOAL II:

PROTECT. THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $918 Full-Time Equivalents: 9

Decisions of Federal adjudicatory agencies and decisions of OPM acting on appeals are consistent with civil service laws, regulations, and policies.

OWR Goal 5: **Third party decisions that warrant OPM intervention are identified to ensure that case decisions are consistent with civil service laws, rules, and policies.**

This program goal was established to support Strategic Goal II to fulfill a statutory responsibility to formally intervene before third-parties to ensure proper interpretations of civil service laws, rules and regulations.

Means:

- Review all decisions of the Merit Systems Protection Board, and appropriate decisions of arbitrators, the courts and the Federal Labor Relations Authority, to identify, analyze and act upon those decisions warranting formal OPM intervention, reconsideration, or judicial review.

- Educate agencies about the intervention process in order to improve the identification of decisions warranting OPM involvement.

Indicators/Performance Results:

- All decisions of the Merit Systems Protection Board and appropriate Federal Labor Relations Authority, court and arbitration decisions are reviewed and intervention or judicial review is recommended in appropriate cases.

  In FY 2000, all decisions of MSPB and appropriate FLRA, court, and arbitration decisions were reviewed and intervention or judicial review was recommended in appropriate cases. Over the course of the year, we reviewed over 10,000 decisions and recommended formal OPM intervention in 5 cases. The decision to intervene or seek reconsideration is based on a determination both that the third-party ruling is erroneous and that the error will have a substantial governmentwide impact.

S&E/General Fund Appropriation
Office of Workforce Relations

➢ Surveys and feedback indicate high levels of agency satisfaction with OPM's activities in this area.

We have received informal feedback from employee relations specialists and agency attorneys through letters and telephone conversations. Feedback indicates increased customer satisfaction with respect to our intervention decisions.

Reported levels of satisfaction of HR Specialists were as follows:

	FY 1998	FY 1999	FY 2000
OPM's Intervention in Employee Disputes Before Arbitrators and MSPB	*67%*	*58%*	*no data*

The FY 2000 OPM Customer Satisfaction Survey did not include a survey of HR Specialists.

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $845 Full-Time Equivalents: 8

Our technical assistance and information on human resources policies and programs are timely, useful, accessible, and user-friendly.

OWR Goal 6: **Stakeholders receive responsive and useful advice and technical assistance to assure that employee relations, employee health services, work/life initiatives, labor-management relations, and human resource development are a part of agencies' fully integrated human resource systems.**

This program goal was established in support of Strategic Goal III in order to provide agencies with direct assistance and the most up-to-date and accurate information on policies and programs to prepare them for effective and efficient operations in the 21st century.

Means:

- Provide advice and assistance in all OWR program areas to agencies, employees, and other stakeholders through in-depth professional and technical consultation, presentations, resource materials, and electronic media. Topics include:

  - dependent care including child care and elder care; alternative ways to work including telecommuting and alternative work schedules; health initiatives, and violence prevention;
  - workforce development strategies and tools, knowledge transfer, and management of the HRD function; and
  - union recognition trends, collective bargaining agreements, third-party case law summaries, appeal and grievance rights, and employee performance and misconduct deficiencies.

- Develop and market information resources on the full range of work/life and wellness programs.

- Develop policies, guidance and regulations on new and revised initiatives.

- Promote the expansion of telecommuting throughout the Federal government through conferences and seminars; training modules; and revised guidance.

- Promote the implementation of the child care tuition assistance programs through dissemination of the Child Care Subsidy Report and events that highlight agency programs.

- Assessment of elder care needs in the Federal government through a governmentwide study.

Indicators and Performance Results:

- High levels of customer satisfaction as measured by customer satisfaction surveys and other relevant surveys.

- Agencies have increased access to information about effective work/life, workforce development, labor-managment, and employee relations practices as measured by publications and training materials distributed; briefings, presentations, and workshops conducted; and written and oral guidance provided.

- Other qualitative and empirical evidence demonstrates that OWR serves in a valuable consultative role to agencies, employees, and other stakeholders.

The above three indicators relate to all three OWR program areas:

S&E/General Fund Appropriation
Office of Workforce Relations

OWLP

OWLP sponsors a number of different events for both employees and their agencies on a full range of work/life and wellness topics that address strategies and programs that enhance recruitment, retention, productivity and morale. Seminars and conferences include expert presenters who share research, best practices, and program implementation ideas. These events have been extremely popular in the past. The offerings are designed around customer feedback and the development of new and revised policies and regulations.

Typically, conference participants rate OWLP presentations as very good, or outstanding. The following are examples of anecdotal comments that we receive when we do a conference or other special event: "terrific opportunity to network and meet colleagues;" "excellent idea;" "need an annual conference." In response to this last comment, we are developing a large national conference on work/life and wellness programs for late in FY 2001 or early FY 2002.

Other examples of positive evaluations of OWLP sponsored events are:
Nursing Mothers Seminar- evaluation results: 4.4 out of 5.0
Fatherhood Seminar - evaluation results: 4.4 out of 5.0
Kinship Care Seminar - evaluation results: 4.7 out of 5.0
Older Americans Month Seminar - evaluation results: 4.47 out of 5.0
Telecommuting Seminar - evaluation results: 4.2 out of 5.0

The OWLP provides technical assistance and provides counsel to employees and agency representatives on the full range of our programs. On average, the OWLP answers over 400 phone and e-mail inquiries a month. Assistance is also provided through in person consultations and presentations, our website, and through our written materials. Staff are frequently asked to make presentations at conferences and provide seminars on specific topics. All of our publications are also available on our website. This year we are developing a newly organized website for the Office of Work/Life Programs. Each content area will include an introduction to the topic; highlights such as statistical information and trend data that agencies can use for their position and white papers; a resource section that lists publications and videos; and a list of related websites. Another way we have provided technical assistance is through a secure website for work/life coordinators. For child care, for example, we post agency implementation plans and we have provided very positive feedback from the agencies about that service. We have also posted minutes of the various work/life coordinator working group meetings on that website. Following our Telecommuting Seminar, we posted the handouts from the event on our website. We will continue to post our handouts from our conference sessions and seminars including PowerPoint presentations.

In an effort to promote our programs on a national scale, OWLP plans to again partner with the Alliance of Work/Life Professionals at their annual conference. This event gives the Federal government national exposure as an employer that offers a wide range of

work/life and wellness programs that enhance employee well being and morale. The event will provide OWLP with an opportunity to give attendees the latest information about the full range of programs offered in the Federal government. At our first partnership conference with AWLP, non-Federal employees commented that they were surprised that the Federal government offered so many programs and they asked that sessions be open to both Federal and non-Federal participants in the future.

The OWLP will also offer a number of opportunities for agencies to learn more about the telecommuting initiative. As a follow-up to our March 15th seminar, we plan to convene a full day conference specifically for managers. issues that impact telecommuting employees and their employers committees. We are also in the planning stages of a distance learning module for managers on the "how tos" of telecommuting. This national telecommuting campaign will give OWLP the opportunities to both disseminate information about telecommuting and showcase agencies that have successful programs.

We are partnering with the GSA to provide updated policy guidance on a number of telecommuting policy issues. OPM and GSA are co-leading that effort and 17 agencies are participating on the development of a set of recommendations for policy revisions.

Should the child care tuition assistance program be permanently enacted, the OWLP will be ready to provide information about agency implementation plans and technical assistance for getting programs started. We are showcasing successful agency implementation plans; we are issuing a new "Guide for Implementing Child Care Legislation" and we will continue to provide agencies with the technical advice they need to implement successful programs.

Policy guidance is provided through the various mechanisms listed above.
The percentage of respondents for the HR Directors survey who agreed, or strongly agreed, with the statement that "OPM provides useful HRM policy guidance, programs, and strategies" in the following program areas were:

EAP	*72%*
Workplace Violence Preven.	*82%*
Health Promotion/Dis.Preven.	*61%*
Work/Life Programs	*94%*
Child Care Subsidy Regs	*82%*

The Office of Work/Life Programs publishes documents we feel will help agencies with the implementation and/or expansion of the work/life/wellness programs.
The Office of Work/Life Programs published "The Director's Award for Outstanding Work/Life Programs -- 1994-1999". This document was published in December 1999 and was widely distributed.

S&E/General Fund Appropriation
Office of Workforce Relations

We received numerous requests for copies of many different publications that we have produced including topics such as dealing with domestic violence at the workplace; dealing with alcoholism in the workplace; child care; and others.

The OWLP receives many invitations to make presentations at agency events including kick-off events and conferences. Recently, the OWLP partnered with the Alliance of Work/Life Professionals to convene a national conference on work/life issues. The event was so successful that AWLP has asked that OWLP partner once again for the upcoming conference. This type of arrangement has the advantage of exposing Federal sector participants to private sector initiatives and vice versa.

OHRD

In FY 2000, a focus group of HRD Directors and Senior HRD Specialists rated their satisfaction with and the value of OHRD products and services. Topics included the HRD website, documents and publications developed by OHRD, partnerships OHRD helped promote and establish, OHRD technical expertise, and the OHRD consultative and assistance role. The summary data (on a scale of 1-10, with 10 being the highest and the most important) established a baseline for comparison and indicated that OHRD was providing an above average level of quality service (mean of 6.8 and mode of 10).

OHRD continued to respond to agency requests by presenting nearly a dozen training policy workshops for agencies and is continuing to host monthly policy meetings with key HRD policy representatives from across Government. Requests for technical assistance and collaboration continue to grow and are expanding in their comprehensiveness. An example includes the American Society of Training and Development (ASTD) and the Training Officers Conference (TOC), which had requested us to present at their yearly conferences. In addition, agencies such as the Department of Energy requested assistance with the redesign of their project management training program, and the Federal Executive Boards requested a briefing about learning technology in the Federal Government

The demand for and expectation of OHRD information and publications on the HRD website is increasing. Inquiries made through the HRD Corporate Mailbox averaged 27 per month during FY 2000. In FY 1999, the HRD directory averaged 21,214 hits per week, and captured 0.8% of the total hits to the top 20 OPM directories. In FY 2000, the HRD directory averaged 39,288 hits per week, and captured 1.0% of the total hits to the top 20 OPM directories. The number of hits showed an increase of 85%. When "A Guide to Strategically Planning Training and Measuring Results" was posted on the HRD Website, a number of agency and educational websites linked to the page within days of posting and various electronic media immediately picked up the "Guide".

OLER

In FY 2000, OWR created a compendium of recent significant case decisions involving performance-based actions, checklists for performance-based actions, and a guide with "Frequently Asked Questions," all of which are used frequently by customers, as determined by informal feedback.

The multimedia tools to assist supervisors address poor performance which OPM produced two years ago continue to be used by agencies and distributed to agency managers. This is demonstrated by both by the numbers of copies ordered through the Government Printing Office (3,640 CD-ROMs and 2,446 booklets) as well as anecdotal evidence that agencies are either printing the booklet directly from the website and/or either placing the CD-ROM on their agency LAN or reproducing it themselves. Two examples of anecdotal feedback:

"Thanks for providing this. We have made copies and distributed them to our managers and supervisors. It has already had some positive results."

"Thank you for the loan of the CD and the booklet. After review, we're placing an order via GPO for 35 of each."

Hits on the poor performance website:

FY 1998	*9,500*
FY 1999	*26,000*
FY 2000	*11,720 (as of March 27)*

Only partial data are available due to systemic problems with continuing to count website hits in the second half of the year. However, data for the first half of FY 2000 suggests that we were on track to reach the FY 1999 figures.

Five issues of "Significant Cases in Employee and Labor Relations" were published in FY 2000. Each has drawn positive responses from customers. In an email survey of Directors of Labor Relations, all respondents stated that "Significant Cases" was helpful and that its content was appropriate. On a scale of 1 through 5 (5 indicating the highest quality,) respondents gave "Significant Cases" a cumulative average rating of 4.6.

FY2002 BUDGET CHANGES:

An increase of $140,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EXECUTIVE RESOURCES
(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$2,620	$2,487	$2,565	$78
Full-time Equivalents	20	23	23	0

DESCRIPTION OF ACTIVITY

To serve the American people effectively, the Government must have exceptional executives and managers. The Executive Resources (ER) program improves the performance of Government by providing leadership, program oversight, and consultative services to enable agencies to select, develop, and manage Federal executives who: are strong leaders with a broad corporate perspective; are committed to public service values; are able to design and implement strategies that maximize employee potential; and foster high ethical standards.

The Office of Executive Resources Management (OERM) supports agencies through a broad range of activities including: allocating position and appointment authorities; establishing the critical competencies used to select and develop new executives; administering Qualifications Review Boards and the Presidential Rank Award program; providing assistance on executive and management development, including SES Candidate Development Programs; and promoting voluntary movement of executives to broaden their perspectives and bring fresh insight and new ideas to agency programs. The ER program operates in tandem with OPM's other programs to ensure that governmentwide executive leadership is fully integrated with other human resources management components.

S&E/General Fund Appropriation
Executive Resources

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $453 Full-Time Equivalents: 4

By FY 2004, the Government's executive resources systems appropriately distinguish leadership and technical/professional attributes, and help agencies develop, select, and manage an exceptional executive corps.

ER Goal 1: **Continue the comprehensive, long-term study of the organization, structure, and composition of the Senior Executive Service and other senior personnel systems begun during FY 2001.**

This program goal was established under Strategic Goal I to identify any structural changes that would improve the ability of agencies to develop, select, manage, and retain the best senior executives.

In April 1998, we circulated the Draft Framework for Improving the Senior Executive Service (SES) to stimulate discussion in preparation for the challenges and rapidly-changing demands of the new century. One of the four issues addressed in the Framework was the structure of the Government's executive personnel systems. Specifically, is the SES system - one which is designed to select, develop and manage the best executives - also the optimal one for selecting, developing and managing the best top level technical leaders, or are more specialized systems required? What are the tradeoffs for differentiating the systems, and are they worth it? We conducted a series of briefings and informal discussions with a wide variety of stakeholders to obtain their ideas for improving the SES. We published a report that summarized stakeholder views and recommendations for future improvements. There was no consensus about the structure of the SES; all agreed this requires more study.

In FY 2001, we will begin the review of legislative history, studies, and reports on the structural issue and hold informal meetings and discussion with stakeholders in order to develop a series of draft options or alternative structures.

Means:

- We will use the results of the first phase of the study to refine options and alternatives, vet recommendations with stakeholders, and develop formal proposals for Administration approval after achieving stakeholder consensus.

Indicators/Performance Results:

- We reach consensus on the draft options we develop and share with stakeholders.

  In 1999, we completed the initial phase of the SES Improvement Framework. We pursued a number of initiatives on which there was stakeholder consensus, i.e., legislative proposals to repeal SES recertification and to raise aggregate pay for the SES and equivalent positions from Executive Level I to the Vice President's salary level. Several administrative initiatives that we began in FY 1999 were completed in FY 2000/2001 – in May 2000, we published revised SES staffing regulations, and, in October 2000, regulations which focus SES performance management on accountability and results were published.

- Continued evidence of satisfaction among HR Directors with OERM's collaboration in the development of executive resources policies, as measured by informal customer feedback and/or favorable ratings in the HR Directors Customer Satisfaction Survey.

  Reported level of satisfaction as measured in the HRDCSS:

HR Directors	*FY 1998 (Baseline)*	*FY 1999*	*FY 2000 (Result)*	*FY 2001 (Goal)*	*FY 2002 (Goal)*
SES Framework Policy Leadership	*62%*	*Insufficient Data*	*Question Was Not Asked*	*Question Will Not Be Asked*	*N/A*
SES Framework Opportunity for Involvement	*69%*	*Insufficient Data*			*N/A*
Collaboration–SES Staffing Initiatives	*Not Asked*	*N/A*	*67%*	*N/A*	*N/A*
Collaboration – SES Performance Mgmt Regulations	*Not Asked*	*N/A*	*67%*	*N/A*	*N/A*
Collaboration – SES Structures Options	*Not Asked*	*N/A*	*N/A*	*69%*	*70%*

In FY 1998, we asked HR Directors to rate us on our policy leadership and their opportunity to be involved in the SES Framework. In 2000, our policy initiatives were

the changes to SES staffing and performance management regulations. In FY 2001 and FY 2002, we will ask questions about the SES Structures initiative. Overall, we will have a picture of how HR Directors view our policy leadership and how collaborative we are as we work through our initiatives.

ER Goal 2: **SES performance management systems incorporate balanced measures which help agencies to improve individual and organizational performance, hold executives accountable for results, and provide an adequate basis for personnel decisions.**

This program goal was established under Strategic Goal I to help ensure that agencies are able to use the performance management system to effectively manage their senior executives.

Means:

- We will continue to assist agencies as they apply the flexibility in the revised SES performance management regulations to better manage their executives' performance.
- We will monitor agency progress in applying balanced measures in their performance management.
- We will promote communication and collaboration among agencies about performance management by sharing best practices and other information.

Indicators/Performance Results:

- The FY 2002 SES Survey results show that using balanced measures to evaluate senior executive performance is having a positive impact on performance results

  In the 1999 SES Survey, only two out of three executives reported that their performance plans were linked to their agency's strategic plan. However, most executives reported their pay increases and bonuses were more directly linked to their individual performance versus other outcomes. For instance, 72% said their performance bonuses were linked to customer satisfaction and 59% said their pay level increases were linked to customer satisfaction; 46% said their bonuses were linked to employee input while 38% reported a link between their pay level increases and employee input. In FY 2000/2001, we used these responses to inform our revisions to the SES performance management regulations which require agencies to consider balanced measurements in assessing the performance of their executives. Balanced measurements are those which balance organizational and individual results with customer, employee, or other perspectives.

- We receive positive feedback from agency HR Directors, executive personnel managers (HR Specialists), and/or other affected officials about the assistance they receive as they apply the new flexibilities in the revised performance management regulations.
  In FY 2001, we completed the project to revise the governmentwide performance management regulations which we began in FY 1999 by publishing a revision to the SES performance management regulations (October 2000). The revisions focus on results, increase agency flexibility to develop systems tailored to their individual needs, and require consideration of customer satisfaction and employee perspectives in performance plans and evaluations.

  Results from OPM Customer Satisfaction Survey - HR Specialists with ER responsibility (Survey is administered every other year):

		% Satisfied With Information Sharing			
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
SES Compensation and Performance Management	84%	83%		85%	
Presidential Rank Award Pgm	73%	95%		95%	

		% Satisfied With Technical Assistance			
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
Comp/Perf Mgmt	82%	93%		93%	
Pres Rank Award Pgm	69%	90%		90%	

- Informal feedback from stakeholders, attendees at SES briefings and symposia, and/or surveys by other organizations show that executives and agency management find that managing SES performance is a more positive contributor to ensuring mission accomplishment.

OPM STRATEGIC PLAN GOAL II:

PROTECT. THE FEDERAL GOVERNMENT, AS AN EMPLOYER, CONSISTENTLY HONORS MERIT PRINCIPLES IN MANAGING ITS WORKFORCE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $231 Full-Time Equivalents: 2

S&E/General Fund Appropriation
Executive Resources

Agencies continue to adhere to the merit system principles and other laws, rules, regulations and public policies governing human resources management even as flexibilities increase and new systems are introduced. (Ongoing)

ER Goal 3: **All career SES selections, particularly those of noncareer employees for career SES appointments, comply with merit principles; agencies comply with statute and regulation in their use of noncareer and limited appointment authorities.**

This program goal was established under Strategic Goal II to ensure that agencies adhere to merit principles and other laws, rules and regulations in their management of their executive personnel systems.

Means:

- We will conduct oversight activities in conjunction with the Merit Systems Oversight and Effectiveness program.
- We will review all agency selections for initial career SES appointment. We will pay particular attention to agency selections of noncareer appointees for career appointments to ensure that all staffing processes conform with the letter and spirit of merit principles.
- We will monitor agency exercise of noncareer and limited appointment authorities to ensure that they observe statutory numerical limitations and other requirements pertaining to such appointments.

Indicators/Performance Results:

- Agency practices conform to merit principles.

  In FY 1999, we initiated discussions with the Office of Merit Systems Oversight and Effectiveness (OMSOE) about including Executive Resources programs and issues in cyclical or special reviews, and about possible participation by OERM staff. In FY 2000, OERM discussed with OMSOE which ER programs, policies, or issues should be considered for OMSOE oversight and effectiveness reviews in FY 2001 and future years.

  We will not establish separate indicators for these efforts. They will be measured through the regular OMSOE indicators for oversight reviews.

- All SES career appointments of individuals from noncareer-type positions comply with merit requirements.

In FY 2000/2001, we conducted in-depth reviews of all proposed SES career appointments of individuals from noncareer-type appointments. We did not process any cases that did not meet the intent and spirit of the law. Where necessary, we educated agencies about process improvements to ensure that they are adhering to merit requirements.

➢ Agencies receive sufficient information and technical assistance to enable them to comply with statutory and regulatory requirements for noncareer and limited appointments.

Results from biennial *OPM HR Specialists Customer Satisfaction Survey- HR Specialists with ER responsibility:*

		% Satisfied With Information Sharing			
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
Noncareer/Limited Appts	77%	80%		82%	

		% Satisfied With Technical Assistance			
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
Noncareer/Limited Appts	74%	86%		88%	

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $1,881 Full-Time Equivalents: 17

Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

ER Goal 4: **Leadership and management skills, public service values, and a governmentwide perspective are key factors in selections for all SES positions.**

This program goal was established under Strategic Goal III to emphasize that while technical, job-specific qualifications are important, the keystone of the SES is executive leadership. To

meet the leadership challenges of the 21st century, all executives must demonstrate that they can lead change, lead people, build coalitions and partnerships, have a keen business sense about managing organizations, and can produce results.

Means:

- We will ensure that agencies improve their ability to select the best executives by helping them to identify ways to increase the focus on the leadership qualifications.

- In collaboration with the Office of Executive and Management Development (OEMD), we will provide information and guidance to agencies and groups of potential applicants on the executive leadership qualifications needed for success in the SES through workshops on the Executive Core Qualifications (ECQs) and other forums as opportunities arise.

- We will participate in OEMD's annual curriculum conference to review and evaluate how best to incorporate the ECQ's into courses of the Federal Executive Institute and the Management Development Centers.

Indicators/Performance Results:

- The FY 2002 SES Survey shows that agencies have increased their emphasis on the Executive Core Qualifications in their internal selection process.

  In the FY 1999 Survey of the SES, respondents rated executive qualifications as more important than technical qualifications. However, only 56 percent reported that the ECQ's were being emphasized in evaluating applicants for the SES. In FY 2000, we completed a series of administrative actions to emphasize the importance of leadership qualifications in SES selections, give agencies additional flexibility to recruit a talented, diverse executive cadre, and strengthen merit principles. These actions included regulatory changes as well as process and procedural modifications to streamline the SES applications process, reduce paperwork requirements, and improve the Qualifications Review Board certification process. The initiative continues in FY 2001 with continuing attention to helping agencies devise ways to incorporate the leadership qualifications into their selection process.

- Favorable ratings and comments on evaluations and/or informal feedback collected at briefings on the Executive Core Qualifications and other forums show that attendees understand and value information provided about the importance of developing and demonstrating the ECQ's.

In FY 2000, OERM and OEMD continued to conduct briefings and workshops on the Executive Core Qualifications in Washington, DC, and various field locations for prospective SES applicants and HR professionals. These sessions provide information on the kinds of leadership experience and development needed for success in the SES. These sessions will continue into the foreseeable future.

	FY 1999	FY 2000
ECQ Briefings/Workshops	*56*	*41*
Participants	*5100*	*4190*

The number of briefings/workshops held each year is determined by participant/agency demand. Over 98% of the participants in the FY 2000 ECQ workshops and briefings gave them ratings of excellent to very good. The most popular segment of the workshops was the one on "Understanding the ECQ's".

ER Goal 5: **Through the biennial executive resources allocation process, maintain an executive workforce that is consistent with Administration policy and the overall size of the Federal Government.**

We established this program goal under Strategic Goal III because our leadership and corporate management of the government's executive resources are critical to agencies being able to effectively integrate executive resources decisions with their mission goals and objectives.

Means:

- The biennial allocations we issue for FY 2002-2003 and any allocation adjustments during the biennial cycle will reflect the Administration's management delayering goals and budget authorizations. We will limit allocation increases to those needed to support critical agency goals and missions and/or Administration priorities. Any directed reductions will be made strategically to reflect changes in Administration priorities, agency programs, and/or budgetary resources.

Indicators/Performance Results:

- There are minimal ad hoc increases above resources we initially allocated in the biennial FY 2002-2003 cycle, exclusive of any new agencies that are created or changes in Administration priorities.

Ad hoc adjustments within the FY 1998/1999 biennial cycle resulted in an overall increase of only .7% in governmentwide executive resources. Ad hoc adjustments in the FY 2000/2001 cycle won't be determined until the start of the FY 2002/2003 cycle.

S&E/General Fund Appropriation
Executive Resources

From 1994-1999, we achieved a 12% reduction in permanent SES spaces as part of the governmentwide workforce reduction initiatives, and we continued to maintain reduced levels. As a result, there was flexibility to grant limited increases for FY 2000/2001 to departments and agencies that demonstrated mission-critical needs and still be consistent with governmentwide downsizing. Biennial allocations for the FY 2000/2001 resulted in a net increase of less than 4% over FY 1998/1999.

➢ We provide agencies with sufficient information and technical assistance to enable them to manage their executive resource allocations effectively and in accordance with the Administration's goals for streamlining and delayering management structures

We are continuing to use the allocation process to focus agencies' attention on the importance of executive resources planning and analysis, including succession planning and management delayering, to meet current and future mission requirements.

Results from biennial OPM Customer Satisfaction Survey--HR specialists with ER responsibility:

			% Satisfied With Information Sharing		
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
SES/SL/ST Allocations	72%	77%		79%	

			% Satisfied With Technical Assistance		
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Program Area	Baseline	Result	(no survey)	Goal	(no survey)
SES/SL/ST Allocations	71%	82%		84%	

The competencies and leadership effectiveness of Federal executives and managers continuously improve through training, development, and voluntary mobility. (Ongoing)

ER Goal 6: **Continual learning and voluntary mobility are valued as strategies for maximizing executive effectiveness. Agencies and executives increasingly use training, development, sabbaticals, details, temporary assignments, and movement within and between agencies to broaden perspectives and gain fresh insights on leadership.**

This program goal was established under Strategic Goal III to overcome the attitudinal and information barriers and the cultural practices that inhibit continual learning and voluntary mobility. Our goal is to help ensure that the executives of the future are better able to produce results by broadening their perspectives, working across agency lines, implementing Administration policies, motivating others, and building coalitions. They must engage in continual development in order to do this.

Means:

- We will facilitate and promote continual learning/development of executives by conducting or sponsoring leadership symposia that focus on national policy issues and the Executive Core Qualifications. We will provide information on other development opportunities through the SES web site and other means of communication.

- We will promote the use of the e-Government OPM Internet Forum called SES SOARS (Senior Opportunity and Resume System), which was developed and implemented in FY 2000/2001, to facilitate connections between agencies seeking executive talent and SES members seeking new challenges. We will also promote SES SOARS as a tool for agencies to use to ensure critical work is accomplished as they delayer and streamline their organizations.

- We will research opportunities to allow temporary placement of public sector senior executives in the private sector and vice versa to improve the leadership capabilities of both.

Indicators/Performance Results:

- We continue to receive favorable ratings and comments on participant evaluations of SES leadership forums, briefings for new SES members, and other presentations. Participants report that the information received in these forums increase their job effectiveness.

	FY 1999	*FY 2000*
New SES Briefings	*2*	*3*
Participants	*340*	*479*

88% of the participants in the New SES Briefings rated the sessions as very good to excellent. We will establish baseline data on effectiveness in 2001.

- The FY 1999 SES Survey provided baseline data on types and numbers of job changes executives have made. We will repeat the survey in FY 2002 to judge the effectiveness of our efforts.

S&E/General Fund Appropriation
Executive Resources

FY 1999 SES Survey Results

Since becoming a member of the SES, how many times have you:	*NONE*	*2002 GOAL*
Changed jobs within one component of your agency or Department	*49%*	*47%*
Changed jobs by going to a different component of your agency or Department	*67%*	*65%*
Changed jobs to work in a different agency or Department	*91%*	*89%*

- Baseline established of agencies and executives who are using SES SOARS as a means of finding/filling vacant positions and handling temporary spikes in workloads

As a way to facilitate voluntary mobility, in FY 2000, we developed and tested the tools required to implement an Internet Forum that will help interested SES members find permanent or temporary assignments in other agencies This forum became operational in FY 2001. The SES Newsletter was used in FY 1999/2000 to share executive views on continuing learning and mobility experiences and other SES improvement initiatives.

VALIDATION AND VERIFICATION

Ongoing customer service assessment efforts, through daily contacts and regularly scheduled meetings with agencies and other stakeholders, for continuous feedback about program delivery and customer service.

Results from the OPM Customer Satisfaction Survey, data from surveys conducted by other government organizations such as MSPB and NPR or by non-government entities (such as the "Results of the Government Leadership Survey - a 1999 Survey of Federal Executives" by the PricewaterhouseCoopers Endowment for the Business of Government) for aid in measuring the responsiveness and value of programs and service.

The FY 2002 Survey of the Senior Executive Service for information on executive attitudes, qualifications and experience to help shape policy and administrative initiatives aimed at improving governmentwide executive resources management.

Feedback from evaluations of our Orientation Briefings for New Senior Executives and our follow-on Leadership Symposia for indications as to what extent these briefings and other OERM activities make them more effective in doing their jobs.

FY 2002 BUDGET CHANGES:

An increase of $78,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

ADMINISTRATIVE SERVICES

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations				
Salaries and Expenses	$18,740	$18,815	$21,606	$2,791
Trust Fund	$7,895	$8,600	$8,858	258
Advances and Reimbursements	$3,823	$14,070	14,070	---
Total	$30,458	$41,485	$44,534	$3,049
Full-Time Equivalents				
Salaries and Expenses	92	92	92	---
Trust fund	32	39	39	---
Advances and Reimbursements	31	74	74	---
Total	155	205	205	---

DESCRIPTION OF ACTIVITY

OPM's Administrative Services provide administrative support to all OPM programs and are financed by all OPM fund sources (Salaries and Expenses/General Fund Appropriation, Transfers from the Trust Funds, Revolving Fund, and the Office of the Inspector General's Salaries and Expenses/General Fund Appropriation and Transfers from the Trust Funds). Covered offices include the Office of Contracting and Administration, the Office of the Chief Information Officer and the Office of Human Resources and Equal Employment Opportunity.

OFFICE OF HUMAN RESOURCES AND EEO

The Office of Human Resources and EEO (OHREEO) coordinates, administers, and oversees a highly decentralized internal personnel management program and administers OPM's internal equal employment opportunity program. OHREEO works as a business partner with OPM managers to assist them in maximizing the use of the agency's human capital toward accomplishing all of OPM's strategic goals. OHREEO is specifically responsible for position management, internal human resources policy development, employee and labor relations, pay administration, staffing services, classification, training, EEO complaint processing, automated personnel information systems, and employee benefits.

S&E/General Fund Appropriation
Administrative Services

ANNUAL PERFORMANCE GOALS FOR FY 2002

OPM STRATEGIC PLAN: CORPORATE MANAGEMENT STRATEGY - HUMAN RESOURCES MANAGEMENT:

GOAL: We can recruit, develop, and maintain the high quality and diverse workforce necessary to accomplish OPM's current and future strategic goals with efficiency and innovation.

OHREEO Goal 1: **OPM manages its workforce strategically and aligns its human resources in a manner that best supports accomplishment of the agency's strategic goals and furthers the President's HR management improvement objectives.**

Means:

- Review projected rates of attrition among supervisory/managerial positions and use these data to inform succession plans, delayering, and position management decisions.
- As supervisory/managerial positions become vacant, assist program offices in reviewing and assessing the content and structuring of positions to support delayering efforts and promote efficient organizational structures.
- Propose and recommend re-delegations of personnel authorities to complement managerial restructuring efforts and to move appropriate decision-making authority as close as possible to the front lines.
- Ensure that OPM's internal HR program is appropriately reflected in the OPM Strategic Plan as an essential element in achieving agency goals and objectives.
- Leverage centrally funded leadership development programs to support the agency's overall leadership succession plan.
- Train, encourage, and support line managers and higher level managers to think and act strategically about their mission, program requirements, and employee competencies and needs.
- Support the Executive Resources Board and Performance Review Board in developing initiatives to enhance the management of our executive resources.

- Develop and implement innovative human resources policies and guidance that support and enable the strategic use of the agency's human resources.

- Identify components of an HRM accountability system to provide a mechanism for gauging the effectiveness of OPM's management of its human resources within the values of the merit systems principles.

Indicators/Performance Results:

- A high ratio of employees to supervisors is sustained and continues to surpass the Governmentwide average.

  OPM has made significant strides in eliminating managerial positions. Our supervisory ratio changed from 1:7.61 in FY 1993 to 1:11.85 in FY 2000, which is significantly above the Governmentwide change from 1:6.89 in FY 1993 to 1:7.97 in FY 2000. Although OPM has significantly exceeded the Governmentwide average, we will continue to look for opportunities to further streamline our organization.

- Key personnel authorities are appropriately re-delegated to lower levels to keep pace with and complement delayering and restructuring efforts.

- The OPM Strategic Plan acknowledges the importance of the HR function and OPM workforce in goal achievement.

- Increased numbers of employees who complete centrally funded leadership development programs are selected for advancement to positions of higher responsibility.

  As of the end of FY 2000, 42% of the graduates of the FY 1999 leadership development programs had been promoted to positions of higher responsibility (baseline data).

- Managers better understand and are more aware of key OPM strategic mission objectives as shown by survey/evaluation results.

  In FY 1999 and again in FY 2000 we held a meeting of all OPM supervisors. In FY 1999, 91% of participants indicated that the meeting helped increase their awareness of OPM's strategic goals and objectives; in FY 2000 that number rose to 96%. In FY 2001, we will continue to work on addressing key issues identified at the FY 2000 meeting, and plan another annual meeting of all supervisors. All attendees complete a conference evaluation that we use to assess the effectiveness of the event.

S&E/General Fund Appropriation
Administrative Services

OHREEO Goal 2: **Recruitment and staffing strategies are based on workforce planning information and facilitate the hiring of a diverse, capable, and flexible workforce.**

Means:

- Continue to streamline and automate staffing processes to fill jobs quickly and efficiently, including the use of reimbursable examining contracts with Employment Service in cases where the use of such services is determined to be cost-effective.

- Assist OPM program offices in using workforce planning tools and models to align human capital requirements with strategic goals and support a high performing and diverse organization.

- Use selective and targeted paid advertising to attract high quality and diverse candidates into applicant pools for our vacancies.

- Develop and maximize relationships with educational institutions through alumni/school partnerships, adopt-a-school affiliations, and cooperative education programs.

Indicators/Performance Results:

- Improved customer satisfaction with the staffing process and first-time success in identifying high quality candidates for selection consideration as evidenced by a customer service survey. *(baseline to be established in FY 2001)*

- Improved diversity of the OPM workforce.

  The overall representation of Hispanics in OPM rose from 2.9% in FY 1998 to 3.3% in FY 1999, to 3.7% in FY 2000. In FY 2000, we expanded our focus to additional targeted minority groups. The representation of Asian/Pacific Islanders went from 1.25% in FY 1998, to 1.22% in FY 1999, to 1.52% in FY 2000. The representation of American Indians/Alaska Natives went from .33% in FY 1998, to .43% in FY 1999, to .54% in FY 2000. In FY 2001, we will continue to focus on increasing representation of targeted minority groups in occupations in which they are underrepresented.

- Reduced recruitment and hiring cycle times.

  In FY 1999 our baseline data showed that it took an average of 58 days from the date of request for us to issue a certificate of eligibles to the selecting official. In FY 2000, we

reduced recruitment and hiring cycle times to 53 days. In FY 2001 we will continue to focus on reducing this baseline.

OHREEO Goal 3: **Innovative employee education and training programs and practices cultivate a workforce that is flexible, optimally trained, and capable of adapting to changing technology.**

Means:

- Manage the Career Resources Center and develop the capacity to serve as a "clearinghouse" or "databank" for training opportunities and options.
- Re-establish OHREEO's presence as career development/training advisor to OPM supervisors/managers.
- Review the Core Competency Training and Development Model to ensure that it continues to support the Agency's strategic goals and that managers/supervisors have the tools and information they need to implement the Model.
- Manage comprehensive career development programs for targeted employee groups of new employees (e.g., PMI, OPM Intern Program, Welfare-to-Work program, etc.) and provide for ongoing support of program participants.

Indicators/Performance Results:

- Customer Service Survey data shows that employees feel that they have access to training and development opportunities that help them do their jobs.

  In FY 2000, 75% of employees indicated that they had access to training and development opportunities (baseline data). NPR Survey data showed that in FY 1998, 60% of employees indicated that they receive the training they need to do their jobs, and in FY 1999 this figure increased to 66%.

- Training information is available in media that is accessible to all managers, supervisors and employees (e.g., Intranet).
- The agency accomplishes its strategic goals.
- Program participants indicate a high degree of satisfaction with our intern and career development programs. *(Baseline data to be established in FY 2001)*

S&E/General Fund Appropriation
Administrative Services

➢ Improved rate of retention among employees who complete career development programs (e.g., PMI's, OPM Interns, etc.). *(Baseline data to be established in FY 2001)*

OHREEO Goal 4: **OPM's work environment attracts, retains, and satisfies employees and managers.**

Means:

➢ Educate managers/supervisors and employees about family friendly flexibilities, options, and responsibilities.

➢ Increase managers'/supervisors' access to policy and guidance on leave and family friendly flexibilities (e.g., via Intranet).

➢ Improve managers' access to employee relations policy and guidance, and help them deal effectively with performance/conduct issues.

➢ Identify and promote opportunities for enhanced labor-management collaboration.

➢ Provide benefits counseling services and information that helps employees make informed decisions.

Indicators/Performance Results:

➢ Employees indicate a high-degree of satisfaction with OPM's work environment (as measured by survey).

Our FY 2000 Customer Service Survey contained the following indicators of employee satisfaction: (baseline data)

77% of our employees indicated that they felt valued
76% of our employees felt that OPM's work environment, policies, and family friendly programs support their work/life responsibilities
75% of employees felt that they have access to the training and developmental opportunities needed to do their jobs
78% were satisfied with their job overall (compared to only 62% Governmentwide)

➢ Managers and supervisors indicate that they are satisfied with Agency family friendly policies as well as with the advisory and consultative services provided by OHREEO (as measured by survey).

Our FY 2000 Customer Service Survey indicates that 82% of managers/supervisors are highly satisfied with our advisory and consultative services in this area. The baseline data from our FY 1998 survey showed a 74% rate of satisfaction in this area.

➢ Fewer employees who leave OPM cite family and work/life problems as their reason for leaving (as evidenced by exit interviews/surveys). *(Baseline data to be established in FY 2001)*

➢ Regular and recurring contacts are initiated and sustained with supervisors.

In FY 2000, we continued to make personal contact with supervisors who rate employees below Fully Successful to consult and assist them with their supervisory responsibilities to address the issue and help the employee to improve his/her performance. In FY 2001 we will develop new initiatives to improve our interaction with supervisors.

➢ Employees indicate a high degree of satisfaction with retirement seminars, benefits counseling, etc.

In FY 1999, 98 % of participants in our retirement seminars indicated that they were satisfied with the content and format of the sessions we presented; in FY 2000, this number increased to 100%.

OHREEO Goal 5: **OHREEO uses the best available technology for personnel data processing and record keeping to provide fast, accurate, and efficient human resources services.**

Means:

➢ Deploy the modernized DoD Personnel Data System.

➢ Implement new technological efficiencies in human resources transaction processing.

➢ Provide quality control on actions processed and data transmitted to the Central Personnel Data File (CPDF).

➢ Facilitate a smooth transition in OPM leadership following the inauguration of a new Presidential administration.

S&E/General Fund Appropriation
Administrative Services

Indicators/Performance Results:

- Managers have direct access to customizable information and statistical information about the employees in their work unit.

- Managers initiate and track personnel transactions and generate HR reports from their desktop computers.

  In FY 2001, we will deploy the new personnel data system first to our internal processing staff, and then expand it to managers throughout the agency.

- Increased use of Employee Express reduces paper transaction processing.

  In FY 2001 we will continue to encourage and promote the availability and ease of use of Employee Express, and strongly encourage its use by OPM employees to reduce the paper transaction processing workload. In FY 2000, the use of Employee Express increased by 51% over FY 1999 levels.

- Streamlined services and automated systems are in place.

- Quality and accuracy of data transmitted to CPDF is consistently at or above OPM standard.

  In FY 1999 and FY 2000, our quality and accuracy rate of 96 percent met the OPM standard.

- Timeliness of separation action processing is consistently at or above OPM standard.

  In FY 1999 and FY 2000, our timeliness of separations processing averages of 91 percent and 90 percent, respectively, exceeded the OPM standard of 80 percent.

- New Presidential and noncareer appointees are appointed and in-processed within appropriate time constraints and payroll deadlines.

OHREEO Goal 6: **OPM's work environment promotes and values diversity, and is free from unlawful discrimination.**

Means:

- Identify and reduce/eliminate barriers to increasing representation and advancement of women, minorities, and people with disabilities.

➢ Continue to assess organizations that are at high risk for workplace disputes that result in grievances and complaints of discrimination and provide quarterly analysis to OPM senior managers.

➢ Continue to involve senior managers in the development and evaluation of multi-year affirmative employment plans and Federal Equal Opportunity Recruitment Program plans.

➢ Evaluate the Alternative Dispute Resolution program and make adjustments as necessary.

Indicators/Performance Results:

➢ Improved representation of women, minorities, and disabled employees in categories of under representation as evidenced by the annual Affirmative Employment reports (*Affirmative Employment Program for Minorities and Women*, and *Affirmative Action Plan Update and Report of Accomplishments for Hiring, Placement and Advancement of People with Disabilities*).

The FY 1999 AEP accomplishment reports show that we sustained a high level of representation of women (63%), and we improved minority representation from 33.6% in FY 1998 to 34.9% in FY 1999.

➢ Reduction in the number of grievances and EEO complaints filed.

In FY 1999 we had 31 EEO complaints (16 from internal employees, and 15 from individuals outside OPM's workforce); in FY 2000 we had 33 EEO complaints (21 from internal employees and 12 from individuals outside OPM's workforce).

➢ Workforce data is monitored and communicated to OPM managers and supervisors to inform and facilitate their diversity management efforts.

➢ An Alternative Dispute Resolution program helps resolve complaints.

In FY 1999 we expanded the ADR pilot to bargaining unit employees and others in all OPM locations. In FY 2000 we formally trained all OPM supervisors on basic ADR and developed plans for promoting it to all employees during FY 2001.

VERIFICATION AND VALIDATION

- Data on hiring and representation from the Personnel Data System and from the Centralized Personnel Data File is validated in reports sent to the Employment Service and to the Equal Employment Opportunity Commission.

S&E/General Fund Appropriation
Administrative Services

- Data on staffing cycle times is retrieved from various documents; e.g., the date the Request for Personnel Action is received in OHREEO, the date the vacancy announcement opens, and the date the selection list is sent to the selecting official.
- OHREEO's Customer Service Survey is administered every other fiscal year.
- The *Merit System Principles Questionnaire* is administered annually by OMSOE and results can be compared to similar surveys administered from time to time by the Merit Systems Protection Board.
- Data on employees' use of Employee Express is monitored and reported independently by another organization within OPM.
- The Retirement and Insurance Service issues to each Executive Branch agency quarterly reports on the aging of separations.
- Exit surveys are given to separating employees to document their reasons for leaving OPM.
- Course/seminar evaluations are completed by participants in our retirement seminars, career intern programs, and other training/developmental programs.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the Chief Information Officer (OCIO) provides OPM's senior managers with agencywide information technology (IT) advice and oversight in accordance with the Clinger-Cohen Act. OCIO also delivers a broad spectrum of technical consultation and services that support OPM's programs in the prudent use of technology to enhance service delivery and simplify and improve business processes.

OCIO provides the critical day-to-day IT support and services to the agency through:

- The Network Management Center that manages and operates our agencywide IT infrastructure including personal computers/workstations, local and wide area networks, data communications and web sites;
- The Washington Technology Center that manages and operates our mainframe/enterprise servers; and
- The Application Development Center that designs, develops and maintains application systems in support of most program offices.

Other OCIO services include: agencywide IT security; establishing agencywide IT policy, plans, standards and budgets; coordinating IT capital investments; developing and maintaining OPM's integrated agencywide IT architecture; and promoting improvements in work processes. In addition, we respond to agencywide information resources management requirements imposed

by law and central management agencies, and we provide agencywide policy, advice and services on Freedom of Information Act, Privacy Act, and reports, forms and records management.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

IT will play an increasingly critical role in OPM's ability to accomplish the strategic goals described in our FY 2000-2005 Strategic Plan. In this annual plan, we first list two goals for OPM's interagency Human Resources Technology Council. The Council and these two goals clearly support OPM's leadership responsibilities in applying technology to solve human resources management issues.

We then follow with five goals that reflect our internal IT management functions. Our IT program and the annual goals we have selected help OPM to achieve all four Strategic Plan Goals, primarily where the agencywide objectives and strategies involve the application of technology. In this regard, OCIO ensures that IT resources are used effectively and that our IT processes and infrastructure are able to support the agency's strategic plan.

In choosing these goals, we are emphasizing the importance of IT as an enabler to our program offices to achieve OPM's strategic and annual goals and to provide quality service to our customers. Most of our IT support requirements and resources, however, involve providing day-to-day operational IT support to our program offices. Therefore, our first internal goal reflects the importance of this function. The second major consideration in selecting our annual goals was to highlight key governmentwide IT initiatives and the critical IT improvements that are needed to address existing deficiencies. Enhancing our computer security clearly meets these criteria and is our second goal. Similarly, continuous improvement in our IT capital planning and investment control process in support of the Clinger-Cohen Act recognizes the importance of this agencywide IT oversight function. We also reflect the central role that our IT Architecture plays in our management of OPM's IT environment by having a goal devoted to this function. We can not provide an efficient and effective IT infrastructure to our program offices without also maintaining this Architecture and therefore this goal also emphasizes our commitment to technology refreshment. Our final goal focuses on the various aspects of our information resources management responsibilities and the ongoing effort that is required to comply with the many requirements in this area. Much like maintaining our IT infrastructure, these functions are essential to the efficient day-to-day operation of the agency.

S&E/General Fund Appropriation
Administrative Services

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

Agencies have access to more efficient and effective governmentwide HRM technology solutions developed through the OPM-sponsored Human Resources Technology Council (HRTC). (Ongoing)

HRTC Goal: **Governmentwide human resources business process redesign, systems modernization efforts, and planning initiatives to fully exploit the use of modern automated technologies are pursued by the Human Resources Technology Council (HRTC) as a result of the leadership and support provided by OPM.**

The HRTC is an interagency council of senior human resource (HR) and information technology leaders and decision-makers. OPM chartered the HRTC to develop long-term strategic visions and goals to improve HR management practice through the use of automation in areas such as examining, training, classification, performance management, benefits administration, and personnel documentation and record keeping. This effort supports OPM's interest in ensuring that agencies are able to make the best and most cost-effective use of automation to achieve HR management objectives.

Means:

- Convene regular meetings and provide administrative support (OPM's Senior Advisor to the Director and an agency representative co-chair the HRTC).
- Address topics that are relevant and important to the HRTC members and their respective agency missions to ensure that a high level of participation continues during FY 2002.
- Conduct, coordinate and update governmentwide HR automation studies and share the results of these studies to foster improvements in HR management.

➢ Develop governmentwide policy for cooperative HR business process redesign and systems modernization based on HRTC studies and analyses.

➢ Use feedback from the HRTC and other agencies as a tool for assessing HR automation policy effectiveness.

➢ Encourage small agencies to establish consortia or other mechanisms to enable these agencies to benefit from HR automation advances.

Indicators/Performance Results:

➢ Satisfaction of HRTC members with the outcomes of HRTC studies and services and their opportunity for involvement in the Council policy making is evidenced by regular attendance and participation in Council meetings and workgroups by HRTC principals.

During FY 2000, the HRTC decided to realign its leadership structure to enhance agency commitment and involvement in the activities of this key interagency technology group. An agency Human Resources (HR) Director and the Senior Advisor to OPM's Director were selected as co-chairs. This change acknowledges the Governmentwide HR impact of the HRTC while retaining senior level OPM policy attention. To maintain OPM's technology coordination and oversight role, OPM's CIO remains active in the HRTC as a member of the HRTC's key strategic Planning Committee. This leadership change clearly demonstrates the continued commitment and involvement of the agencies in the HRTC. The strong and continuing agency support for the HRTC's primary technology project, the Human Resources Data Network, is another clear indicator of the success of the HRTC in garnering Governmentwide support and approval

➢ HRTC supported actions and projects are initiated as a result of HRTC policy discussions.

The major long-term HRTC effort is the federal Human Resources Data Network (HR-DN). In the HR-DN concept, OPM and the HRTC have adopted a broad governmentwide HR objective that includes developing an electronic personnel folder. The HR-DN will result in prompt access to current and accurate HR data in a less labor-intensive and costly environment. It will also simplify the transfer of data among agencies and streamline agency submission of HR data to OPM. The potential for reduction in governmentwide HR operational costs by taking advantage of modern technology and minimizing the dependence on paper based documents will be evaluated as part of the HR-DN project.

HR-DN Goal: **Reengineer governmentwide HRM record keeping and reporting practices to facilitate the use of human resources data, streamline and improve Governmentwide reporting.**

S&E/General Fund Appropriation
Administrative Services

HR-DN Project: Obligations (000): $3,200

The HR-DN will eliminate the need for paper employee records, enable the electronic transfer of HR data throughout the Federal sector, and complement agency HRIS capabilities. OPM will establish policy, provide oversight, and gather data for the government's human resources management programs. This data will be used in managing programs and services and in providing information to external oversight entities such as the Office of the President, Congress, OMB, GAO, EEOC, and MSPB.

In FY 2000 the HR-DN Program Office was established to include personnel, office space, and equipment, the HR-DN Implementations Strategy was completed and published, marketing and communications tools were developed and implemented, interagency workgroups were formed, training in Earned Value Management Systems (EVMS) for Program Office staff was acquired, and Statement of Work defining the planning and reengineering work of the HR-DN development was drafted and approved, and a contract was awarded to American Management Systems (AMS) for program support of eight major planning and reengineering tasks.

In FY 2001, the HR-DN Reengineering and Planning Guide was developed and published in January 2001. The HR-DN Catalog of OPM Data Requirements was published in January 2001. A report on public- and private-sector benchmarks for HR-DN concept of operations is scheduled for publication in March 2001. The HR-DN Catalog of Data – a proposed Federal standard for electronic HR data for an electronic official personnel file – is scheduled for completion in May 2001.

Other projects scheduled for completion in FY 2001 and FY 2002 include: determining the HR-DN architectural structure and migration strategy; defining the scope of HR-DN in terms of the viability to include the Judicial and Legislative Branches and the United States Postal Service; determining the extent to which agency systems contain HR-DN proposed data requirements; identifying legal and regulatory changes required to allow full use of electronic signatures; defining HR-DN security standards; determining the extent to which existing agency HR processes and systems environments would need to change for HR-DN integration; and determining the extent to which existing agency HR processes and HRIS environments would need to change to integrate with the HR-DN.

Means:

- Develop the strategy to migrate paper records to electronic HRIS records, in terms of technology and workload. Document status of agency historical electronic records.

- Create an IT architecture strategy which demonstrates that the policies, components, connections, and constraints that, if implemented, would satisfy the collection of HR-DN stakeholders' needs,

- Develop the strategy for migrating data into the standard formats required for the HR-DN

- Develop a rough order of magnitude estimate of the level of effort that would be required to modify local processes and information systems to prepare them to transmit the electronic OER to a central location.

- Establish criteria that differentiate future processes and events recorded in the OER from events documented only in a local HRIS.

- Begin development of an advanced prototype using two or more agencies to prove the HR-DN concept, using previous planning and reengineering products, prior to full-scale development and deployment of the HR-DN and the full population of HR-DN repository. Testing of baseline capabilities will begin in FY 2002 and completed in FY 2003.

Indicators/Performance Results:

- The HR-DN Program is employing status reporting process based on industry best practices as documented in the GAO's Fundamental Practices for IT Performance Management. Tasks and subtask will be controlled by analyzing cost and performance variances, assessing final costs, and controlling changes to the program baseline. Successful performance of individual tasks and subtasks are measured upon criteria developed jointly between the contractor and the Program Manager as described in task orders and task proposals under BPA#00946 and future contract vehicles as applicable. With respect to development, testing, and deployment of the advanced prototype, metrics for successful performance will be developed and validated using rigorous criteria prior to determining readiness for full-scale deployment.

Validation and Verification:

As each task is completed, the Program Manager performs a post implementation review (PIR) and determine the impact of the investment on the overall HR-DN strategic direction. The results of the PIR will be used to improve the on-going investment management process. Regularly scheduled in-process reviews will be conducted to compare the projected costs, schedule, and performance with actual results.

S&E/General Fund Appropriation
Administrative Services

OPM STRATEGIC PLAN: CORPORATE MANAGEMENT STRATEGY – INTERNAL INFORMATION TECHNOLOGY MANAGEMENT

Goal: Our information technology (IT) processes and infrastructure meet the evolving technology needs of our OPM program offices and the mandates of the Clinger-Cohen Act.

OCIO Goal 1: **IT operational support and services, which are provided in an efficient and effective manner, meet customer requirements and facilitate program offices achieving strategic goals.**

Means:

- Manage OPM's IT infrastructure including personal computers and local area, wide area and data communications networks efficiently and effectively.
- Provide mainframe/enterprise server support for OPM's major information systems, e.g., retirement and insurance processes, Personnel Investigations, Central Personnel Data File and administrative financial systems.
- Develop and maintain application systems for our customers.
- Assess customer needs and our service performance against service level agreements.

Indicators/Performance Results:

- Our help desk provides prompt and effective customer support to OPM staff and meets defined service level agreements as determined through periodic assessments.

  Our Help Desk operation, as well as all other agencywide desktop and network support, was realigned under the OCIO during FY 2000 to improve overall customer focus and support. In FY 2001, the new organization providing these services, the Network Management Center, is collecting baseline support data and response metrics and tracking this information to ensure adequate performance is achieved. Tailored customer service level agreements will also be developed during FY 2001 to further enhance customer support. Providing prompt and effective Help Desk support to our customers is a critical indicator for achieving this goal.

➢ The IT infrastructure meets or exceeds performance standards (e.g., availability, through put) as defined in service level agreements.

During FY 2001, we will be developing various performance standards for our IT infrastructure and incorporating them in service level agreements as appropriate. Previously, this was accomplished on an informal basis through customer coordination and interaction. Meeting or exceeding customer expectations for service as defined in service level agreements is a critical indicator for achieving this goal.

➢ Our bench mark cost of services compares favorably with industry standards.

When we established the Network Management Center in FY 2000, we developed an operating budget and organizational structure that clearly related resource support levels to the infrastructure being supported. This approach is modeled after industry best practices. Initial resource support levels are very competitive with industry, e.g., staff and cost per seat supported.

➢ Application systems meet customer requirements and are delivered on time and on budget.

A realignment of responsibility for application systems development and maintenance

was effective in FY 2001. The new approach established an Applications Development Center within the OCIO that supports most OPM program offices. As this Center is implemented during FY 2001, we will develop procedures for assessing applications and tracking accomplishments against this measure.

OCIO Goal 2: **Our mission-critical systems, infrastructure and information are protected by a robust IT security program.**

Means:

➢ Conduct periodic security risk assessments to provide a basis for refining computer security policies, procedures and requirements that are commensurate with the magnitude of harm that could result from loss or compromise.

➢ Conduct periodic internal and external tests and evaluations of our information security program to include engaging assistance from experts to review our security capabilities and implement appropriate recommendations to improve information security.

➢ Monitor for threats and intrusions and report and respond to security incidents.

➢ Ensure that OPM staff receive appropriate computer awareness security training.

S&E/General Fund Appropriation
Administrative Services

➢ Oversee the implementation and testing of our disaster recovery and continuity of operation plans for our IT support systems.

Indicators/Performance Results:

➢ Few security problems are identified during internal and external evaluations and those that are identified are not material weaknesses and are rectified promptly.

During FY 2000, no loss or compromise of mission-critical OPM IT systems occurred as a result of security issues or lapses. We did, however, experience one notable security issue, which resulted from an infection by the "I love You" virus, a virus that attacked many Federal agency email systems. Using existing and newly developed security procedures, we were able to rapidly respond to and contain this virus before any extensive damage was done to our IT infrastructure. This experience allowed us to test and strengthen our computer security practices and procedures and resulted in the prevention of several subsequent virus-related incidents. As part of OPM's Inspector General sponsored audit of OPM's FY 1999 financial reports and systems, several non-material security-related weaknesses were identified. These findings are being addressed as part of our ongoing security plans and program.

To ensure the continued safe operation of our IT resources and full compliance with security guidance, during FY 2001 we contracted for assistance in developing a more comprehensive entity-wide security policy and program. We have also realigned our IT support to further consolidate computer security responsibilities within OCIO.

The absence of critical security problems is the critical indicator for achieving this goal.

➢ Staff are trained in computer security, as necessary, based on assessment of needs.

OCIO is the proponent for OPM's entity-wide computer security awareness training program. Early in FY 2000, we completed the annual computer security awareness training program begun at the end of FY 1999. We subsequently assessed training needs for FY 2000 and initiated a new agencywide computer security awareness program focused on computer virus protection, a high priority security issue. For FY 2001/2002, we expect to use a computer-based security training system to provide this capability.

➢ A tested disaster recovery capability is in place for OPM's IT support systems.

During FY 2000, we successfully tested our disaster recovery procedures for our mainframe/enterprise server based systems. This test clearly demonstrated our ability to recover, rapidly and fully, our mission critical systems (including our financial, benefits and workforce information applications) at our disaster recovery hot site. During FY 2001, we

will expand upon these successful tests to incorporate additional tests of telecommunications connectivity to our field sites.

OCIO Goal 3: **Continuing improvements to our IT capital planning, control and development process are implemented to assure optimal decisions on technology investments and the efficient and effective design and operation of the IT systems that achieve our strategic goals.**

Means:

➢ Conduct an effective IT project review process and provide independent oversight of our major IT initiatives and investments to ensure that we can meet business goals and objectives through the application of technology. Major IT initiatives include the Retirement System Modernization, Human Resources Data Network and financial system replacement projects.

➢ Implement an agencywide project management life cycle methodology and standards-based development tools that move OPM toward achieving the long-term goal of being a Software Engineering Institute's Capability Maturity Model (CMM) level 3 applications development organization.

➢ Manage OPM's IT capital planning and investment control process to ensure that our capital investments in IT produce the desired business outcomes.

Indicators/Performance Results:

➢ Our IT initiatives conform with OPM's IT Architecture standards prior to committing funds for IT projects as determined by an analysis of the technical proposals.

One of the most critical aspect of our Clinger-Cohen compliance efforts is the review and approval process for all major OPM IT initiatives to ensure that they are and remain compliant with OPM's IT Architecture. OCIO provides this essential oversight to OPM IT initiatives and sits on the technical evaluation panels for all major IT procurements to ensure compliance with Clinger-Cohen and our Architecture. This is also accomplished directly through the provision of most agencywide IT services (e.g., desktop and network technology and infrastructure support). Since FY 1998, OCIO has been a key participant on all of OPM's major IT projects, e.g., the Retirement System Modernization, Human Resources Data Network and Financial System Modernization. Conformance with our Architecture is the critical indicator for achieving this goal.

➢ System development projects follow our project management methodology and remain on schedule and within budget as determined by oversight reviews of the projects.

S&E/General Fund Appropriation
Administrative Services

During FY 2000, OCIO developed a test version of a common agencywide IT project management methodology (i.e., a systems development life cycle - SDLC) and during FY 2001 we are in the process of prototype implementation to include expansion of documentation requirements and examples. In addition, all of OPM's major IT initiatives are already following acceptable SDLCs. These major initiatives are contractor supported and the development methodologies are a standard part of the contractor's proposed approach to meeting OPM's requirements. As a result, our major projects have remained on schedule and within budget during FY 2000. A prime example is the Retirement System Modernization project whose Capital Asset Plan clearly demonstrates progress within the schedule and budget performance measures.

➢ Our IT initiatives attain stated performance measures and meet customer expectations as determined by post implementation assessments.

OPM has several major IT initiatives underway. During FY 2000, none had reached the implementation stage so it was too early to assess achievement of performance measure and customer satisfaction. Performance measures are being established for these systems and documented in their capital asset plans, however, so that attainment can be assessed at the appropriate time.

➢ We make progress toward achievement of CMM level 3 as determined by benchmarking our system development practices against the CMM standards.

During FY 2000, one component of OPM in coordination with OCIO began the process of benchmarking their development processes against the CMM. The results of this effort, which will continue during FY 2001, will be used to further refine agencywide standards and procedures in our long-term effort to improve our system development practices. In addition, during FY 2001, we developed the organizational structure necessary to support CMM-related activities in the newly formed Applications Development Center within OCIO. This Center will lead the development of CMM compliant processes within OPM.

OCIO Goal 4: **A sound and integrated agencywide IT architecture provides a standards-based, interoperable and secure technology environment that meets our staff needs.**

Means:

➢ Periodically assess the IT needs of OPM staff and update our IT Architecture Vision and Technical Reference Model to maintain technical currency of the Architecture standards.

➢ Refresh deployed technology, including personal computer hardware/software and local area and wide area networks (LAN/WAN) on an appropriate life cycle to sustain our IT infrastructure investment.

➢ Implement enterprisewide IT management initiatives that improve productivity and help achieve strategic goals.

Indicators/Performance Results:

➢ Our IT infrastructure and hardware and software inventory complies with the IT Architecture as determined by periodic analyses.

We developed an agencywide IT Architecture Vision in FY 1997 and began a multi-year project to migrate to this architecture. We have continued to refresh our installed technology to ensure the technical currency of our hardware/software and to ensure that the infrastructure meets our customer needs. This was particularly critical in anticipation of Year 2000 (Y2K). As part of our Y2K preparation, all hardware and software was inventoried and assessed for Y2K compliance. Where non-compliant items were identified, compliant hardware or software was obtained as replacements. During FY 2000, we completed major components of our initial architecture migration effort as we transitioned OPM to a standard suite for desktop applications, to a standard integrated email system and to Ethernet connectivity from Token-Ring. We are continuing our process of migration to our standard IT Architecture and as we accomplish this we ensure that our infrastructure complies with the Architecture. New IT applications and systems are only approved by the OCIO if they comply with the IT Architecture. Compliance with our Architecture is the critical indicator for achieving this goal.

➢ Our IT infrastructure, including personal computer hardware/software and LAN/WAN components, meets the needs of OPM staff as determined by periodic needs assessments.

In FY 2001, we established the position of IT Architect in OCIO and began a formal process to update our IT Architecture in response to changing requirements with an emphasis on updating the Technical Reference Model, which provides the agencywide technical standards. Assessment of our infrastructure needs is an ongoing process as part of our IT Architecture maintenance effort. Based on this assessment, we develop annual IT refreshment plans to maintain the currency of our infrastructure.

➢ Central management of workstations and servers is provided through an enterprise resource management (ERM) system to achieve operational and cost efficiencies.

During FY 2000, we made significant strides towards implementation of an enterprise resource management (ERM) system. Contractors assisted us in establishing a fully functional live operational test environment covering 100 workstations and servers as a proof of concept for the technology that we have selected. Based on this successful test

implementation, we are planning to continue implementation during FY 2001, with full operational capability in FY 2002.

OCIO Goal 5: **An information resources management program is in place that meets the requirements of the Paperwork Reduction, Freedom of Information, and Privacy Acts and ensures OPM's critical records are safeguarded.**

Means:

➢ Conduct periodic assessments of our information resources management program to identify areas requiring improvement.

➢ Ensure that OPM staff receive appropriate training in information resources management topics.

Indicators/Performance Results:

➢ Few problems are identified during internal and external evaluations and those that are identified are not material weaknesses and are rectified promptly.

During FY 2000, no material weaknesses were identified for any of these information resources management program areas. We did, however, begin the process of an internal review several of our core information resources management functions, e.g., privacy, freedom of information, records management and reports and forms management, and determined that the existing guidance needed to be updated. We will continue this effort during FY 2001. The absence of significant problems is the critical indicator for achieving this goal.

➢ Staff are appropriately trained in information resources management based on an assessment of needs.

Based on the internal reviews of our information resources management programs begun in FY 2000, we are developing staff training requirements as part of updating the program guidance. We will continue this effort during FY 2001.

➢ Policies and procedures are in place to safeguard OPM's critical records.

Based on the internal reviews of the various information resources management programs begun in FY 2000, we will be updating our records management program in FY 2001. A critical part of this will be to address preservation of Federal records as part of the administration's transition during FY 2001.

VERIFICATION AND VALIDATION

Verification and validation mechanisms that are or will be in place for OCIO's FY 2002 performance measures include:

- We will use accepted analytical techniques to assess customer feedback and satisfaction.
- We will use accepted accounting methods and procedures to evaluate net present value, return on investment, and cost/benefit analyses for major IT systems.
- We will use accepted project management and tracking software to monitor project schedules, earned value milestones, budgets, and accomplishments for major IT systems.
- We will use the Software Engineering Institute's Capability Maturity Model standard to assess OPM's system development practices.
- We will use OIG/GAO and other independent organization's reviews of our major IT initiatives to assess performance.
- We will use the services of independent verification and validation contractors to assess significant IT initiatives.

OFFICE OF CONTRACTING AND ADMINISTRATIVE SERVICES

The Office of Contracting and Administrative Services (OCAS) mission is to support Office of Personnel Management (OPM) program managers nationwide in achieving their strategic goals, acquiring the quality products and services they need to accomplish their core responsibilities and keep their operating costs low. OCAS delegates administrative authorities, provides information and expert advice, and delivers services to ensure efficient and cost effective administrative management throughout OPM.

OCAS provides services including contracting, local telecommunications, real and personal property management, printing, publishing, mail and library services. OCAS ensures that OPM employees enjoy a quality workplace environment that is safe, secure and conducive to high productivity. In addition, OCAS works to achieve Governmentwide administrative and procurement policy goals and ensure agency emergency preparedness.

S&E/General Fund Appropriation
Administrative Services

ANNUAL PERFORMANCE GOALS FOR FY 2002

OCAS Goal 1: Agency space planning supports program office strategic plans.

Effective space planning supports the OPM Strategic Plan by minimizing program office space costs and creating an environment conducive to improved productivity.

Means:

- Continue implementation of "integrated workplace" management program in partnership with program offices. The "integrated workplace" is specifically designed to support an organization's mission through the coordination of space design and technology.
- Coordinate facility infrastructure planning with space design and construction.
- Redesign selected Theodore Roosevelt Building (Washington, DC) and Service Center (field locations) space to improve utilization.
- Negotiate occupancy agreements at GSA leased facilities and release excess space.
- Verify space assignments and costs to detect and correct GSA rent billing errors. Correcting rent billing errors reduces costs to program offices.

Indicators/Performance Results:

- Integrated workplace management principles and program office strategic plans are used in space redesign and lease negotiations.
- Rent charges are linked to program strategic plans, are accurate and equitably distributed among programs.

  In FY 2000, the space planning and design staff carried out a thorough and consistent program of reviewing and managing OPM's overall rent bill, to ensure savings and rent reductions, where possible and appropriate. Two to three thousand dollars were saved through the year by correcting errors made by GSA in OPM's rent bill. The program saved OPM an additional $50,000 in permanent rent reductions by challenging the need for certain storage space in field locations and persuading the relevant OPM program offices to remove the space from OPM's inventory.

- TRB/Service Center space projects are initiated and completed that reflect effective infrastructure planning, space design and construction.

OCAS Goal 2: Provide quality procurement services to OPM's program offices.

Providing quality procurement services to OPM's program office reduces program office costs and the time needed for procurement actions necessary to implement critical human resources to meet OPM's Strategic Plan. Making maximum use of performance based contracts, on-line contracts, and E-Government technologies in all contracting activities supports administration management initiatives.

Means:

- Use methods and technologies which reduce the time and cost of procurement. These would include the use of purchase cards, on-line contracts and E-Government services; automating the payment of purchase card invoices; making innovative use of incentives in contracts; using performance based statements of work; and, making best value award decisions.

- Partner with program managers to make sure procurement planning is done for all major contract actions.

- Provide quality guidance and training to OPM personnel with delegated procurement authority. The quality of the guidance provided to OPM personnel with delegated purchasing authority is measured by their ability to procure quality goods and services for their organization in accordance with internal, regulatory, and statutory requirements.

- Conducts annual reviews of purchases made by OPM personnel with delegated procurement authority to ensure they comply with internal and regulatory requirements.

- Increase the number of OPM's contractors doing business with OPM through
- E-Government technology. Additionally, increase the number of on-line solicitations, purchase orders, invoices, and payments to OPM's contractors.

- Award service contracts through which other Federal agencies can obtain critical services to meet their mission responsibilities, e.g., training and management assistance and investigative services.

Indicators/Performance Results:

- Increased number of procurement documents issued on-line. Increased number of contractors utilizing E-Government in doing business with OPM. All synopses for acquisitions valued at over $25,000 for which widespread notice is required and all associated solicitation documents unless exempt under the Federal Acquisition Regulation are posted on the Governmentwide point-of-entry website (www.FedBizOpps.gov).

S&E/General Fund Appropriation
Administrative Services

During FY 2000, the Contracting Division issued 15 Requests for Proposals on the OPM Internet web site. Additionally, we issued 35 requests for quotations and 381 electronic purchase orders over the Federal Acquisition Computer Network. Issuing procurement documents electronically has saved OPM approximately $3,600 during FY 2000.

➢ Formal procurement plans are prepared for all major OPM contract actions.

OCAS developed formal procurement plans for all 16 of the major contract actions that were initiated during FY 2000.

➢ Results of annual review of purchases made by OPM personnel with delegated procurement authority show improvement.

In FY 2000, OCAS conducted a review of purchases orders and purchase card transactions made during FY 1999 by OPM personnel with delegated procurement authority. The results were shared with the contracting officers and purchase card holders and also, with the Associate Directors and Head of Offices. The results of this review, and other reviews going back to FY 1996, provide baseline data for determining improvement.

➢ Training programs are provided to OPM procurement personnel.

During FY 2000, the Contracting Division developed a new Simplified Acquisition Training class aimed at the needs of OPM's experienced contracting officers. The class mainly consists of case studies and class exercises which require contracting officers to apply basic concepts they learned at their initial simplified acquisition training classes. An initial pilot session of this new training class was conducted for 20 OPM contracting officers in San Francisco the week of May 8, 2000.

The Contracting Division conducted two conferences for all OPM's contracting officers and purchase card holders in Washington, DC and in the field (via teleconference) on November 9-10, 1999, and on July 25-26, 2000. At our November conference, we provided information on the training requirements for OPM's contracting officers and purchase card holders; the requirements of the Greening Executive Order; lessons learned after completing the first year with the new Bank of America purchase card and the findings associated with the review of purchase orders and purchase card transactions. At our July conference, we reported on the findings that resulted from our review of FY 1999 purchases; purchase card best practices; the Contracting Division THEO page; and, security concerns associated with contractor staff accessing OPM's computer systems or working on site at OPM.

These conferences are valuable forums for presenting important information to OPM personnel with delegated procurement authority. The information helps to improve the

quality of the procurement actions accomplished by OPM's contracting officers and purchase card holders.

We conducted five advanced Simplified Acquisition Procedure classes training 70 OPM contracting officers. Additionally, we conducted five Purchase Card training sessions for 50 OPM staff to be issued purchase cards.

We also conduct ad hoc training in EAGLS procedures. EAGLS is the Bank of America's web-based software processing system which is used for processing purchase card accounting information.

➢ OPM's service contracts incorporate performance based principles where appropriate. At least 20 percent of total eligible service contracting dollars for contracts exceeding $25,000 are awarded using performance-based service contracting techniques.

During FY 2000, OCAS awarded 27 contracts for services, all of which contained one or more performance based principles. The most frequently used performance based principles used were functional statements of work and the use of incentives.

➢ Reduced procurement costs as a result of increased purchase card use.

*250 OPM employees used their purchase cards to make 19,229 purchases during FY 2000. The total number of purchase card transactions increased by 2,009 (or 11.6 percent) over FY 1999. We estimate that the OPM saved $1,269,114 as a result of using the purchase card compared to issuing purchase orders.**

**Based on savings of $66 per transaction as estimated by the Office of Federal Procurement Policy, Office of Management and Budget, and the Procurement Executives study group.*

➢ Number of contract actions issued against OPM contracts through which services are provided to other Federal agencies.

OCAS Goal 3: Improve mail management services to reduce postage and shipping costs.

Improved mail management services supports the Strategic Plan by reducing program office costs while assuring the timely delivery of critical information to OPM's customers.

Means:

➢ Expand the use of pre-sort mail contract services and zip plus four.

- Improve mail preparation by expanding the use of correct address protocols to maximize compatibility with automated processes.

- Provide training and guidance to OPM customers of mail services.

Indicators/Performance Results:

- Decreased number of pieces of mail not sorted by ZIP + 4. Baseline will be established using FY 2001 data.

- Increased number of pieces of mail eligible for pre-sort discounts.

	FY 1998	*FY 1999*	*FY 2000*
Mail Eligible for Pre-sort Discounts	*7%*	*15%*	*18%*
Total $ Savings	*$22,214*	*$36,414*	*$43,190*

- Improved agency mail management through training and guidance.

  OCAS conducted training classes to educate our customers in the proper addressing of mail so it will be eligible for discounts. In addition, we worked with customers on how to create mailing lists that can be provided to the TRB Mail Center in a format so that mailroom addressing equipment can print the customers addresses directly on outgoing envelopes.

- Fewer rented postal boxes.

	FY 1998	*FY 1999*	*FY 2000*
Rental Boxes	*40*	*19*	*16*
Total Cost	*$17,900*	*$8,766*	*$6,944*

OCAS Goal 4: Local voice telecommunications services are improved.

Improved local voice telecommunications supports the Strategic Plan by reducing costs and providing state of the art communications technology to program offices..

Means:

- Manage program office costs to by conducting inventories to reduce the number of local
- telecommunications lines and reviewing monthly telephone bills to verify accuracy.

➢ Increase the use of automated local voice services to improve productivity. Automated local services reduce the staff resources necessary to answer incoming calls.

➢ Train and advise program offices on available local voice telecommunication services.

Indicators/Performance Results:

➢ Training conducted for administrative contacts.

➢ Increase the number of employees with automated local voice services.

➢ Reduce costs and number of lines by conducting annual phone line inventories and correcting billing errors.

OCAS' local voice telecommunications specialists work with program offices to ensure that phone bills are accurate. In FY 2000, this process revealed a long standing error in the method used by one of OPM's phone service providers that was corrected. The local voice telecommunications specialists successfully negotiated with the provider to remit over $80,000 in overcharges to OPM's program offices.

In FY 2000, this same staff conducted its annual inventory of central office voice, fax and modem telecommunications lines to reduce unnecessary lines and reduce costs. The FY 2000 survey resulted in the elimination of 130 lines, resulting in savings to OPM of over $20,000 annually.

OCAS Goal 5: Facility systems and customer services are improved to increase employee productivity, satisfaction and awareness.

Improving facility systems and customer services supports the Strategic Plan of creating an working environment that is conducive to productivity increases and employee satisfaction.

Means:

➢ Use electronic customer surveys to determine customer satisfaction and awareness of services. Understanding the level of our customer's satisfaction and awareness of our services will allow us to develop more focused improvements.

➢ Improve building services, operations, safety and security. Improving these infrastructure elements directly contribute to a better working environment.

S&E/General Fund Appropriation
Administrative Services

- Replace building mechanical systems or components which have exceeded their normal service life expectancy.

- Improve existing preventive maintenance program.

- Pursue major TRB renovations.

Indicators/Performance Results:

- Customers surveyed and service improvements initiated.

  In September 2000, we conducted a TRB-wide Customer Satisfaction Survey. The survey as distributed electronically to over 1,800 occupants. The survey revealed that approximately 90 percent of those replying rated their customer service experience as positive.

  The survey design was improved to encourage respondents to include narrative comments indicating what OCAS is doing well and what needs to be improved.

  A work group has been formed with participants from each functional area of OCAS to develop improved processes to address areas that employees noted needed improvement.

  In FY 2000, OCAS successfully completed a total renovation of all of the TRB's corridors and hallways. New acoustical ceilings were installed and new carpet was laid to replace the original asbestos vinyl tiles. The installation of the new carpet reduced the number of accidents suffered by employees and visitors to the TRB.

  OPM's space planning and redesign program used two means to increase efficiencies in office space layout and project completion. In FY 2000, this staff initiated a "quick project" approach to managing space planning and design projects that involve 300 square feet, or less. This approach ensures that customers' requests are processed and completed within 10 workdays.

- Building security systems improved.

  In FY 2000, OCAS developed and implemented a comprehensive physical security policy for the TRB. This policy created a flexible, two-tiered security profile for the building: a lower "normal" stance and a higher "heightened" stance. In addition to making OPM able to quickly shift in response to changing security threats, it ensures that OPM remains fully compliant with Federal physical security guidelines and recommendations.

- Building services improved.

The new TRB electronic service call and preventive maintenance program is fully operational. The new system allows for the entry and tracking of all service calls and the tracking and scheduling of preventive maintenance. In addition, we plan to hire additional staff to respond to customer service calls.

➢ Building mechanical systems or components replaced and computerized facility management program upgraded and improved.

Whenever areas of the TRB are renovated, new booster heating coils and their associated controls are replaced. This results in increased airflow to offices and thereby moderates temperatures.

We are working closely with GSA to carry out the replacement of the TRB's perimeter heating system. The first phase, project design, has been funded and is under way. Subsequent phases, involving construction, are scheduled to begin the spring of 2001.

In FY 2000, the first part of OPM's two-part Energy Savings Performance Contract with our local utility company was completed. In this part of the contract, the entire TRB was retro-fitted with high-efficiency, energy-saving lighting. This will not only reduce energy consumption but will also reduce the TRB's cooling requirements because the new lights generate significantly less heat than the lights they replaced.

The second part of this contract is well advanced. In this part, the TRB's three 1175-ton chillers, that are the heart of the building's air conditioning system, are in the process of being replaced.

➢ Funding sought from GSA and alternative sources for major TRB renovations.

OCAS Goal 6: Administration and OPM policy objectives are fulfilled.

Fulfilling administration and OPM policy objectives supports the Strategic Plan through implementation of programs to reduce costs, identify commercial positions, share information with our customers in the most effective manner. Conducting annual inventories of commercial activities in accordance with the requirements of the Federal Activities Inventories Reform (FAIR) Act and coordinating Office of Management and Budget (OMB) Circular A-76 planning activities supports administration initiatives.

Means:

➢ Work to achieve the requirements of the Executive Orders relating to environmental policy. Achievements in meeting these objectives reduces costs and supports environmental policy.

S&E/General Fund Appropriation
Administrative Services

- Update and test OPM's Continuity of Operations Plan and Business Continuity and Contingency Plans with program offices and other emergency preparedness organizations.

- Ensure contracts meet Administration socio-economic policy initiatives.

- Develop and provide guidance and instructions to program offices to assist them in preparing an accurate FAIR Act inventory of commercial activities. Coordinate OMB Circular A-76 program planning activities with OPM program offices.

- Partner with appropriate OPM offices to foster the use of publication alternatives including electronic communications.

Indicators/Performance Results:

- Energy costs are reduced by replacing building systems.

- Consider the possible use of additional energy savings performance contracts to realize additional savings.

- Initiatives to fulfill the environmental policy objectives contained in Executive Orders are developed and implemented.

- OPM's Continuity of Operations and Business Continuity and Contingency Plans are tested and updated.

- Solicitations and contracts contain provisions to meet Administration socio-economic policy initiatives.

  All purchase orders and contracts awarded during FY 2000 contained a provision encouraging the contractors to fill any positions created as a result of the contract work with welfare recipients.

- The small business contracting and subcontracting goals established with the Small Business Administration are met or exceeded.

	(%) <u>*Goal*</u>	*(%)* <u>*Achievement*</u>
Small Business	*66.6*	*73.7*
Small Disadvantaged Business	*0.3*	*1.3*
SBA Section 8(a) Firms	*2.0*	*2.8*
Woman Owned Small Business	*2.4*	*5.0*

➢ OMB Circular A-76 and FAIR Act planning materials are developed and coordinated with all program offices. The FAIR inventory of commercial activities is submitted to OMB by June 30. OPM will strive to complete public-private or direct conversion competition, or make strategic sourcing decisions in order to comply with Administration policy. Detailed agency plans including FTEs by function and location, training requirements and planned contract support will be developed as part of the 2001 FAIR inventory due in June 2001.

OPM submitted its 2000 FAIR inventory of commercial activities on May 30, 2000. OMB accepted OPM inventory, without any changes, on August 20, 2000.

➢ Partnerships formed to develop means to increase the number of publications available electronically.

VERIFICATION AND VALIDATION

Goal 1

OCAS audits the monthly GSA Public Buildings Service "Bill for Space and Services" to determine its accuracy. OCAS has developed an automated "profile" of all space assignments based on this bill. OCAS works with OPM's program offices to coordinate the review of this bill and to verify the accuracy of all assignments and charges.

OCAS coordinates the development of "Occupancy Agreements" with GSA and OPM program offices to ensure that the rent paid for the space we occupy is as low as possible

Goal 2

The Federal Procurement Data System (FPDS), the ADPICS automated purchasing system and internal computer records are the sources of data to measure attainment of the procurement performance indicators. The FPDS and ADPICS systems have data edits that help ensure the accuracy of the data. Internal records, and reports generated from these records, are reviewed by the Contracting Division Chief to determine their validity and accuracy.

Goal 3

The data collected from the agency accounting mail system is used to verify mail reports received from the contractor.

Goal 4

The monthly invoices received from GSA and their service providers are used to measure and manage telecommunications lines and costs. Savings from any replacement local voice telecommunication system will be verified by a comparison with current system costs.

S&E/General Fund Appropriation
Administrative Services

Goal 5

Electronic surveys will be conducted to determine customer satisfaction with TRB Systems and Environments.

Inventories of equipment replaced and preventive maintenance performed will be used to document progress.

Funding requests will be documented.

Goal 6

The Federal Procurement Data System (FPDS), the ADPICS automated purchasing system and internal computer records are the sources of data to measure attainment of the procurement performance indicators. The FPDS and ADPICS systems have data edits that help ensure the accuracy of the data. Internal records, and reports generated from these records, are reviewed by the Contracting Division Chief to determine their validity and accuracy.

Internal records are maintained with the exception of attainment of small business contracting goals which is dependent on data obtained from the Federal Procurement Data System. All data and reports are reviewed by OCAS managers to determine the accuracy and validity of the reported results.

FY 2002 BUDGET CHANGES:

Salaries and Expenses:

An increase of $2,791,000 is composed of an increase of $591,000 to defray the cost of inflation and an increase of $2,200,000 for the Human Resources Data Network Project (HR-DN).

Annual: A net decrease of $409,000 is composed of an increase of $591,000 to defray the cost of inflation offset by a decrease of $1,000,000 to reflect the move to no-year funding for HR-DN.

No-Year: A total of $3,200,000 is requested for HR-DN. This is composed of $2,200,000 in additional funding and $1,000,000 in the base.

Trust Fund:

An increase of $258,000 to defray the cost of inflation.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EXECUTIVE AND OTHER SERVICES
(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations				
Salaries and Expenses	$8,942	$10,480	$10,809	$329
Trust Fund	3,543	3,000	3,090	90
Advances and Reimbursements	2,848	7,690	7,690	---
Total	$15,333	$21,170	$21,589	$419
Full-Time Equivalents				
Salaries and Expenses	100	107	107	---
Trust fund	35	25	25	---
Advances and Reimbursements	30	45	45	---
Total	165	177	177	---

DESCRIPTION OF ACTIVITY

The Director and Deputy, Combined Federal Campaign, and the President's Commission on White House Fellowships are funded exclusively by OPM's Salaries and Expenses/General Fund Appropriation.

The Offices of the Director, the Chief Financial Officer, the General Counsel, Communications, and Congressional Relations are financed by all OPM fund sources (Salaries and Expenses, Transfers from the Trust Funds, Revolving Fund, Office of Inspector General's Salaries and Expenses and Transfers from the Trust Funds).

OFFICE OF THE DIRECTOR

The Office of the Director (OD) provides leadership for all initiatives and activities of the Office of Personnel Management and serves as the focus for promoting the President's agenda on matters relating to the Federal workforce. A key OD action is to foster leadership and change throughout the Federal HR community in support of strategic human resource management. Strategic HRM is based on first recognizing that people are the most important element in delivering results to the American public, and then taking all necessary steps to develop and support those people as they do their jobs. OD develops and carries out a framework of initiatives for regulatory action and legislative proposals to support strategic HRM and to ensure the Federal Government has the recruitment, hiring, performance management, and retention tools necessary for a high-quality and diverse workforce.

S&E/General Fund Appropriation
Executive and Other Services

ANNUAL PERFORMANCE GOAL FOR FY 2002

OD Goal: **Shape the Administration's direction on Federal human resources policy issues to effectively support the President's management reform agenda.**

Means:

- Provide leadership within the executive branch as the central management agency responsible for effective human resources management by serving as the focal point for the development of innovative human resource programs and initiatives.

- Lead and coordinate key Administration HRM priorities.

- Chair the interagency Human Resources Management Council, established to provide a forum for communicating and evaluating Governmentwide human resources management policies, sharing best practices, and addressing emerging human resources management issues.

- Develop, through consultation with agencies and a broad range of other stakeholders, administrative and legislative proposals to improve HRM Governmentwide.

- Direct the activities of the 28 Federal Executive Boards which are responsible for personnel policy coordination among Federal activities outside Washington, D.C. Coordinate various activities with approximately 80 Federal Executive Associations nationwide.

- Co-chair the interagency Human Resources Technology Council, which is chartered to develop long-term strategic visions and goals to improve HR management practices through the use of automation in such areas as examining, training, classification, performance management, benefits administration, and personnel documentation and record keeping.

Indicators/Performance Results:

- Specific program accomplishments that contribute to the effective strategic human resource management of the Federal workforce and the implementation of specific Administration priorities.

  OPM had a strong record of achievement for FY 2000 on specific HRM initiatives. The actions to advance health care for the Federal family, including the Long-Term Care Security Act, premium conversion, implementation of the Patients' Bill of Rights, mental health and substance abuse parity, and the Expanded Sick Leave program, are among the most significant changes made in Federal benefits in recent years. Other accomplishments have placed the Government in a strong position to meet the recruitment, retention, and management challenges of the 21st century. For example, OPM leadership in developing new workforce planning tools, the Career Intern Program, the child care assistance

program, regulations to implement student loan repayment, new guidance to support effective diversity recruitment, revised SES performance management regulations, and the recommendations of the President's Task Force on Training Technology, all provided Federal agencies with useful tools and strategies to address these challenges. In addition, the Presidential memorandum to establish the Human Resources Management Council (HRMC) and to require alignment of HR with strategic planning in agencies was a significant step to bring HR executives "to the table" within their agencies.

➢ High levels of satisfaction by Federal HR Directors that OPM is collaborating effectively with others and generating effective HRM actions and strategies, as measured by informal feedback and by continuing increases (or maintenance at 80% or higher) in the percentage of favorable ratings on the annual OPM HR Director Customer Satisfaction Survey.

Informal feedback from HR Directors indicates that they continue to be pleased with the steps OPM has taken to involve agencies at early stages of policy development and action planning for new initiatives, and the changes made in FY 1999 to the format of the meetings of the HRMC. In FY 2000, an off-site strategic planning meeting of all members of the HRMC Executive Committee was held to identify the most critical HRM issues facing the Federal government, and four subcommittees where chartered to create specific action plans to address these issues. These subcommittees were co-chaired by members of the HRMC and the key executive at OPM for the issue area. As a result, shared action plans have been developed or are underway. The HR Directors' baseline satisfaction levels are listed in the program sections of this Annual Performance Plan.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Office of the Chief Financial Officer (OCFO) is responsible for all financial management activities relating to OPM's programs and operations.

The OCFO develops and maintains an integrated accounting and financial management system and ensures that program information systems provide reliable, consistent and timely financial and program data. The Office also manages the budgeting and expenditure of OPM resources including the preparation of external budget and performance information for OMB and Congress and prepares agency financial statements.

OPM STRATEGIC PLAN – CORPORATE MANAGEMENT STRATEGY: FINANCIAL MANAGEMENT

GOAL: WE SAFEGUARD OPM'S FINANCIAL RESOURCES AND PROVIDE FINANCIAL MANAGEMENT LEADERSHIP, SERVICES AND INFORMATION TO OPM PROGRAMS TO ASSIST THEM IN MEETING THEIR STRATEGIC GOALS.

S&E/General Fund Appropriation
Executive and Other Services

ANNUAL PERFORMANCE GOALS FOR FY 2002

The Office of the Chief Financial Officer and the Retirement and Insurance Service have set FY 2002 annual performance goals that are designed to bring about the achievement of the goals and objectives set out in the Strategic Plan. (See the Retirement and Insurance Service's Goal 6.)

OCFO Goal 1: Prepare financial statements for by the statutory due date and earn an unqualified audit opinion on the OPM financial statements.

Means:

- Prepare consolidated financial statements and the financial statements for the Salaries & Expenses and Revolving Fund accounts.
- Ensure that OPM's core financial management systems are compliant with the Federal Financial Management Improvement Act of 1996.
- Fully document new core financial management systems and write procedures for users.
- Make timely payments for all OPM liabilities.
- Decrease accounts receivable delinquency by improving the billing, charge-back and collection processes. Refer old debt to OPM program managers for follow up.
- Identify and research differences between OPM and Treasury cash balances monthly.
- Issue guidance and monitor the administration of OPM's Federal Managers Financial Integrity Act (FMFIA) program requirements.

Indicators/Performance Results:

- Improved accounting:

PERFORMANCE INDICATORS	*FY 1997 Actual*	*FY 1998 Actual*	*FY 1999 Actual*	*FY 2000 Actual*	*FY 2001 Goal*	*FY 2002 Goal*
Timeliness of payments	*89.3%*	*90.0%*	*90.7%*	*93.6%*	*98.0%*	*98.0%*
Accounts Receivable Delinquency (% of debt over 181 days, versus total debt)	*49.0%*	*37.8%*	*7.1%*	*8.66%*	*7%*	*6%*
Identify and Research Cash Accounts Differences with Treasury	*>180 days*	*90 days*	*30 days*	*30 days*	*30 days*	*30 days*

➢ Material weaknesses are eliminated.

In FY 2000: Researched and corrected (or scheduled for automated correction) several million dollars of unposted accounts receivable collections and unrecognized revenue.

Researched and corrected several million dollars of cash transactions improperly reported to the Treasury for fiscal years 1995 through 1999.

In a cooperative effort with OPM program staff, collected several million dollars of debts that have been outstanding over one year.

➢ Documented and implemented policies, processes and procedures.

FY 2000: Reengineered and documented the policies and procedures for all major processes in accounts payable, property and equipment, payroll, travel, budgetary accounting and the chart of accounts. Also, updated the documentation of the policies and procedures for accounts receivable and cash management as well as the documentation for the financial systems.

➢ Improved Inspector General, Independent Public Accountant (IPA) and GAO audit results.

FY 2000: Prepare the FY 2000 financial statements for all OPM accounts by the statutory due date of March 1, 2001. Achieve an unqualified audit opinion for OPM consolidated statements.

OCFO Goal 2: Modernize OPM's administrative financial management systems.

Means:

➢ OPM's payroll and travel functions are operating successfully in a cross-servicing environment.

➢ Begin implementation of OPM's new core financial management system.

➢ Implement and test interfaces between new system and payroll, fixed assets and program tracking systems.

Indicators/Performance Results:

➢ OPM payroll and travel functions provided by contractor (GSA) include efficiencies and improvements such as: an automated travel voucher system and single entry of time and attendance and labor distribution resulting in less cost to OPM and better service to our customers.

S&E/General Fund Appropriation
Executive and Other Services

- Implementation of new core accounting system proceeds on schedule. Standard General Ledger and Budget/Funds Management modules are installed and implemented for FY 2002.

- OPM customers have increased flexibilities. Customers have access to high quality, consistent and up-to-date data; and OPM programs have the ability to respond directly to their customers' issues and concerns.

OCFO Goal 3: **Financial management support and reporting is provided to ensure OPM's core functions can meet their goals and objectives.**

Means:

- Provide responsive and high-quality service to all our customers.

- Ensure accurate, timely and effective formulation and execution of OPM's budget.

- Develop the Congressional Budget Justification/Annual Performance Plan for FY 2003 that effectively presents OPM's priorities, fully justifies our budget request and includes results-oriented performance goals.

- Provide ongoing training to OPM managers and their staffs on the use of information from OPM's financial management systems.

- Ensure accurate and timely financial reporting to OMB and Department of Treasury.

- Support the efforts of the CFO Council and the Joint Financial Management Improvement Program's (JFMIP) Program Management Office to improve financial systems.

Indicators/Performance Results:

- Comply with the Government Performance and Results Act.

  FY 2000: Issue OPM' revised strategic plan for FY 2000-2005.

  FY 2000/2001: Completed the agency's FY 2001 and 2002 Congressional Budget Justification/Annual Performance Plans which integrate performance information with the budget request to meet the requirements of the Government Performance and Results Act. The plans link OPM's annual performance goals with the goals in our strategic plan, Federal Human Resources Management for the 21st Century.

- Actions taken in response to expressed customer needs.

FY 2000: Completed the contracted comprehensive requirements and gap analyses of OPM's administrative financial systems. As a result of the study, OPM took action to close high-risk gaps and implement a new financial management system.

FY 2000: Issued a contract to develop a system to improve the billings and collections processes for the Investigations Service.

➢ Management information reports are accurate and consistent.

➢ Improved responsiveness and on-time compliance for financial reporting to OMB and the Department of the Treasury.

FY 2000: Tested and implemented the FACTS II capability with the Department of Treasury to eliminate paper-based reports.

VERIFICATION AND VALIDATION

- Gauge, through frequent analysis, the financial condition of our programs.
- Use the Inspector General, Independent Public Accountant (IPA) and GAO audit results.
- Review and certify our financial systems for compliance with OMB Circular A-127.
- Use FMFIA analysis to verify and validate financial internal controls.
- Use automated system edit/error detection and documentation.
- Perform reconciliations of accounts to the general ledger and Department of Treasury cash balances.

OFFICE OF GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal services, both representational and advisory, to the Director, Deputy Director, and programs within the Office of Personnel Management (OPM). The OGC is also a source of expertise for other Government agencies, Federal employees, and the public. OGC works closely with all of the senior officials and program offices of OPM to initiate and implement policy, to ensure that the programs are administered lawfully, and to represent the programs in all types of advocacy settings.

S&E/General Fund Appropriation
Executive and Other Services

ANNUAL PERFORMANCE GOAL FOR FY 2002

OGC Goal: Provide expert legal services to program and senior officials within the Office of Personnel Management, other Government agencies, Federal employees, and the public.

This goal was established under OPM's Strategic Goal 1:LEAD, to provide high-quality and timely advisory and representational legal services and expertise to OPM programs and offices on Federal civil service law and related matters, which OGC does through the various activities and accomplishments that are discussed below.

Means:

- Communicate advice and information to OPM programs and offices so that they will be better equipped to recognize issues which have legal implications and carry out their program responsibilities in a manner that will reduce the agency's risks of litigation or criticism from various oversight bodies.

- Lead OPM's effort in bringing persons with disabilities into the Federal workforce.

- Participate in OPM's efforts to improve the representation in the workforce of Asians and Pacific Islanders.

- Lead OPM efforts to address discrimination based upon sexual orientation both within OPM and government-wide.

- Advocate on behalf of OPM programs and offices in disputes with other agencies or oversight bodies. This role is particularly critical when OPM is acting in an oversight capacity and ordering agencies to take action to correct merit system violations.

- Advocate legal review of cases that have government-wide significance at the MSPB and before arbitrators. Seek authorization to appeal those erroneous MSPB decisions that will have a substantial impact on the civil service to the Federal court of appeals. This function is mandated by statute.

- Administer the ethics program in OPM. Develop and issue internal regulations, policies, and instructions, and provide guidance to OPM employees on ethics. Review and provide guidance on the preparation and filing of public and confidential financial disclosure reports of OPM officials and employees. This function is mandated by statute.

- Train and advise OPM employees on the provisions of the Hatch Act.

- Work with the program office to streamline the Equal Employment Opportunity (EEO) claims process and develop alternate dispute resolution avenues.

- Lead the Plain Language initiative and work with ambassadors from OPM program offices. Through this initiative, OGC has helped OPM adopt standards and expectations for clear communication in all OPM products and presentations.

- Represent OPM before the MSPB, the Equal Employment Opportunity Commission, the Armed Services Board of Contract Appeals, and Federal courts. These cases may involve EEO claims, appeals of OPM's suitability and adverse action decisions, Government contracts, retirement, FEHBP, life insurance, and other programs administered by OPM.

- Lead OPM's review of its reimbursable work to set policy and guidelines. Review agreements to perform reimbursable work by OPM program offices to ensure compliance with these guidelines.

- Provide advice and counsel on internal and government-wide labor-management issues, and when necessary, represent OPM in litigation involving these issues before the Federal Labor Relations Authority (FLRA) and Federal courts.

- Adjudicate and settle claims involving employees' personal property and personal injury. This function is mandated by statute.

- Respond to government-wide inquiries involving reductions-in-force, agency reorganizations, employee buyouts, career transition services, and early out authority.

- Provide legal assistance to OPM managers in the reprocurement of OPM's contract for investigation services.
- Process support and commercial garnishment actions affecting payments to OPM employees.

- Resolve appeals of denials of information or refusals to amend documents under the Freedom of Information and Privacy Acts. Provide legal assistance to OPM officials and officials from other agencies on FOIA/Privacy Act matters.
- Review and approve procurement matters to strengthen OPM's procurement process, minimize the risk of contract related litigation, and successfully defend procurement actions, including claims by FEHBP carriers.

- Support the Justice Department in representing OPM in Federal court cases in which Federal employees dispute OPM's decisions regarding FEHBP coverage.

- Represent OPM in significant retirement appeals at the MSPB.

- Support the Justice Department in representing OPM in hundreds of retirement appeals in the United State Court of Appeals for the Federal Circuit.

S&E/General Fund Appropriation
Executive and Other Services

Indicators/Performance Results:

➢ Provide timely and high-quality representational and advisory legal services to the Director, Deputy Director, and OPM program offices.

For example, OGC reviews all of the policy, regulatory, and contract documents related to the Federal Employees Health Benefits (FEHB) program for legal sufficiency and compliance with pertinent guidance. We also consult regularly with FEHB program officials on the legal aspects of the policy and administration of this program.

In FY 2001, we were instrumental in assisting the Administration implement premium conversion for FEHB premiums. In FY 2002, we anticipate working with program and Administration officials to explore full flexible spending accounts for Federal employees. These benefits could help attract a diverse and high quality workforce.

In FY 2001, OGC has continued to be instrumental in developing the government-wide guide and model plan to support the effort to bring people with disabilities into the Federal workforce. In FY 2002, we will continue to help interpret and implement these guides.

In FY 2001, we improved assistance to Federal Executive Boards on ethics questions and related issues and this initiative will continue during FY 2002.

In FY 2001, we led the OPM effort for the Long-Term Care Initiative. We will continue to work on this initiative.

➢ Advocacy of appeal cases involving significant civil service issues to the Federal court of appeals. See chart below.

In FY 2001, we obtained the Department of Justice's concurrence to seek review of a precedent-setting decision involving annuity rights for survivors of law enforcement and officers and firefighters.

➢ Provide specialty training for attorneys and technological resources needed to represent and advise the OPM Director and program officials.

In FY 2001, two attorneys attended a symposium on Employment of People with Disabilities. The course provided background useful for OPM's initiative in support of hiring people with disabilities and in defending the agency from discrimination complaints.

In FY 2001, two attorneys attended a seminar on How to Rehabilitate or Remove the Problem Employee, which will be useful in defending appeals of agency adverse and performance actions.

In FY 2002, we plan to continue providing the appropriate training for OGC staff attorneys to enhance their skills and enable them to keep abreast of the latest developments in law. For example, several attorneys attended an Advocacy Skills for Agency Counsel seminar sponsored by the Justice Department's National Advocacy Center. This training will enhance the attorney's trial and appellate advocacy skills needed for defending appeals in cases involving OPM as the defendant.

In FY 2002, we plan to continue sending OGC staff attorneys to courses sponsored by the Army JAG School in Charlottesville, which will enhance their knowledge of a variety of legal issues that are offered by the JAG School.

➢ Collection and maintenance of information relative to legal issues affecting the civil service.

In FY 2001, we improved data collection on cases involving both EEO and the FEHB Program.

➢ Support to the Justice Department in defending MSPB decisions sustaining OPM retirement decisions. See chart below.

In FY 2001, an estimate of 88 cases were handled by OGC, providing timely and high-quality legal expertise in this matter; 60 of these cases have been resolved; 55 favorably and 5 unfavorably.

➢ Support to the Justice Department in representing OPM in Federal court litigation. See chart below.

In FY 2001, we successfully defended OPM or provided assistance to the Justice Department in over 80 retirement appeals filed in the Federal courts.

With regard to the specific categories of administrative actions and litigation, the performance measure results and projections are as follows:

Appeals, Claims, etc.	Number of Cases	Number of Cases Resolved	Resolved Cases Favorable to OPM	Resolved Cases Unfavorable To OPM	Projected Number of Cases
	FY 2001	FY 2001	FY 2001	FY 2001	FY 2002
RIF Appeals	0	0	0	0	0
Suitability Appeals	21	9	8	1	28
Adverse Action Appeals	1	0	0	0	5
EEO Actions	65	9	9	0	75
Federal Circuit Retirement Decisions	88	60	55	5	100
FEHB Claims	9	4	2	0	15
ALJ Part 300 Cases	2	0	n/a	n/a	2
Torts	35	27	3	0	40

S&E/General Fund Appropriation
Executive and Other Services

Reconsiderations	Number of Cases	Number of Cases Resolved	Resolved Cases Favorable to OPM	Resolved Cases Unfavorable to OPM	Projected Number of Cases
	FY 2001	FY 2001	FY 2001	FY 2001	FY 2002
MSPB & Arbitrator Cases Reviewed	150	n/a	n/a	n/a	150
Federal Court Rulings on OPM Petitions from MSPB & Arbitration	1	0	0	n/a	1
MSPB & Arbitrator Rulings on OPM Petitions & Interventions	10	4	2	n/a	8

FOIA/Privacy Act	Number of Cases	Number of Cases Resolved	Resolved Cases Favorable to OPM	Resolved Cases Unfavorable to OPM	Projected Number of Cases
	FY 2001	FY 2001	FY 2001	FY 2001	FY 2002
FOIA/Privacy Act Initial Requests	16	6	n/a	n/a	20
FOIA Appeals	15	8	n/a	n/a	25
Privacy Act Appeals	3	3	n/a	n/a	5
FOIA/Privacy Act Litigation	1	0	n/a	n/a	0

n/a = not applicable

VERIFICATION AND VALIDATION

- Management receives assignment and caseload reports showing the statistical pattern of increase in litigation and cases filed in judicial tribunals, MSPB, EEOC and other administrative forums. Appealed cases and other workload involving agency actions are also contained in these reports. Management reviews these reports for purposes of determining impact of litigation on agency-wide programs and functions.

Note: The performance measure results and projections above are for the period of October 1, 2000 – February 28, 2001.

OFFICE OF COMMUNICATIONS

The Office of Communications (OC) presents the messages, initiatives and achievements of OPM, develops new channels and techniques to promote awareness of the challenges and rewards of public service, and serves as frontline liaison in meeting both internal and external communications needs. OC conducts a responsive customer service program to handle OPM's public, media, and internal inquiries. Each year, thousands of inquiries are answered for statistics and facts about the Federal workforce and the civil service system. The OC also focuses outreach efforts to the media accredited to cover the White House, Senate and House of Representatives, and editorial boards across the nation, especially in areas with high numbers of Federal employees and retirees.

In addition, the OC houses the executive leadership for OPM's internal implementation of the Government Performance and Results Act (Results Act), including management of strategic and annual performance planning and reporting. OC also houses the Executive Secretariat for the interagency Human Resources Management Council (HRMC) and the interagency Human Resources Technology Council (HRTC).

ANNUAL PERFORMANCE GOALS FOR FY 2002

OC Goal 1: Human resources management assistance and information is provided to Federal agencies, the media, and the general public.

Means:

- Provide responsive customer service in handling OPM's public, media, and internal inquiries.
- Establish an active outreach program to a wide variety of media, including weekly newspapers, ethnic and community publications, women's and veterans' media, and radio and TV.
- Coordinate the provision of human resources management information to the public through OPM's web site.
- Assist programs to further the promotion of the agency's reimbursable services and products by serving as the OPM marketing coordinator.
- Assist OPM's programs in developing, preparing, and clearing print and electronic publications on human resources management programs and issues to ensure that they are accurate and consistent with OPM and Administration policies.
- Serve as Chair of the HRMC and as Co-Chair of the HRTC, on behalf of the OPM Director, and provide the Director with advice on strategic interaction with these bodies, and information on the interests and positions expressed by agencies through these bodies.
- Provide executive administration to the HRMC and the HRTC. Communicate human resources management information to the HRMC on behalf of the Director and agency program heads.

Indicators/Performance Results:

- Customer satisfaction with OPM manuals, brochures, reports and the web site.

Our web site continued to be a primary vehicle for communicating with our customers, partners, and other stakeholders. During the eight- month period of January 2000 - August 25, 2000, web site statistics reveal that the OPM web site received over 139 million hits, of

which almost 5 million were unique users.

In FY 2000, the OC processed approximately 5,100 inquiries from Federal employees, human resources professionals, retirees, and the general public. OC forwarded these inquiries to program offices or responded directly to the email when appropriate.

In FY 2000, we did not solicit information from our customers regarding their satisfaction with OPM manuals, brochures, reports, and web site. Instead we asked them whether they found these communications useful, user-friendly, and met their information needs, with the following results:

	% Agreement
OPM web site is convenient for accessing information	*98%*
Web site information is relevant to my needs	*100%*
Web site information is sufficient	*89%*
Web site is user-friendly	*89%*
OPM manuals, brochures, reports, etc. are useful	*85%*

➢ Media coverage, outreach efforts, and marketing consultation are expanded.

OC issued 90 press releases, responded to 900 media calls, and facilitated 25 HRMC meetings, and conducted one HR Forum Satellite Broadcast.

OC implemented a blast fax system to get information to the press in a more efficient manner, expanded outreach program efforts to weekly newspapers, ethnic and community publications and broadcast outlets, and women's and veterans' media, and completed a successful Year 2000 campaign to inform all OPM customers and the media that OPM was Year 2000 compliant.

➢ Satisfaction of the HRMC members and officials, as well as employees from other Federal agencies with the usefulness of the HRMC Executive Committee meetings and the Federal HR Forum satellite broadcasts.

In FY 2000, the HRMC had an offsite conference that resulted in identifying priorities and setting up special interagency committees to work on them. The priorities are the HR Profession, workforce planning, and a web-based communication for members.

In FY 2000, the HRMC and OPM co-sponsored a special one day conference on Workforce Planning, and made plans for three additional meetings in FY 2001.

In FY 2000, produced one educational satellite broadcast with the HRMC containing human resources management information.

OC Goal 2: Improve OPM's implementation of the Government Performance and Results Act (GPRA).

Means:

- Through the OPM GPRA Working Group, lead the agency actions to develop strategic and annual performance plans and reports required by the Results Act, and ensure these plans and reports meet guidance issued by the Office of Management and Budget (OMB).

- Work closely with a broad array of stakeholders, including the OMB, to ensure our strategic and annual plans appropriately define the role of OPM in strategic human resources management, and reflect the goals and objectives that will support agencies to meet their human resource needs.

- Work directly with agency executives and through the GPRA Working Group to improve the measurement of OPM performance, including improvement in processes used to collect, validate, and verify the performance data.

- Work closely with OPM's Office of the Inspector General (OIG) in their activities to monitor and report on agency Results Act implementation, to coordinate and continually improve this interaction and the learning that results from an effective relationship.

Indicators/Performance Results:

- Improved evaluations of our agency strategic plans, annual performance plans, and performance reports by OPM's OIG, the General Accounting Office (GAO), and other stakeholders.

  This is the first year that OPM has had a specific goal in its Annual Plan to cover the full range of actions required to meet the Results Act, and thus the first year that we have summarized our performance in this form. (Note, see also the OCFO annual plan section, which has included a specific action to prepare the annual performance plan in conjunction with the annual budget justification each year since our first annual plan).

  OPM has taken specific steps to improve its implementation of the Results Act since the first year, and these steps have had a positive impact. Among other actions, in FY 2000 OPM identified a temporary executive level coordinator to manage all GPRA activities; establishing this position was cited by the OIG as a very positive step for the agency, and as a result, a permanent position of Director of Strategic Planning and Performance Reporting was established in FY 2000. OPM has managed its GPRA activities through a cross-agency work group since implementation, but in FY 2000 a formal subcommittee was established to focus on Measurement Improvement. This subcommittee devised a completely new Measurement Framework for OPM, which was introduced in the revised Strategic Plan for FY 2000 – 2005 (September 2000). We have begun to implement this new Measurement

Framework, and plan to have it fully implemented by the end of FY 2003. The new Measurement Framework led to improvements in the statement of our goals and objectives, and in the identification of appropriate indicators, for this FY 2002 Annual Performance Plan. Previously, OPM introduced other enhancements to respond to suggestions from OMB, GAO, and our OIG in their evaluations, especially to restate our annual performance goals in more outcome-oriented terms. Currently, OPM is paying special attention to improvements in our data collection, validation, and verification procedures, in response to audit findings from the OIG.

➢ Timely completion of all required documents and reports each year, as required by the Results Act and applicable OMB guidance.

OPM has met each of the deadlines imposed by the Results Act and OMB guidance since the Results Act was implemented in FY 1997.

VERIFICATION AND VALIDATION

- The number of positive mentions of the agency in print and electronic media validates OC efforts.
- Client access to information is verified by comments and electronic mail transmitted to the News and Complaints mailboxes on the OPM web site. Continuous customer feedback suggests that OPM's customers increasingly look to the web site for downloadable files and other information.
- External reviews of OPM Results Act products confirm our evaluation of improvements and timely action.

OFFICE OF CONGRESSIONAL RELATIONS

The Office of Congressional Relations (OCR) provides liaison between OPM and Congress, Congressional staff, interest groups, the White House and other Federal agencies on legislative matters affecting Federal personnel policies and practices. OCR develops strategies for the design and implementation of OPM's legislative program and analyzes and responds to congressional initiatives which impact Federal human resource management issues.

ANNUAL PERFORMANCE GOAL FOR FY 2002

OCR Goal: Provide guidance and assistance to agency management and to Congress in the development of human resources management policies and programs to promote a merit-based and cost-effective Federal service and the optimum balance of governmentwide consistency and agency-specific flexibilities.

Means:

- Maintain effective representation of OPM and the Administration to Members of Congress and their staff enabling the OPM Director to exercise leadership in Congressional consideration of Federal human resource related legislation and other Congressional matters.

- Develop and coordinate OPM strategy for the implementation of legislative recommendations. Analyze legislation and prepare legislative materials such as bill reports, and testimony. Provide technical assistance to the Congress on human resource matters.

- Monitor and influence the modification of legislation inconsistent with OPM policies and the Administration's program.

- Manage an OPM legislative planning process that ensures full consideration of OPM initiatives by both the Administration and Congress.

- Respond quickly and thoroughly to requests for assistance from Congressional committees and Members' offices. OCR responds to hundreds of requests for comment on legislative proposals from the Office of Management and Budget (OMB) or other executive agencies and thousands of inquiries made by phone, letter or in person by Congressional staff.

Indicators/Performance Results:

- Enactment of the legislative proposals put forth by OPM and the Administration affecting Federal human resource management issues.

  In FY 2000, Administration clearance to forward 3 legislative proposals was granted. Of these, 1 was a resubmission of an item from the previous Congress. In addition, all or part of six proposals were introduced or incorporated into other measures. It is anticipated that more than 5 additional proposals will be forwarded in FY 2001. Since there will be a new Administration and a new Congress proposals may not be cleared until later in the year.

  In FY 2001, OCR again plans a proactive legislative agenda in support of the OPM Strategic Plan and Human Resources Initiatives. We plan to work with OMB to develop a relationship with the new Administration and craft an agenda that both furthers the goals in the OPM Strategic Plan and advances the priorities of the Administration. OCR will conduct an outreach and education initiative with the new Congress and seek Congressional sponsors to introduce the legislative proposals and help move them through the process to enactment. This will include assisting Member's offices in preparing materials urging the support of colleagues and committees, assisting in selecting witnesses for any related hearings, and working out compromises between the legislative and executive branches as necessary.

- Positive feedback from Congressional staff, employee organizations, OPM policy offices, interest groups, other executive agencies and OMB as indicated in meetings, routine

discussions and written letters of commendation to ensure OCR meets the needs of those served.

➢ Maintain ability to handle testimony, referrals and inquiries.

During FY 2000, the OCR provided legislative analysis, drafting assistance and policy review in response to the Office of Management and Budget referrals to OPM. OCR reported orally or in writing on:

273 OMB referrals on House and Senate bills
106 OMB referrals on agency drafts of legislation
10 OMB referrals on miscellaneous budget and conference provisions
35 OMB referrals on draft executive orders
8 OMB referrals on presidential memoranda
46 OMB referrals on hearings
24 OMB referrals on OPM legislative proposals

In FY 2000, there were over 48,000 phone calls, 25,000 letters, and 6,000 visits from Congressional staff.

Workload	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Congressional hearings	14	10	15
OMB Referrals	502	400	450
Congressional policy inquiries	2,000	2,000	1,500
Technical Assistance	25	18	18

In FY 2001, continue work on upgrading technology to expand the range of annuitant inquiries that can be handled electronically.

VERIFICATION AND VALIDATION

- Receive feedback through daily contacts with congressional staff, regular meetings with agency stakeholders and frequent meetings with OPM program offices.
- Provide feedback regarding legislative agenda to OPM policy offices based on communications with employee organizations and congressional staff.
- Submit OPM legislative initiatives to OMB for clearance and feedback from agencies with a coordinating or crosscutting interest.

- Closely monitor OPM correspondence tracking system and facilitate more expeditious response to congressional correspondence.

- Update system for tracking legislative, policy and casework issues.

- OMB's Legislative Reference and Resource Management Office staff conduct assessments of OCR's performance.

PRESIDENT'S COMMISSION ON WHITE HOUSE FELLOWSHIPS

Executive Order 11181, as amended, established the President's Commission on White House Fellowships (WHF) to provide gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. The Order also requires OPM to provide administrative assistance to the Commission.

ANNUAL PERFORMANCE GOALS FOR FY 2002

WHF Goal 1: A broad range of qualified applicants are attracted to the fellowship program in order to spread the benefits of this leadership development and public service opportunity to remarkable men and women of all backgrounds and professions throughout the U.S.

Means:

➢ Intensify use of successful outreach tactics, such as: increased alumni participation, updated application brochure, reconstructed Internet Web site and media information.

➢ Expand work to raise the public profile of the program through existing networks and contacts.

Continue to involve more people in recruitment through various means such as regional panel service, exposure to the Fellows during travel, and further develop constituency connections.

Indicators/Performance Results:

➢ Statistical profiles of applicants and fellows.

Performance Indicators	*Class of 1993-1994*	*Class of 1994-1995*	*Class of 1995-1996*	*Class of 1996-1997*	*Class of 1997-1998*	*Class of 1998-1999*	*Class of 1999-2000*	*Class of 2000-2001*
Applications Received	**12/92**	**12/93**	**12/94**	**12/95**	**12/96**	**2/98**	**2/99**	**2/00**
No. of Applicants	708	1226	854	892	541	425	263	242
Male					360	271	172	

S&E/General Fund Appropriation
Executive and Other Services

Female					181	154	91	
No. of Fellows	17	17	14	18	15	17	16	15
Male	11	11	9	8	11	10	12	10
Female	6	6	5	10	4	7	4	5
Percent Minority	47%	35%	29%	30%	33%	47%	63%	27%
African American	5	2	2	4	2	2	3	2
Latino	1	3	1	1	1	2	3	0
Native American	1	0	0	0	0	0	0	0
Asian	0	1	1	1	1	3	4	1
Other	1	0	0	0	1	1	0	1

➢ Response of agencies in the placement of fellows in work assignments.

In FY 2000, the placement opportunities for Fellows remained high and competitive, which is a strong measure of the quality of Fellows being selected for the program. Because this class of Fellows would serve during a presidential transition, we were concerned that work assignment opportunities would be affected with agencies being unwilling to take on a responsibility they felt they could not follow for the full term of the fellowship. Instead, agencies understood the value of having a Fellow in place through the transition period as someone who could help transfer information and explain processes to the incoming officials. We had more requests for Fellows than expected. We see this as a clear measure of the recognition by departments and agencies of the long-term value of the fellowship program.

➢ Quality of applicant pool.

In FY 2000, an enhanced two-year outreach plan was created in conjunction with the White House Fellows Alumni Association that included massive efforts to involve former Fellows, who we know are the best recruiters for the program, and that launched the use of an updated website complete with a video about the program and a downloadable application form. We learned quickly, however, from the alumni network that many potential applicants were deterred by the uncertainty of the upcoming presidential transition and that many others were unwilling to take a year away from their jobs or their prospects in such a good economy with so much opportunity. The latter concern was particularly true among minority populations. While the number of applications was roughly the same as the year before, the expectation is that much of the recruitment groundwork laid in FY 2000 will reap benefits in FY2001 when outreach efforts will be redoubled after the presidential election. Despite the continued low number of applicants we are still recruiting high-quality candidates who continue to receive high marks on paper and in personal interviews.

WHF Goal 2: **The selection process is efficient and fair.**

Means:

➢ Maintain an involved and diverse Commission.

- Continue to involve more alumni in the initial stages of selection.

- Expand use of prominent citizens from various regions of the country in the initial interviews of candidates.

- Organize the selection process in a manner that provides opportunities to expand outreach and to raise the public's awareness of the fellowship program.

Indicators/Performance Results:

- Involvement and diversity of Commission members.

  In FY 2000, Commission attendance and involvement continued at high levels with all but three of the 35 attending January's Mid-Year Meeting and all but two present for the selection of Fellows in June. As previously noted, this Commission is the most diverse and most stable (70% served all eight years of the Clinton administration) in the history of the program. The Commission is preparing a document to give to the Chairman of the next Commission to impart some of the knowledge it has gained about overseeing the selection of Fellows and the management of the fellowship program.

- Degree of involvement of alumni.

  In FY 2000, Commissioners, regional panelists and friends of the program were included in the White House Fellows Alumni Association's annual meeting. The Chair of the Commission was invited to an alumni association board meeting in Chicago and other steps were taken throughout the year to bring together the program, its alumni and the Commission.

  In FY 2000, the system for alumni reading of applications encouraged more than 50% of all alumni to volunteer to participate thus achieving the goal of increasing alumni involvement in the program and relieving workload pressure on program staff.

- Increased use of prominent citizens.

  In FY 2000, citizens who served as regional interviewers were more closely involved in the program and responded well to encouragement to participate in outreach activities.

- Improvements in selection process.

  In FY 2000, because of streamlined administrative systems, upgraded computer systems and greater use of electronic communication both internally and externally, it was easier to integrate the selection process with outreach tactics. By using a calendar-based checklist of

tasks to improve efficiency in the implementation of the selection, placement and education of Fellows, more time was available to for outreach.

WHF Goal 3: **The management of the fellowship program can be replicated by new staff in anticipation of a change in administration.**

Means:

➢ Finish the project to describe and date all tasks involved with the recruitment, selection, placement, and education of the Fellows, as well as the administration of the program and management of the Commission.

➢ Continue to upgrade and streamline office processes and systems to improve efficiency and effectiveness.

Indicators/Performance Results:

➢ Program runs smoothly and meets deadlines.

- *Process applications for reading first 2 weeks in February.*
- *Select 84-120 regional finalists by mid-March.*
- *Interview regional finalists and select finalists by early May.*
- *Conduct final selection first weekend in June.*
- *Conduct placement interviews late June-mid July*
- *Have all Fellows placed, processed and sworn in by September 1.*

In FY 2000, we added two career staff members to help shepherd the program through the change of administrations and to manage the smooth functioning of the program office in the future.

➢ Fellows are selected and placed efficiently and effectively. Their work is useful to the government and the fellowship experience enhances their ability to be future leaders of the nation.

The updated White House Fellows Program Manual continues to be used by departments and agencies who are assigned a White House Fellow as an effective management and communication tool. The number of agencies requesting Fellows each year is a measure of the usefulness of the work of White House Fellows. Monitoring of program alumni determines the effectiveness of the program in producing future leaders.

VERFICATION AND VALIDATION:

- Survey work assignment supervisors, alumni and regional panelists for assessment of program quality during late spring and early summer of each year.
- Report from the President's Commission on assessment of quality and diversity at the final stage of selection.
- Executive Office of President and departments are well served by the Fellows and the program.
- Fellows report to the President's Commission which provides oversight.

FY 2002 BUDGET CHANGES:

Salaries and Expenses: An increase of $329,000 to defray the cost of inflation.

Trust Fund: An increase of $90,000 to defray the cost of inflation.

TRANSFERS FROM THE TRUST FUNDS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations:				
Retirement and Insurance Service	$101,050	$124,854	$149,716	$24,862
Administrative Services	7,895	8,600	8,858	258
Executive and Other Services	3,543	3,000	3,090	90
Total	**$112,488**	**$136,454**	**$161,664**	**$25,210**
Offsetting Collections:				
Annual	$90,671	$91,285	$94,151	$2,866
Permanent Indefinite Authority,				
Title V:	17,352	31,736	45,736	14,000
8348	17,051	24,236	24,236	--
8909, FEHB Demo	222	500	500	--
Long-Term Care	62	3,000	20,000	17,000
FERCCA	17	4,000	1,000	(3,000)
New No-Year/RSM	--	10,477	21,777	11,300
Prior No-Year/RSM	4,465	2,956	--	(2,956)
Total	**$112,488**	**$136,454**	**$161,664**	**$25,210**
Trust Funds Budget Authority:				
Annual	$91,486	$91,486	$94,151	$2,665
Annual (Rescission)	(347)	(201)	--	201
No-Year/RSM	4,000	10,500	21,777	11,277
No-Year/RSM (Rescission)	(15)	(23)	--	23
Total	**$95,124**	**$101,762**	**$115,928**	**$14,166**
Outlays	**$112,488**	**$136,454**	**$161,664**	**$25,210**
Full-Time Equivalents:				
Retirement and Insurance Service	1,195	1,211	1,211	--
Administrative Services	32	39	39	--
Executive and Other Services	35	25	25	--
Total	**1,262**	**1,275**	**1,275**	--

TRANSFERS FROM THE TRUST FUNDS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$64,802	$66,458	$1,656
Personnel Benefits	14,764	15,322	558
Benefits for Former Personnel	20	21	1
Travel and Transportation of Persons	454	463	9
Transportation of Things	29	30	1
Rental Payments to GSA	8,899	9,086	187
Communications and Utilities	7,505	7,625	120
Printing and Reproduction	1,329	1,349	20
Other Services	34,703	57,284	22,581
Supplies and Materials	1,272	1,299	27
Equipment	2,677	2,727	50
Total Obligations	**$136,454**	**$161,664**	**$25,210**

TRANSFERS FROM THE TRUST FUNDS

RETIREMENT AND INSURANCE SERVICE

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service (RIS) administers the Civil Service and Federal Employees Retirement programs; the Federal Employees' Group Life Insurance Program; the Federal Employees Health Benefits Program; and the Retired Federal Employees Health Benefits Program. RIS' mission is to provide fast, friendly, accurate, and cost-efficient benefit services to Federal agencies, employees, annuitants, and their families. This mission is a vital part of the Government's effort to recruit and retain a Federal workforce equipped to meet the challenges of the 21st century.

Key components of the Retirement and Insurance Service are described below:

The Center for Benefits Design and Delivery is a virtual organization within the Service that serves as a coordinating mechanism to assemble resources from OPM's management, actuarial, human resources policy, and budget and planning staff with other Government and contractor subject matter experts to focus on a broad range of current, emerging, and future initiatives in the employee benefits arena. The Center will work in concert with OPM's strategic compensation reform effort to examine employer practices and strengthen the Government's employee benefit programs by implementing improvements.

The Retirement Program acts as the personnel and payroll office for 2.4 million retired Federal workers and their survivors covered under the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). It makes benefit determinations in accordance with sound benefit policy and applicable laws and regulations, processes over 4 million workload items per year, ranging from the initial decision on eligibility and the amount of an annuity to recording changes in beneficiaries' addresses. Finally, it develops policies, regulations, and proposals to improve the competitiveness and administration of the Retirement Programs.

The Insurance Program negotiates and administers contracts for the almost 300 health plans in the Federal Employees Health Benefits (FEHB) program and one life insurance contractor in the Federal Employees Group Life Insurance (FEGLI) program, to provide insurance benefits at a reasonable cost to eligible employees and annuitants enrolled in the FEHB and FEGLI programs. Also, it conducts annual FEHB Open Seasons and FEGLI Open Seasons as required, monitors use and benefit trends within the health and life insurance industries, and implements program changes directed by the Administration and Congress. Finally, the Insurance Program decides disputed claims between FEHBP enrollees and carriers.

Through its **Financial Management** program, RIS maintains financial oversight and control over the OPM Retirement and Insurance Trust Funds and prepares accounting and program

performance reports for the Department of the Treasury, the Office of Management and Budget, and Congress according to guidelines issued by the Chief Financial Officer. Also, it ensures that benefit program and administrative resources are used effectively, and continuously evaluates retirement and insurance products to determine if they meet established standards.

To accomplish these functions, the Service must maintain a workforce of approximately 1,211 staff who must possess a variety of competencies. These competencies include: interpersonal, communication, and claims adjudication skills to provide direct customer services to the annuitants, their families, and the other Federal agencies; benefits policy and contract administration skills to oversee the health benefits and life insurance programs; accounting and financial analysis skills to manage the trust funds; and information technology skills to maintain and modernize the enterprise legacy systems through which these services are delivered.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL I:

LEAD. THE FEDERAL GOVERNMENT EFFECTIVELY RECRUITS, DEVELOPS, MANAGES AND RETAINS A HIGH QUALITY AND DIVERSE WORKFORCE EVEN AS THE LABOR MARKET AND WORKPLACE UNDERGO SIGNIFICANT AND CONTINUOUS CHANGE.

FY 2002 RESOURCE SUMMARY: Obligations (000): $7,486 Full-Time Equivalents: 62

A flexible, competitive and performance-oriented strategic rewards environment that allows the Government to recruit, manage and retain a high quality and diverse Federal workforce is developed by FY 2002.

RIS Goal 1: The Federal employee benefit programs are enhanced to offer a more flexible range of benefits as OPM explores new benefit offerings and implements new programs.

In order for the Federal government to recruit, manage, and retain an effective workforce, OPM must address the employee benefits needs of the modern worker. To accomplish this, we are pursuing an aggressive benefits design and policy leadership agenda that encompasses a variety of forward looking benefit issues. During FY 2002, this agenda includes implementing the Long Term Care insurance program, exploring the adoption of flexible spending accounts, reducing

the occurrence of medical errors, and examining direct contracting for selected benefits and other FEHBP reform initiatives. These initiatives will ensure that the Federal employee benefit programs continue to be among the factors that make Federal employment a unique and meaningful career opportunity.

Means:

- We will complete the implementation of the Long Term Care Insurance program by conducting an open enrollment period, supported by an extensive educational program to assist potential participants in determining their specific long-term care needs.

- We will combine resources from our actuarial and policy staff with those of the Center for Benefits Design and Delivery to work with other organizations in the benefits industry and study FEHB reform initiatives such as contracting for selected benefits, and develop and implement initiatives to prevent medical errors within the FEHB Program.

- We will build on our study of flexible spending accounts conducted during FY 2001, by discussing our findings and recommendations within the Administration and developing a final proposal regarding this benefit.

- We will continue working with the Interagency Network on Retirement and Insurance issues to keep agencies and their benefit counselors informed about benefits policy issues.

Indicators/Performance Results:

During FY 2000, we implemented or began implementing, benefit options for Federal employees and annuitants that made the Federal employee benefits more flexible, responsive to employee needs, and cost effective. For instance, we implemented premium conversion, which enables Executive Branch employees to save money by deducting their share of health insurance premiums from their taxable income. This plan is similar to the private sector, which has allowed their employees to deduct health insurance premiums from their taxable incomes for many years.

A legislative solution to retirement coverage errors – the Federal Erroneous Retirement Coverage Correction Act - was signed into law on September 19, 2000. The legislation sets out time frames for OPM to issue regulations and implement its provisions. We have moved forward aggressively to implement the provisions of the Federal Erroneous Retirement Coverage Correction Act including deploying a Web site that provides guidance and benefit calculators to the agencies and to Federal employees. We developed regulations which were published in March 2001, as required by the Act.

- Adherence to commitments and project timetables:

Transfers from the Trust Funds
Retirement and Insurance Service

- The Long Term Care Insurance program is implemented within time frames described in authorizing legislation.

The Long Term Care Security Act (P.L. 106-265) was signed into law on September 19, 2000. This program is the first new major benefit for Federal employees since the inception of FERS in 1986. Relying on the funding from Title 5 authorized by the legislation, we will develop implementing regulations for the Long Term Care program during FY 2001 and develop and conduct education programs to ensure that agencies are informed of their responsibilities and employees understand the options available to them. We expect to make long term care insurance products available to eligible program enrollees by October 2002.

➢ The quantitative performance targets described in the table below are met.

RIS BENEFITS DESIGN & POLICY LEADERSHIP - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
% HR Directors satisfied with OPM's policy guidance and programs for retirement benefits. 1	93%	N/A	94% Target 90%	94%	94%
% HR Directors satisfied with OPM's policy guidance and programs for insurance benefits. 1	80%	N/A	92% Target 85%	92%	92%
Business Process Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
% of Agency HR Directors who agree that OPM is collaborating effectively with others to develop *Employee Benefit Proposals*. 1	N/A	N/A	71% Target 75%	71%	71%
% of Federal managers who agree that OPM is collaborating effectively with others to develop *Employee Benefit Proposals*. 1	N/A	N/A	*	*	*

1 - Data Source: OPM Customer Satisfaction Survey
* - New corporate measure; target levels will be set in FY 2001, based on results of FY 2001Survey.

By FY 2002, existing programs and flexibilities plus new initiatives, support the retention of employees whose departure from Government service would mean a loss of critical competencies or reduction in agency performance.

RIS Goal 2: Modifications to the Federal retirement system that support retention are examined and coupled with other benefit offerings.

To support this objective in FY 2002, we will examine the effects that retirement eligibility has on retention and the potential for part-time or phased retirement options. In conjunction with our efforts to enhance the Government's benefits offerings, this proposal will help the government retain its most experienced, knowledgeable, and valued employees.

Means:

➢ We will complete the analysis of the desirability of a part-time or phased feature for the Civil Service and Federal Employee Retirement Systems.

Indicators/Performance Results:

➢ An analysis regarding modifications to the retirement system that support retention is forwarded for discussion within the Administration.

Transfers from the Trust Funds
Retirement and Insurance Service

OPM STRATEGIC PLAN GOAL III:

SERVE. ***OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS, AND THE PUBLIC.***

FY 2002 RESOURCE SUMMARY: Obligations (000): $131,750 Full-Time Equivalents: 1,063

Retirement system services are continuously improved and enhanced and by FY 2009, a modernized retirement system will be more cost effective than the current system and will provide:

- prompt, accurate and consistent customer service to all stakeholders;
- accurate and consistent benefits counseling for eligible participants;
- accurate and timely payments to benefit recipients; and
- high customer satisfaction with all retirement services (claims processing, telephone services and retirement counseling)

The administration of the Civil Service (CSRS) and Federal Employee (FERS) Retirement Systems is a core function of the Agency and represents one of our largest and most important service delivery areas. Through the CSRS and FERS, the Retirement Program delivers benefit payments of more than $45 billion each year, and a wide range of other on-going services, to nearly 2.4 million retired Federal employees and survivor annuitants. Delivering these services at a level that these customers have earned and come to expect is critical to our goal to deliver high quality, cost-effective service that meet customers evolving needs.

However, our legacy systems are based on aging technology, paper-based business processes, and a heavy reliance on human resources. Using these systems, we cannot continue to adequately and cost-effectively deliver these services without the sweeping changes and upgrades envisioned in our Retirement Systems Modernization (RSM) Project *(See RIS Goal 5)*.

RIS Goal 3: FERS retirement claims processing times are reduced to FY 1999 levels and more customer services are delivered through self-servicing.

Until the RSM Project delivers the systems and automation that we envision for it, we must support our current systems to deliver program services at a level to which our customers have earned and are accustomed. These services include the timely processing of new claims for retirement and survivor annuity benefits, the deposit or refund of retirement contributions to and from the Trust Fund, and a broad range of on-going payroll office-type services once a Retirement Program customer is receiving regular benefit payments. These on-going services include responding to customer inquiries and requests for address changes, tax withholding and health benefit enrollment changes, etc., and benefit adjustments resulting from a change in marital status, or some other function of the Retirement Law.

During FY 1999 and FY 2000, performance deteriorated in retirement and survivor claims processing, especially processing times for FERS annuity (retirement) claims. We have made reducing FERS processing times a priority objective for FY 2000. Processing times for CSRS retirement and survivor claims, claims processing accuracy, productivity, and unit cost will be maintained at FY 2000 levels until our claims processing systems are re-vamped through RSM. Therefore in FY 2002, most of our Retirement Program baseline resources, and a major portion of the increase for inflation, will be dedicated to processing the anticipated workloads shown in the table below and improving the timeliness with which FERS claims are processed.

Retirement Program Workload Indicators (Receipts)

Workloads	FY 2000 Actual	FY 2001 Projected	FY 2002 Projected
CSRS Retirement Claims	58,646	66,300	67,000
CSRS Survivor Claims	82,963	85,000	85,000
FERS Retirement Claims	20,894	25,000	29,000
FERS Survivor Claims	7,043	7,000	7,500
Disability Claims	13,558	18,800	18,800
Refund Claims	24,596	25,000	25,000
Deposit Claims	14,220	14,000	13,000
Reconsideration & Appeals	6,723	7,000	7,000
Telecommunication Services	1,458,387	1,500,000	1,500,000
Correspondence	407,900	400,000	375,000
Insurance & Allotment Services	55,318	50,000	50,000
Court Ordered Benefits	21,196	21,000	21,000
Inspection & Survey Services	43,392	60,000	60,000
Change of Address	364,274	350,000	350,000
Post Adjudication Work	293,798	300,000	300,000
File Services	1,258,231	1,300,000	1,300,000
Total Workload	**4,131,139**	**4,229,800**	**4,208,300**

Transfers from the Trust Funds
Retirement and Insurance Service

Means:

- We will use approximately 810 FTE from the Retirement Program FY 2002 resources to process the workload volumes projected above.

- We will implement a benefits calculator from the RSM Project that will support the computation of both CSRS and FERS annuity benefits and reduce the time needed to process these claims.

- We will continue efforts to improve the timeliness and accuracy of agency retirement submissions by issuing quarterly progress reports to retirement counselors and using the Human Resource Management Council (formerly, the Interagency Advisory Group) as a forum to deal with systemic problems.

- We will continue the availability of both Interactive Voice Response (IVR) and Internet technology to make annuity payment account changes, and continue the expanded hours of the Call Center in Pittsburgh, Pennsylvania to respond to more customer calls with a customer service representative.

- We will continue the contract with a private sector organization to provide additional staff from January through April, historically the peak season for answering calls, to handle any overflow from the Call Centers.

- We will improve complaint handling - study results collected from revised annuitant client satisfaction survey, and focus groups of retirees, to develop improvement initiatives.

Indicators/Performance Results:

Customer satisfaction with the processing of retirement and survivor benefit claims remained strong during FY 2000, despite rising processing times and costs. While the continuing high level of customer satisfaction indicates that processing was within the range of efficiency meeting most customer expectations, the deterioration in processing times and costs suggests that the improvements attained through FY 1998 cannot be sustained using current processes, resources, and technology. Further, it may be only a matter of time when customer satisfaction also deteriorates. Some improvements to enhance customer satisfaction include telephone services such as the addition of Spanish- language services. Also, the development of the "on demand" retirement benefit booklet launched early in 2001 gives the ability to meet most information needs in a single consistent document upon request. All of these processes now have been improved to the extent practicable and the performance of their associated indicators will continue to fluctuate until they are re-engineered and supported with modern technology, as envisioned in the RSM Project.

➢ The quantitative performance targets described in the table below are met.

RETIREMENT PROGRAM - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
New customers who received first payment before or when expected. 1	74%	81%	78%	80%	80%
Customers very or generally satisfied with services since annuity began. 1	88%	93%	93%	90%	90%
Business Process Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Interim Payment Processing Time - in calendar days. 2	3.2 Days	3.4 Days	4.8 Days	4.5 Days	4.0 Days
CSRS Annuity Processing Time - in calendar days. 2	23 Days	32 Days	44 Days	55 Days	40 Days
FERS Annuity Processing Time - in calendar days. 2	93 Days	94 Days	185 Days	150 Days	90 Days
CSRS Survivor Claims Processing Time – in calendar days. 2	20 Days	14 Days	20 Days	20 Days	20 Days
CSRS Annuity Claims Accuracy. 3	92.9%	88.3%	93.5%	96.0%	96.0%
FERS Annuity Claims Accuracy. 3	94.5%	92.4%	87.6%	93.0%	93.0%
CSRS Survivor Claims Accuracy. 3	96.9%	98.7%	(Target) 97.0%	97.0%	97.0%
Customer Service Transactions Handled by Self-Servicing. 2	34.9%	33.3%	34.0%	40.0%	45.0%
Number of Calls Handled. 2	1,319,511 *	1,133,890 *	1,221,786 *	1,250,000	1,250,000
Call Handling Rate. 2 *(% of Calls Answered/Calls Received)*	85%	87%	88%	90%	90%
Workforce Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Overall Claims Productivity (Claims Processed/FTE). 2	647.7	608.1	627.3	630.0	630.0
Overall Customer Service Productivity. (Transactions/FTE). 2	8,869.4	7,460.2	7,302.7	7,500.0	8,000.0
Financial Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Initial Annuity & Survivor Claims Unit Cost. 2	$72.46	$81.82	$83.52	$90.00	$100.00
Customer Services Unit Cost. 2	$4.83	$6.04	$6.04	$6.00	$6.00

1 Data Source: RIS Client Satisfaction Survey; 2 Data Source: RIS Management Information System;
3 Data source: RIS Quality Assurance Reviews; * - Recalculated to include calls handled by IVR systems.

Transfers from the Trust Funds
Retirement and Insurance Service

RIS Goal 4: More Retiring Federal employees receive benefits counseling and agency benefit officers are provided with improved information and tools for these services.

To provide accurate and consistent benefits counseling for eligible participants and assist the agencies in their administration of these programs, we must continue supporting them with high quality information about Federal benefits. To accomplish this, we will deploy new products and services, through the Retirement System Modernization project and from other on-going efforts, that will improve the quality, consistency, availability, and utility of information for agency benefits officers, benefits contractors, and Federal employees. These tools will keep employees better informed about the benefit options available to them during their Federal careers and as they transition from active employment to retirement. In addition, these tools will allow agency benefits officers to focus more on the value added components of their jobs, such as employee counseling and making determinations affecting benefits administration.

Means:

- We will use the approximately 17 FTE employed in our Benefits Officers Resource Center to pursue a variety of outreach initiatives designed to improve the information available to Federal employees, annuitants, and agency human resource staff concerning the employee benefit programs.

- We will continue to enhance the benefits program consumer information available on the OPM web site and expand the use of Plain Language in benefit programs issuances as these publications are revised.

- The annual Federal Benefits Conference and the Fall Festival of Training will be conducted.

- We will continue to use telecommunication and other technology to provide information to employees and benefits officers. In addition, we will continue to work in consultation with the Interagency Network of Benefits Officers to disseminate information and respond to feedback on the initiatives undertaken.

Indicators/Performance Results:

- An increasing range of benefits-related informational materials and self-servicing tools are available on the OPM web-site.

Transfers from the Trust Funds
Retirement and Insurance Service

We continued to pursue a number of initiatives during FY 2000 to meet the technical support needs of benefits officers and other agency staff involved in the employee benefit programs. For instance, we put the finishing touches on the Benefits Administration Information online mailing list. The Benefits Administration Information list e-mails information, primarily Benefits Administration Letters (BAL), to subscribers. While the primary customers for the Benefits Administration Information list are agency benefits officers, anyone, anywhere can subscribe to the list. BAL 00-701 announced the new service and provides easy instructions for subscribing to the list. This service gives agencies a "heads up" when new information is posted to the Web. It will also ensure that agencies with limited Web access will get quick access to new benefits administration information. In its first week the Benefits Administration Information online mailing list had over 400 subscribers. More than 90 customers subscribed the first day the announcement was on our web page.

➢ The quantitative performance targets described in the table below are met.

AGENCY SERVICES - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	FY 1998 Performance	FY 1999 Performance	FY 2000 Performance	FY 2001 Target	FY 2002 Target
Retiring employees satisfied with retirement counseling. 1	78%	88%	88%	88%	88%
Overall satisfaction with benefits related products, tools, & support. 2	N/A	*	*	*	*
Business Process Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Retiring employees who received retirement counseling prior to retirement. 1	71%	68%	70%	70%	70%
Information Sharing for preparing employees for retirement. 2	88%	80%	N/A	80%	80%
Technical Assistance for preparing employees for retirement. 2	85%	80%	N/A	80%	80%
Employee benefits materials are User Friendly. 2	98%	99%	N/A	98%	98%
Employee benefits materials are Useful. 2	99%	99%	N/A	99%	98%

1 - Data Source: RIS Client Satisfaction Survey; 2 - OPM Customer Satisfaction Survey;
* - Performance levels will be set in FY 2001 based on OPM Customer Satisfaction Survey results.

Transfers from the Trust Funds
Retirement and Insurance Service

RIS Goal 5: **Perform acquisition planning and begin implementing the redesigned business processes and supporting technology for the modernized retirement system.**

Retirement Systems Modernization is our central strategy to meet our long-term customer service, financial management and business goals for the Retirement Program, which are:

- prompt, accurate and consistent customer service to all stakeholders;
- accurate and consistent benefits counseling for eligible participants;
- accurate and timely payments to benefit recipients; and
- high customer satisfaction with all retirement services.

To achieve these objectives, we will make several key changes in our business processes. First, we will move from a paper record keeping system to program-wide electronic data. Second, we will develop program-wide tools that will use the electronic data. These tools will include a coverage and eligibility determination application and a program-wide benefits calculator. Third, we will build on improvements we have already made for retiree customer service, such as self-serving technology, and expand them to members. Finally, we will modernize our annuitant services and record keeping systems. Because we will no longer be working in a paper and manual-processing environment, we will introduce modern case and workflow management systems to track and control our workloads.

FY 2002 is a pivotal year for the RSM Project as we will begin the implementation of our core process blue prints as envisioned in the RSM Project Capital Asset Plan and Business Case Analysis.

Means:

➢ We will use $21.8 million in No Year funding to support RSM contractors and RSM staff to implement the project.

➢ Plan for overall implementation:
- perform program-wide data conversion planning and determine necessary conversion technology;
- perform customer service planning for call centers and correspondence management; and
- perform the first phase of overall annuitant service and record keeping planning for the claim to payment process to identify and determine the feasibility of COTS/NDI.

➢ Begin implementing RSM in phases:
- enable on-demand electronic capture of historical paper data made available to agency staff;
- begin development of a full function coverage determination application integrated with program-wide data available to OPM and agency staff; and
- begin planning the development of a full function benefits calculator available to members for self-servicing, as well as by agency and OPM staff.

Indicators/Performance Results:

We are implementing RSM in accordance with the Clinger-Cohen Act and governmentwide guidance for capital improvements and large IT implementations. For instance, we have completed a business process re-engineering study and from it developed a business model for the modernized system, including organizational and technological blueprints. We will implement the new business model in a phased approach beginning in 2002. We have linked the project to the Agency's goals and objectives by incorporating the RSM objectives into our revised Strategic Plan and Annual Performance Plans. We have established formal communication mechanisms with our agency partners, our program customers, and all Federal employees so that the project receives appropriate input from all stakeholder groups and communicates effectively with them. Finally, we have developed a system of performance measures for both the RSM project and the retirement program as a whole. We have begun transitioning to these new measures in this Annual Performance Plan (see RIS Goals 3, 4 and 7) as a part of the Agency's "corporate performance measures" described in our revised Strategic Plan.

➢ Adherence to commitments and project timetables:
- Overall planning segments for program-wide data is completed;
- First phase overall planning segments for customer service and annuitant service and record keeping are completed; and
- Prototyping for paper data capture and correspondence management are underway.

➢ Adherence to cost management:
- FY 2002 activities are completed within the allocated funding.

Transfers from the Trust Funds
Retirement and Insurance Service

Insurance Program benefits – These benefits are flexible, comprehensive, quality driven, and based on informed choice.

RIS Goal 6: **Insurance Programs customers can make informed decisions about their health care, and they are provided with quality insurance products and services.**

A key to ensuring that the FEHB Program provides customers with health benefits that are flexible, comprehensive, quality driven, and based on informed choice involves insuring that program customers are enrolled in highly rated health plans that deliver quality care in a cost-effective and timely manner. To achieve this, we have collaborated with health care industry representatives and maintains relationships with the Department of Health and Human Services, the Health Care Finance Administration, the National Quality Forum, the National Committee for Quality Assurance (NCQA), the Joint Commission for Accreditation of Healthcare Organizations (JCAHO), and others. These partnerships have promoted the use of health care quality outcome measures by OPM and health care purchasers and providers throughout the nation, and improved the consumer information that is available to insurance program customers.

Means:

➢ We will continue or initiate programs to advance the quality of heath care, consumer information and action, and reduce medical errors that will encompass:

- Monitoring pharmacy benefit managers that serve the FEHB program to assure effective drug interaction programs are in place, and electronic prescription systems are developed and expanded.

- Collaborating with credentialing and accreditation bodies and others to develop a set of performance and quality standards for participation in the FEHB Program.

- Forming public-private partnerships with entities such as the three-way purchasing group, the CARS group, purchasing coalitions, and the Leapfrog Group, to develop and put in place higher purchaser expectations and requirements for plan and provider performance regarding the quality of care, consumer information, and patient safety.

- Developing effective consumer information and decision support materials leading to increased awareness and action on the part of consumers in the safe and cost effective consumption of health care. Use a variety of media, including the Internet, to communicate this information to program customers.

➢ We will continue to work in partnership with the life insurance contractor, MetLife, to improve the delivery of program services.

Indicators/Performance Results:

➢ Adherence to commitments and project timetables:

- Health Benefits Open Season information and plan brochures are available to customers on time.
- Initiatives to reduce the incidence of medical errors are implemented within the Federal Employees Health Benefits Program.

➢ The quantitative performance targets described in the table below are met.

INSURANCE PROGRAMS - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	FY 1998 Performance	FY 1999 Performance	FY 2000 Performance	FY 2001 Target	FY 2002 Target
Overall Customer Satisfaction with the Service Received from HB Plan.	N/A	HMOs -60% FFSs- 70%	HMOs –59% FFSs- 75%	HMOs - 60% FFSs - 75%	HMOs - 65% FFSs – 80%
Business Process Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Percent of participating plans that are highly rated or accredited. 1	30%	61%	55% Target 65%	65%	70%
Percent of program customers enrolled in a highly rated or accredited plan. 2	65%	32%	90% Target 65%	90%	90%
Timeliness of Life Insurance Claims Payments - paid w/in 10 days. 3	8.2 Days	11.3 Days	10.2 Days Target 10.0	10.0 Days	10.0 Days
Accuracy of Life Insurance Claims Payments as % of Number Paid. 4	99.6%	99.5%	99.5% Target 99.5%	99.5%	99.5%
Financial Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
Accuracy of Life Insurance Claims Payments as % of Dollars Paid. 4	99.8%	99.8%	99.7% Target 99.7%	99.7%	99.7%

1 Data Source: Consumer Assessment of Health Plans Survey (CAHPS);
2 - Data Source: RIS Management Information System;
3 - Data Source: Timing Reports from the Office of Federal Employees Group Life Insurance;
4 - Data Source: RIS Quality Assurance Reviews of FEGLI Paid Claims.

Transfers from the Trust Funds
Retirement and Insurance Service

OPM STRATEGIC PLAN GOAL IV:

SAFEGUARD. ***THE EMPLOYEE BENEFIT TRUST FUNDS ARE MODELS OF EXCELLENCE AND INTEGRITY IN FINANCIAL STEWARDSHIP.***

FY 2002 RESOURCE SUMMARY: Obligations (000): $10,480 Full-Time Equivalents: 86

The trust fund financial systems are in full compliance with the Federal Financial Management Improvement Act (FFMIA) and the Federal Managers' Financial Integrity Act (FMFIA) by 2003.

RIS' financial stewardship of the employee benefit trust funds includes maintaining oversight and control of trust fund deposits, disbursements, investments, and receivables and the systems through which we manage them. For the past several years, our financial management staff have pursued initiatives to resolve material weaknesses and non-conformances identified through the FMFIA assurance process and our independent auditors, and address management challenges identified by the OPM Inspector General in the trust fund financial systems. When these things are accomplished, we will have met our objective to bring the trust fund financial systems into full compliance with the Federal Managers' Financial Integrity Act (FMFIA) and will have successfully addressed the OPM Management Challenges that pertain to the financial management of the trust funds.

RIS Goal 7: **The trust fund financial systems are in substantial compliance with the Federal Financial Management Improvement Act and all financially-related management challenges are addressed.**

Means:

- Insurance program, actuarial, and financial management and policy staff will work together to complete the implementation of the Central Enrollment Clearing House System.
- Our financial management and policy staff will establish adequate cost accounting standards and continue to work with carriers participating in the health benefits and life insurance programs to ensure that their annual financial statements are audited.

- Our financial policy staff will continue to document accounting policies and procedures and produce needed procedural manuals for financial management staff to ensure that these policies and procedures are followed.

- Our quality assurance staff will continue to conduct quality reviews of claims adjudication and other business processes and work in conjunction with internal and contractor audit staff to review controls over annuity payments.

- RIS quality assurance staff will perform financial audits of selected non-CFO agencies to reduce the incidence of payments errors and ensure that the frequency and type of existing errors are immaterial regarding the remittance of trust fund monies.

Indicators/Performance Results:

- The FY 2001 annual financial statements for all of the three benefit programs, published in FY 2002, receive "unqualified opinions" from the independent audit.

  We received "unqualified" audit opinions on our FY 2000 financial statements – the third consecutive year that we achieved this level of performance.

- The OPM FMFIA assurance letter for FY 2001, published in FY 2002, shows that identified material weaknesses (reconciliation of FEHB premiums and enrollments and documented financial policies and procedures) in the benefit programs' internal and management controls are resolved.

  During FY 2000, we resolved all but one of the material weaknesses we had reported under the FMFIA assurance process. By FY 2002, we expect to have resolved this remaining material weakness - reconciliation of FEHB premiums and enrollments.

- The audit reports of the benefit programs' FY 2001 annual financial statements, published in FY 2002, describe no new material weaknesses in internal controls.

- The quantitative performance targets described in the table below are met.

  We have continued to work toward reducing the occurrence of erroneous benefits payments and improve our management of Retirement Program receivables, in compliance with the Debt Collection Improvement Act of 1996. Extensive audits of program disbursements show that the incidence of overpayments to annuitants is low given 99.7% of the annual disbursement has been found to involve no overpayment.
  To maintain this low incidence of erroneous payments, we are developing improved benefit calculators through our Retirement Systems Modernization project, maintaining computer matching arrangements with other benefit paying agencies, promoting direct deposit among

Transfers from the Trust Funds
Retirement and Insurance Service

our annuitants, and aggressively investigating fraud tips. Finally, we use the Treasury Offset Program as a part of our debt collection activities.

FINANCIAL MANAGEMENT - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	FY 1998 Performance	FY 1999 Performance	FY 2000 Performance	FY 2001 Target	FY 2002 Target
Percent of All annuitants who agree they receive their regular monthly benefit payments on time.	97%	98%	97%	98%	98%
Financial Indicators	**FY 1998 Performance**	**FY 1999 Performance**	**FY 2000 Performance**	**FY 2001 Target**	**FY 2002 Target**
% of Retirement Benefit Dollars Paid w/o Overpayment	99.9	99.7	99.7	99.7	99.7
% of Total Retirement Program Overpayments that are Delinquent	29.8	31.1	27.3	25.0	25.0
Total Retirement Program Overpayments Collected (In Millions)	$ 136	$ 131	$ 133	$ 135	$ 137
Number of Retirement Overpayments referred to Treasury's Referral & Offset Program	426	249	215	245	275
Amount of Retirement Overpayments referred to Treasury's Referral & Offset Program (In Millions)	$ 3.2	$ 1.9	$ 1.6	$ 1.8	$ 2.1
Administrative cost per annuitant (Total Admin Costs, per Note 7 of Retirement Program Notes, Annual Financial Statements/total number of annuitants On Roll)	$40.94	$44.47	$45.00	$45.00	$45.00

VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

For the Retirement and Insurance Service, meeting the goals identified in the OPM Strategic Plan and this Annual Performance Plan means developing and maintaining a high quality work environment, making prudent investments in staff, suppliers, and technology, and continually measuring the results achieved against objectives linked to the Strategic Plan. These objectives are incorporated in RIS' Customer Service Standards, and in the annual work plans of each office. RIS maintains a comprehensive Management Information System to monitor and report output (business process) measures, and uses recurring customer satisfaction surveys as one means of measuring progress towards achieving established objectives from a customer perspective. To ensure the integrity of the performance information, RIS' management information function operates independently of the Retirement and Insurance program Offices, reporting to the RIS Associate Director through the Assistant Director for Systems, Finance, and Administration (OSFA).

Workload and Performance Tracking

RIS has a long history of tracking and evaluating the performance of the employee benefit programs. The RIS internal management information system monitors virtually all program inputs and outputs. For the Retirement Program, this involves outputs such as workload volumes for the full range of claims, customer service requests, and general inquiries received and processed each day, and the remaining balances of unprocessed work. It also involves outputs such as timing and aging data, and program inputs such as the human and other resources expended on these operations. Data supporting this tracking is collected by the OSFA's Management Information Branch in weekly increments and accumulated during the fiscal year. These data are either downloaded from OPM mainframe databases and transaction systems, LAN-based databases, or are based on manual tracking performed by operations staff and reported each week in hard copy format. Quality and management control devices are built into these data collection mechanisms to ensure the accuracy and reliability of the workload volumes being tracked. RIS currently has approximately 20 years of such data.

RIS also monitors the accuracy of its service delivery through periodic reviews of various program outputs. These reviews are conducted by the OSFA's Quality Assurance Division and are based on statistically valid samples of those outputs. These reviews are also used to develop the processing times data that are used for performance measurement purposes. The processing times derived from these samples are validated in reliability tests that compare these data with processing times data developed from the sample selected for the semi-annual client satisfaction

surveys described below. While both samples are selected from the population of new program customers for a given fiscal year, different selection criteria are used for each sample. Discrepancies identified by the reliability test are analyzed and reported to RIS management for review and comment.

Similar statistically valid samples of new and ongoing annuitant customers are used to evaluate program outcomes through RIS' customer satisfaction survey program and are focused on customers for whom RIS offices have recently processed a transaction. Appropriate statistical methods are used to select the universe and the sample to be surveyed to insure a 95% confidence interval and a +/-5% margin of error. Both the universe and the sample are determined by an automated computer program that ensures absolute randomness in selecting the annuitants to be surveyed. These methods are reviewed periodically by OPM's Assessment Service's Division to ensure their validity. The surveys performed under this program are conducted twice each fiscal year and executed by the OSFA's Management Information Branch. The results of the two surveys are calculated and analyzed separately and then compared to one another

For the Health Benefits (HB) and Life Insurance (LI) Programs, the quality, timeliness, and effectiveness of contract administration activities and the performance of the carriers under these contracts are evaluated through required carrier reports against established quality control/assurance standards. These reports are submitted by the carriers at the end of each contract year and are based on statistically valid samples of program customers whom the carriers have served and/or claims paid as a part of service delivery to those customers.

HB and LI Program outcomes are measured through annual surveys of customers comprised of statistically valid samples of both active employees and annuitants. These surveys are conducted by private contractors.

Virtually all of the data collected for the three earned benefit programs are used to support established families of performance indicators that measure program performance against annual and long term goals.

Internal Performance Reporting

The current status on all of RIS workloads and program performance indicators is available to RIS executives, program managers, supervisors, and analytical staff on an on-going basis through a LAN-based, on-line Management Support System, called the HyperShow that is maintained by RIS' Management Information Branch. Data in the system is updated as frequently as weekly. The HyperShow provides RIS with a continuous information system

through which managers and executives can access the most current relevant performance information, provide feedback to the Management Information Branch regarding the reliability and accuracy of this information, and use the information for performance planning purposes.

Externally Reported Program Evaluations

The earned benefit programs performance is reported externally in OPM's annual Congressional and Budget Justification/Annual Performance Plan, and the Program Performance Overviews in the OPM Annual Financial Statements. Also, the OPM Inspector General performs audits and reviews of the earned benefit programs' financial systems, program outputs, work processes, and performance measures and makes recommendations to OPM management to improve these areas as warranted.

FY 2002 BUDGET CHANGES:

Obligations

An increase of $25,210,000 in obligations is composed of an increase of $2,866,000 to defray the cost of inflation, an increase of $14,000,000 for Title V activities and an increase of $8,344,000 for the Retirement Systems Modernization project.

Budget Authority

Annual: An increase of $2,866,000 to defray the cost of inflation.

No-Year: An increase of $11,300,000 for a total of $21,777,000 is requested for the Retirement Systems Modernization project.

1802

ADVANCES AND REIMBURSEMENTS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Merit Systems Oversight & Effectiveness	$26	---	---	---
Employment Service	303	---	---	---
Retirement and Insurance Service	657	930	930	---
Workforce Compensation & Perf. Service	437	300	300	---
Investigations Service	161	165	165	---
Workforce Relations	827	845	845	---
Executive Resources	162	---	---	---
Administrative Services *	3,823	14,070	14,070	---
Executive and Other Services *	2,848	7,690	7,690	---
Internal A&R *	(6,671)	(21,760)	(21,760)	---
Total	**$2,573**	**$2,240**	**$2,240**	---
Offsetting Collections	**$9,244**	**$24,000**	**$24,000**	---
Budget Authority	---	---	---	---
Outlays	---	---	---	---
Full-Time Equivalents:				
Merit Systems Oversight & Effectiveness	---	---	---	---
Employment Service	3	---	---	---
Retirement and Insurance Service	6	5	5	---
Workforce Compensation & Perf. Service	2	3	3	---
Investigations Service	2	5	5	---
Workforce Relations	6	8	8	---
Executive Resources *	---	1	1	---
Administrative Services *	31	74	74	---
Executive and Other Services *	30	45	45	---
Total	**80**	**141**	**141**	---

* OPM has internal reimbursements from other accounts to finance their share of agencywide Administrative Services and Executive Services.

ADVANCES AND REIMBURSEMENTS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$9,274	$9,274	$0
Personnel Benefits	1,726	1,726	0
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	320	320	0
Transportation of Things	0	0	0
Rental Payments to GSA	0	0	0
Communications and Utilities	1,415	1,415	0
Printing and Reproduction	337	337	0
Other Services	9,641	9,641	0
Supplies and Materials	331	331	0
Equipment	956	956	0
Total Obligations	**$24,000**	**$24,000**	**$0**
Internal A&R	(21,760)	(21,760)	0
Total	$2,240	$2,240	$0

ADVANCES AND REIMBURSEMENTS

RETIREMENT AND INSURANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$657	$930	$930	---
Full-Time Equivalents	6	5	5	---

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service provides reimbursable services to other agencies under the authority of the Economy Act as a service to agencies that can no longer store certain retirement records, and when OPM possesses special skills and technical expertise that either are more readily available or are more economical than other public or private sources. These services include training, conferences, and other communications pertinent to the employee benefit programs that OPM administers. They also include the storage of retirement records at OPM's Retirement Operations Center in Boyers, PA that agencies would normally store, for which agencies may not have available space.

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2001 RESOURCE SUMMARY: Obligations (000): $930 Full-Time Equivalents: 5

Retirement system services are continuously improved and enhanced, and by FY 2009, a modernized retirement program will provide:
- prompt, accurate and consistent customer service to all stakeholders;
- accurate and consistent benefits counseling for eligible participants.

RIS Goal 4: **More Retiring Federal employees receive benefits counseling and agency benefit officers are provided with improved information and tools for these services.**

Advances and Reimbursements
Retirement and Insurance Service

Means:

- We will conduct the Annual Federal Benefits Conference, continuing to expand the attendance to include more field office staff, and continue the pre-conference training and workshops to improve agency benefits officers understanding of various aspects of benefits administration in the changing environment as we enter the new millennium.

- We will conduct the Fall Festival of Training, while expanding the array of workshops included to support agency benefits officers and increase their knowledge and counseling skills, and broaden their understanding of the interactions and integration of all Federal benefits programs.

- Continue to use feedback from benefits officers and other agency staff to develop interesting and appropriate agendas for the annual benefits conferences and other training programs.

- We will continue to use satellite and other technology to provide information to employees and benefits officers and to work in consultation with the Interagency Network of Benefits Officers to disseminate information and receive feedback on the initiatives.

Indicators/Performance Results:

- Attendance for the Federal Benefits Conference and Fall Festival of Training remains steady, or increases.

Name of Conference/Training Session	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Federal Benefits Conference	378	460	500	500	500
Fall Festival of Training	150	271	270	270	270

- Course evaluations from the Fall Festival of Training indicate that at least 85% of attendees rate the training very good, or higher.

- OPM Customer Satisfaction Survey indicates agency personnel find that these training programs and informational materials improve their knowledge of the benefit programs.

  The results of the recent OPM Customer Satisfaction Survey indicate that 75% of HR Specialists working in the retirement and insurance benefits field find OPM sponsored conferences, such as the Benefits Officers' Conference, useful. In addition, 86% of these people found OPM briefings useful. By FY 2001, RIS expects these indicators to increase to 80% and 90%, respectively.

ADVANCES AND REIMBURSEMENTS

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$437	$300	$300	---
Full-Time Equivalents	2	3	3	---

DESCRIPTION OF ACTIVITY

WCPS conducts seminars, symposia, and/or conferences on classification, compensation, and workforce performance issues. In addition, staff occasionally provide reimbursable technical assistance to other agencies.

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $300 Full-Time Equivalents: 3

Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

WCPS Goal 7: Federal agencies receive timely, accurate, and useful advice and technical assistance on performance, classification, and employee compensation that keep them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.

This program goal was established under Strategic Goal III to ensure that agencies are receiving proper advice and assistance on HRM issues.

Advances and Reimbursements
Workforce Compensation and Performance Service

Means:

➢ Sponsor a comprehensive Strategic Compensation Conference that covers a wide range of performance management, position classification, and compensation issues.

➢ Sponsor or participate in reimbursable workshops/seminars to share best practice experience and discuss emerging issues and trends.

➢ Conduct reimbursable projects in position classification, position management, performance management, and compensation as requested by Federal agencies.

Indicators/Performance Results:

➢ Achieve a continuing increase in the level of HR Specialists' satisfaction with OPM's technical assistance as measured by positive responses in the annual CSS (or maintain at 80% or higher) and/or informal feedback.

The CSS was not conducted in FY 2000.

	FY 1998 Baseline	*FY 1999 Result*	*FY 2001 Target*	*FY 2002 Target*
Position Classification & Position Management	*70%*	*63%*	*65%*	*67%*
Annual Pay Adjustment Process	*83%*	*81%*	*81%*	*81%*
Pay & Leave Administration	--	*83%*	*83%*	*83%*
Premium Pay & Hours of Work	*78%*	*81%*	*81%*	*81%*
Federal Wage System	*77%*	*72%*	*74%*	*76%*
Performance Appraisals	*71%*	*68%*	*70%*	*72%*
Incentive Awards	*72%*	*66%*	*68%*	*70%*

➢ The Strategic Compensation Conference is shown by end-of-conference surveys to have satisfied participants' expectations for the level and type of information provided to help them understand developing issues in Federal compensation.

	Overall Conference Mean Rating On a Five-Point Scale
FY 1999	*4.14*
FY 2000	*4.23*
FY 2001 Target	*4.25*
FY 2002 Target	*4.27*

Post-workshop surveys after the FY 2000 Conference reported an average summary rating on a five-point scale as follows (listed in descending order of attendance):

	FY 2000 Actual	*FY 2001 Target*	*FY 2002 Target*
27 Workshops Overall	*4.28*	*4.29*	*4.30*
Classification Update	*3.77*	*3.78*	*3.80*
Performance Management Update	*4.48*	*4.48*	*4.48*
Strategic Compensation Update	*3.88*	*3.89*	*3.90*
IT and the HR Challenge	*4.35*	*4.35*	*4.35*
Does Pass/Fail Work?	*3.72*	*3.73*	*3.74*
The Role of the Compensation Practitioner	*4.42*	*4.42*	*4.42*
Broadbanding Panel	*4.03*	*4.04*	*4.05*
Pay Update	*4.31*	*4.31*	*4.31*
Making Your Way Through the Maze of Family-Friendly Programs	*4.60*	*4.60*	*4.60*
Leave Update	*4.37*	*4.37*	*4.37*

The mix and number workshops offered each year may vary as customer interests and current issues change.

➢ Post-workshop and post-seminar participant surveys indicate overall satisfaction with workshop presentations.

Mean Rating of Workshops on a Scale of 1 to 5

	FY 1999	*FY 2000*	*Target FY 2001*	*Target FY 2002*
Leave	*4.3*	*4.4*	*4.4*	*4.4*
Performance Management -- Basic	*4.1*	*4.3*	*4.3*	*4.3*
Performance Management -- Measurement	*4.2*	*4.1*	*4.2*	*4.2*
Performance Management -- Awards	*4.1*	*4.4*	*4.4*	*4.4*

➢ Continuing requests for consultation demonstrate overall satisfaction with the quality of services provided.

ADVANCES AND REIMBURSEMENTS

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$827	$845	$845	---
Full-Time Equivalents	6	8	8	---

DESCRIPTION OF ACTIVITY

The Office of Workforce Relations (OWR) provides technical assistance and conducts conferences, seminars, and workshops to assist agencies in developing effective employee and labor relations programs, work/life programs, and human resource development programs.

As a leader in supporting and promoting the Federal Government's employee assistance programs (EAP's), OPM administers, on a reimbursable basis, the Boston EAP Program. This program provides direct assistance and counseling to employees at a variety of Federal agencies in the Boston area, as well as educational programs and workshops.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $845 Full-Time Equivalents: 8

Our technical assistance and information on human resources policies and programs are timely, useful, accurate, accessible and user friendly. (Ongoing)

Advances and Reimbursements
Office of Workforce Relations

OWR Goal 6: **Stakeholders receive responsive and useful advice and technical assistance to assure that employee relations, employee health services, work/life initiatives, labor-management relations, and human resource development are a part of agencies' fully integrated human resource systems.**

This program goal was established in support of Strategic Goal III in order to provide agencies with direct assistance and the most up-to-date and accurate information on policies and programs to prepare them for effective and efficient operations in the 21st century.

Means:

- Sponsor recurring and as needed conferences (such as the Symposium on Employee and Labor Relations), workshops, and seminars devoted to share state-of -the art practices and discuss emerging issues and trends for current topics in employee relations, employee health services, work/life issues, labor-management relations, and human resource development.

- Provide direct assistance and counseling services to employees in a variety of Federal agencies in the Boston area.

Indicators/Performance Results:

- Maintain a high level of satisfaction as expressed by conference, workshop, and seminar participants on evaluation sheets or orally.

  Overall FY 2000 SOELR participant evaluations, evaluations from individual presentations, and anecdotal information all indicate a very high level of satisfaction among conference attendees.

- Continued high demand for conferences, workshops, and seminars as measured by either an increase in the number of participants, the establishment of waiting lists, and/or the extent to which such sessions are filled.

  Despite a significant increase in SOELR capacity in FY 2000, the Symposium was filled to capacity and a substantial waiting list still formed.

- Maintain a consistent rate of repeat EAP contacts by agencies.

  In FY 2000, 28 agencies contracted with the Boston EAP, covering 8,960 Federal employees. While the number of employees covered by the contracts declined by 316, this was believed attributable to agency downsizing efforts.

➢ Increase in the utilization rate of Boston EAP services by employees.

The annual utilization rate for all agencies covered by the Boston EAP service was 1.90%, a decrease from 2.04% in FY 1999. This decrease is due to the fact that staffing for the Boston EAP was down by approximately 1 FTE. The Boston EAP offered a total of 77 trainings/seminars in FY 2000, up from 62 in FY 1999, with a utilization rate for training services for contracted agencies being 26%. Although more training opportunities were offered, the number of employees was less.

OFFICE OF PERSONNEL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

DESCRIPTION

This account has three fund sources:

- **Salaries and Expenses/General Fund Appropriation (S&E)**

This annual appropriation pays for the operating expenses to carry out mandated responsibilities of the Office of the Inspector General (OIG). This appropriation also funds the OIG's S&E share of agencywide support services.

- **Transfers from the Trust Funds**

The OIG receives an annual appropriation to pay the operating expenses of audits, investigations and reviews of OPM's administration of the civil service retirement and insurance programs. This appropriation also funds the OIG's Trust Fund's share of agencywide support services. These funds are transferred from the Civil Service Retirement and Disability Fund, the Employees and Retired Employees Health Benefits Fund and the Employees Life Insurance Fund.

- **Advances and Reimbursements**

The OIG provides services, on a reimbursable basis, to other agencies when the OIG possesses special skills and technical expertise that are more economical than alternative public or private sources.

OFFICE OF INSPECTOR GENERAL

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations:				
Salaries and Expenses	$948	$1,357	$1,398	$41
Transfers from the Trust Funds	9,596	9,724	10,016	292
Sub-Total	**$10,544**	**$11,081**	**$11,414**	**$333**
Advances and Reimbursements	$3	$150	$150	---
Total	**$10,547**	**$11,231**	**$11,564**	**$333**
Offsetting Collections:				
Transfers from the Trust Funds	$9,596	$9,724	$10,016	$292
Advances and Reimbursements	3	150	150	---
Total	**$9,599**	**$9,874**	**$10,166**	**$292**
Budget Authority:				
Budget Authority	**$960**	**$1,360**	**$1,398**	**$38**
Rescission	(4)	(3)	---	3
Total	**$956**	**$1,357**	**$1,398**	**$41**
Trust Funds Budget Authority:				
Annual	$9,645	$9,745	$10,016	$271
Rescission	(37)	(21)	---	21
Total	$9,608	$9,724	$10,016	$292
Outlays:				
General Fund	**$2,543**	**$1,181**	**$1,216**	**$35**
Transfers from the Trust Funds	**$9,596**	**$9,724**	**$10,016**	**$292**
Full-Time Equivalents:				
Salaries and Expenses	12	15	15	---
Transfers from the Trust Funds	86	96	96	---
Advances and Reimbursements	---	1	1	---
Total	**98**	**112**	**112**	**---**

OFFICE OF INSPECTOR GENERAL

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$7,400	$7,624	$224
Personnel Benefits	1,664	1,761	97
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	491	501	10
Transportation of Things	0	0	0
Rental Payments to GSA	785	802	17
Communications and Utilities	90	92	2
Printing and Reproduction	14	14	0
Other Services	698	680	(18)
Supplies and Materials	71	72	1
Equipment	18	18	0
Total Obligations	**$11,231**	**$11,564**	**$333**

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES, TRANSFERS FROM THE TRUST FUNDS, AND ADVANCES AND REIMBURSEMENTS

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations				
Salaries and Expenses	$948	$1,357	$1,398	$41
Transfers from the Trust Funds	$9,596	$9,724	$10,016	$292
Advances and Reimbursements	$3	$150	$150	$0
Total	$10,547	$11,231	$11,564	$333
Full-Time Equivalents				
Salaries and Expenses	12	15	15	0
Transfers from the Trust Funds	86	96	96	0
Advances and Reimbursements	0	1	1	0
Total	98	112	112	0

DESCRIPTION OF ACTIVITY

The Office of Inspector General (OIG) was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (P.L. 95-452) and the 1988 amendments (P.L. 100-504).

The mission of the OIG is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

Specific functions include:

Audits

- Perform health and life insurance carrier audits. The OIG conducts audits of health insurance carriers, sponsors, underwriting organizations, as well as the life insurance carriers, all of which share in annual premium payments in excess of $19.4 billion. Audits of FEHBP carriers result in significant positive financial impact (this includes both actual recoveries to the FEHBP fund and commitments by OPM management to recover additional funds). *(OIG Goals 1, and 2)*

- Perform OPM internal audits. This includes financial statement audits, compliance audits of the Federal Managers Financial Integrity Act, and government-wide audits sponsored by the President's Council on Integrity and Efficiency. In addition, the OIG has recently conducted a reorganization resulting in the implementation of an internal performance audits program. *(OIG Goals 1, and 2)*

- Perform OPM external audits. The OIG, as requested by OPM procurement officials, conducts pre- and post-award contract audits relating to the acquisition of goods and services by agency program offices, and audits of the Combined Federal Campaigns. *(OIG Goals 1 and 2)*

Investigations

- Provide investigative oversight of OPM administered trust funds. Combined disbursements for these programs are approximately $64 billion annually. The investigation of fraud and abuse involving OPM's trust funds is highly profitable and it occupies the majority of OIG investigative efforts. *(OIG Goals 2 and 3)*

- Inquire into allegations by OPM employees, contractors, and other interested parties of program-related fraud, abuse, misconduct, or conflict of interest. *(OIG Goals 2 and 3)*

Administrative Sanctions

- OIG operates a program of administrative sanctions with respect to health care providers whose actions indicate that they present a threat to the integrity of the FEHBP. Under authority delegated from the agency head, OIG debars providers who have previously been sanctioned by other Federal agencies. Since 1993, the OIG has issued more than 17,200 of these "common rule" debarments. *(OIG Goals 2 and 3)*

- In FY 2002, the OIG will have fully implemented Public Law 105-266, the Federal Employees Health Care Protection Act of 1998. Under the statute, the OIG will issue sanctions, including suspension, debarment, and financial assessments of health care providers for violations committed against the FEHBP, even if there is no indication that offenses occurred in other Federal health care programs. *(OIG Goal 3)*

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL IV:

SAFEGUARD. THE EMPLOYEE BENEFIT TRUST FUNDS ARE MODELS OF FINANCIAL EXCELLENCE AND INTEGRITY.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 10,016 Full-Time Equivalents: 96

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 1,398 Full-Time Equivalents: 15

OIG Goal 1: **Independent oversight of agency programs, operations, functions, and activities is provided.**

Means:

- Identify and monitor sensitive, significant, or costly agency initiatives.
- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards.
- Audit, or arrange for audit of, all OPM financial statements to express an opinion on the fair presentation of the statements, consider the internal controls over financial reporting, and test compliance with applicable laws and regulations.

Salaries and Expenses, Trust Funds, and Advances and Reimbursements
Office of the Inspector General

- Monitor the use of independent public accountants who perform the trust fund financial statement audits.

- Conduct performance audits OPM operations. The OIG implemented a performance audits program during the second half of FY 2000. Planned internal audits for FY 2001 include:

  Financial management internal weaknesses including cash accounts, payroll, accounts payable, accounts receivable, and the Training Management Assistance account.

  GPRA oversight including verification and validation of Agency program measures.

  Annuity payments to determine if there are controls in place for unclaimed annuity checks.

  Investigations Services to determine the efficiency and effectiveness of the program.

  Other audits as necessary or requested by Agency program offices.

- Provide a sufficient level of oversight of the Combined Federal Campaign (CFC) program in order to create a broad sentinel effect on all local CFC campaigns.

Indicators/Performance Results:

- Number of audits completed.

Performance Indicators	*FY 1999*	*FY 2000*	*FY 2001*	*FY 2002*
Insurance Audit Reports *Questioned Costs* *(also OIG Goal 2)*	*54* *$95M*	*68* *$150.7*	*65* *$145*	*65* *$145M*
CFC Audit Reports *(also OIG Goal 2)*	*4*	*8*	*15*	*15*
Performance Audit Reports	---	---	8	8

Insurance audit reports included rate reconciliation audits (RRA). The RRA concept is designed to assist OPM contracting officials in negotiating the best FEHBP premium rates possible by ensuring that they have been provided with current, complete and accurate information by participating community-rated HMOs. Accomplishment also applicable to OIG Goal 2.

➢ Dollars saved, recovery rate, and return on investment.

Performance Indicators	*FY 1999*	*FY 2000*	*FY 2001*	*FY 2002*
Positive Financial Impact (Recoveries plus costs disallowed by OPM program office) (also OIG Goal 2)	*$51.9M*	*$105.2M*	*$100M*	*$100M*
Return on Investment (Positive financial impact per direct OIG program dollar spent) (also OIG Goal 2)	*$6*	*$11.30*	*$10*	*$10*

For FY 2000, OIG activities resulted in recoveries and disallowed costs of $105.2 million in favor of the trust funds. Of this amount, $101.5 million is associated with FEHBP audits, and $9.7 million is associated with FEHBP and retirement criminal and civil investigations ($6.0 million resulted from joint audit and investigative activities). In addition, $65.7 million in recommended FEHBP audit recoveries were pending final decisions on September 30, 2000. Of this pending amount, $57.6 million is awaiting a decision in the program office (which has 6 months upon issuance of a report to make their determination) and $8.1 million is awaiting a decision at the Department of Justice. Accomplishment also applicable to OIG Goal 2.

FY 2000 OIG activities resulted in a return on investment (ROI) of approximately $11.30 of positive financial impact for each direct program dollar spent for all OIG operations. Previous years ROI are FY 1996 at $9.00, FY 1997 at $9.40, FY 1998 at $9.20 and FY 1999 at $6.00.

OIG audits and investigations also provide a significant deterrent against future fraud, waste, and abuse. Accomplishment also applicable to OIG Goal 2.

➢ Audit Cycle, average number of unaudited years, and lost audit years for FEHBP carriers

Activity	FY 1999	FY 2000	FY 2001	FY 2002
FEHB Audit Cycle	*5.4 years*	*4.5 years*	*4.0 years*	*4.0 years*
Average FEHB Unaudited Years	*5.5 years*	*5.4 years*	*5.2 years*	*5.1 years*
Number of Carriers not Audited Within 5 Year Retention Period.	*197*	*153*	*145*	*135*

Salaries and Expenses, Trust Funds, and Advances and Reimbursements
Office of the Inspector General

OIG Goal 2: Assist and work with our customers and stakeholders in a spirit of cooperation.

Means:

- Identify opportunities for OPM to improve operations and put resources to better use.
- Provide a quick and comprehensive response to program office requests.
- Enhance teamwork and/or coordination among auditors, investigators, evaluators, the Department of Justice (DOJ), Federal, State, and local law enforcement organizations, OIG's customers, stakeholders, and other parties with common goals or interests.

Indicators/Performance Results:

Performance Indicators	FY 1999	FY 2000	FY 2001	FY 2002
Number of issues addressed and/or resolved by Quality Improvement Teams	*9*	*10*	*11*	*N/A* As of FY 2002, Quality Improvement Teams will address issues on an "as needed" basis*
Number of OIG joint investigations or multi-agency task forces (Qui Tams) (also OIG Goal 3)	*147*	*145*	*120*	*120*

The OPM program office agrees with the vast majority of FEHBP audit findings, resulting in significant financial recoveries to the trust fund and a strong sentinel effect on all FEHBP carriers. In FY 2000, 72% of determinations made by the OPM program office concur with findings identified in FEHBP audit reports and we expect that this number will remain constant in future years.

The OIG continues to place a high level of emphasis on working with OPM program offices to resolve problems that it identifies, while maintaining a high level of independence necessary to objectively carry out its mission. Key to this philosophy is the quality improvement team (QIT) approach, in which OIG staff work together with OPM program staff to develop solutions to issues for the benefit of the agency as a whole. We have found that meshing the different perspectives ensures that resultant solutions will have the desired impact.

- Change in number of material weaknesses FY 2000. The OIG projects a decrease of 6 material weaknesses for FY 2000 (from 11 to 5).

The change in the number of material weaknesses is a measure of OPM's ability to resolve problems and issues. The OIG assists in identifying material weaknesses but it does not directly rectify the problems.

OIG Goal 3: Fraud against OPM programs is detected and prevented.

Means:

- Promote and protect the integrity of the Federal Employees Health Benefits Program through debarment of untrustworthy health care providers.
- Fully implement (no later than FY 2002) all phases of Section 2 of P.L. 105-266, the Federal Employees Health Care Protection Act of 1998. These phases include mandatory debarments, permissive debarments, and civil monetary penalties.
- Target program weaknesses and develop new techniques for detecting and preventing fraud and abuse.
- Conduct objective, aggressive, thorough, and timely investigations of all OPM programs where fraud and abuse are suspected.
- Pursue prosecution and restitution, whenever possible.
- Publicize offender convictions for deterrent effect. The OIG has provided the National Health Care Antifraud Association (and similar organizations) with press releases regarding investigative efforts.
- Work with program managers and legislators to improve the legal tools needed to protect OPM programs from fraud, and other illegal acts or abuse.
- Maintain investigative hotlines as a means of receiving information regarding fraud and abuse against OPM programs, as well as participate in health care fraud task forces throughout the Nation.
- Work with the other federal law enforcement organizations and health carrier Special Investigations Units to detect, prevent and prosecute fraud and abuse.

Salaries and Expenses, Trust Funds, and Advances and Reimbursements
Office of the Inspector General

Indicators/Performance Results:

Performance Indicators	FY 1999	FY 2000	FY 2001	FY 2002
Investigative Referrals received in OIG	*1,882*	*1,514*	*1,600*	*1,600*
Cases Retained for Investigation	*634*	*650*	*570*	*570*
Arrests	*17*	*15*	*12*	*12*
Indictments	*13*	*15*	*15*	*15*
Convictions	*14*	*15*	*17*	*17*
Number of Referrals to DOJ	*40*	*50*	*50*	*50*
Common rule debarments	*2,743*	*2,706*	*3,900*	*0*
Mandatory debarments (statutory)	*N/A*	*N/A*	*0*	*4,000*
Permissive debarments	*N/A*	*N/A*	*0*	*100*
Number of debarment inquiries responded to	*1,101*	*1,725*	*1,800*	*2,000*

Notes regarding debarment workload numbers:

1. *Common rule debarment authority will be used through FY 2001.*
2. *Statutory debarment authority will be implemented for mandatory and permissive debarments during fiscal years 2001 and 2002.*

VERIFICATION AND VALIDATION

The verification and validation mechanisms that are in place for the OIG's performance measures include:

- Audit Reports and Receivables Tracking System (ARRTS): ARRTS is an automated tracking system that provides information regarding audits of FEHBP carriers. This system is shared by the OIG and Retirement and Insurance Service. The system is constantly reviewed by both organizations and any discrepancies are resolved immediately. The information captured in this system is reported in the OIG's Semiannual Report to Congress.

- Investigations Tracking System (ITS): ITS is an automated tracking system that provides the status, resolution, and management oversight of investigative activities. The information captured in this system is also reported in the OIG's Semiannual Report to Congress.

- Department of Justice (DOJ) review of OIG criminal/civil case referrals: Many of the OIG's investigations are forwarded to the DOJ for prosecution. The DOJ and/or local U.S. Attorney offices closely scrutinize these cases.

- Administrative Sanctions: The OIG Administrative Sanctions Team operates OPMDebar, an automated database system that tracks all proposed, active, and inactive debarment cases, generates workload summaries, and provides demographic information regarding debarred providers. As required by Executive Order 12549, the General Services Administration includes the name and address of individuals sanctioned by OPM in its comprehensive government-wide list of persons excluded from federal programs.

FY 2002 BUDGET CHANGES:

An increase of $333,000 to defray the cost of inflation.

1824

PAYMENT ACCOUNTS

- **GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**

- **GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE**

- **PAYMENT TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

PLEASE NOTE: The annual performance goals, means and indicators applicable to the Government payments for annuitants' health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found under the sections entitled Transfers from the Trust Funds and Advances and Reimbursements.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

(dollar amounts in millions)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Budget Authority	$5,049	$5,572	$6,102	$530
Obligations	$5,049	$5,572	$6,102	$530
Outlays	$5,003	$5,538	$6,077	$539

This appropriation funds the Government's share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer's share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. These trust revolving funds are available for: (1) the payment of subscription charges to approved carriers for the cost of health benefits protection; (2) contributions for qualified retired employees and survivors who carry private health insurance under the Retired Employees Health Benefits (REHB) program and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of the REHB program. Beginning in the 1999 contract year, in accordance with Public Law 105-33, the government contribution was set at the lesser of 72 percent of the weighted average monthly premium of plans participating in the FEHB Program or 75 percent of an individual plan.

Funds appropriated to this account remain available until expended for the purpose of funding the Government's share of health benefits costs for annuitants and survivors, who no longer have an agency to contribute the employer's share. OPM has the authority to notify the Secretary of the Treasury of the "such sums as may be necessary" to carry out these provisions.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

(dollar amounts in millions)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Budget Authority	$27	$32	$33	$1
Obligations	$27	$32	$33	$1
Outlays	$27	$32	$33	$1

Public Law 96-427, Federal Employees' Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their Basic life insurance coverage (currently $.33 per month for each $1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently $.17 per month for each $1,000 coverage) for Basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post retirement basic life coverage.

Funds appropriated to this account remain available until expended for the sole purpose of financing post-retirement life insurance benefits. OPM notifies the Secretary of the Treasury of the "such sums as may be necessary" to carry out these provisions each fiscal year.

PAYMENT TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(dollar amounts in millions)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Budget Authority:	$21,557	$21,804	$22,465	$661
Permanent Indefinite	12,439	12,642	13,236	594
Current	9,118	9,162	9,229	67
Obligations	$21,557	$21,804	$22,465	$661
Outlays	$21,557	$21,804	$22,465	$661

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (Public Law 91-93), the Federal Employees Retirement Act of 1986 (Public Law 99-335) and the Civil Service Retirement Spouse Equity Act of 1985 (Public Law 98-615). The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

Current Appropriation

Public Law 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System (CSRS) costs resulting from Acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments. Since FY 1994, the Office of Personnel Management has notified the Secretary of the Treasury each year of the "such sums as may be necessary" to carry out these provisions.

Permanent Indefinite Authorization

Public Law 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System's current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service.

It also includes a payment in accordance with Public Law 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

1828

OFFICE OF PERSONNEL MANAGEMENT

REVOLVING FUND ACCOUNT

DESCRIPTION

Under authority of 5 U.S.C. 1304, various Public Laws and Executive Orders, the Revolving Fund of the Office of Personnel Management provides financing on a reimbursable basis for a continuing cycle of services.

The services include: training for Federal managers and executives; testing of potential military inductees for the Department of Defense in those locations where it is cost-effective for OPM to do so; providing employment information; providing assessment services; automating other agencies' staffing systems; examining for vacancies when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and the selection, coordination and development of Presidential Management Interns. The Investigations Service includes: National Agency Checks/National Agency Checks and Inquiries and background security investigations of individuals who are candidates for positions identified as critical-sensitive by the requesting agencies, or reinvestigations of individuals occupying positions identified as critical-sensitive.

Each program is operated at rates, established by OPM, which should be adequate to recover expenses over a reasonable period of time. Receipts derived from operations are, by law, available in their entirety for use of the fund without further action by Congress.

REVOLVING FUND
COMPARATIVE SUMMARY STATEMENT
(dollar amounts in thousands)

Obligations:	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
DOD Testing	$7,014	$7,565	$7,862	$297
Employment Service	37,519	37,755	36,363	(1,392)
Investigations Service	144,533	188,709	186,337	(2,372)
Workforce Relations (TMA)	36,372	37,382	39,377	1,995
Executive Resources	25,798	29,748	29,969	221
Total	**$251,236**	**$301,159**	**$299,908**	**($1,251)**
Full-Time Equivalents:				
DOD Testing	158	157	157	---
Employment Service	390	364	364	---
Investigations Service	48	42	42	---
Workforce Relations (TMA)	25	27	27	---
Executive Resources	70	78	78	---
Total	**691**	**668**	**668**	---

REVOLVING FUND

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	FY 2001 Estimate	FY 2002 Request	Change
Personnel Compensation	$31,210	$30,567	($643)
Personnel Benefits	7,488	7,454	(34)
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	3,121	3,014	(107)
Transportation of Things	116	118	2
Rental Payments to GSA	7,357	6,305	(1,052)
Communications and Utilities	4,508	4,526	18
Printing and Reproduction	1,439	1,403	(36)
Other Services	237,995	241,660	3,665
Supplies and Materials	3,884	3,937	53
Equipment	4,041	924	(3,117)
Total Obligations	**$301,159**	**$299,908**	**($1,251)**

REVOLVING FUND

DoD TESTING

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$7,014	$7,565	$7,862	$297
Full-Time Equivalents	158	157	157	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) administers the Armed Services Vocational Aptitude Battery for the Department of Defense (DoD). The DoD uses the ES national network of trained examiners to conduct their military recruitment testing program in a cost-effective manner. The following services are provided, at the specific request of DoD:

ES conducts student tests at local high schools, vocational institutions, and community and junior colleges. Students are tested and their scores are provided to their counselors to use in career exploration and planning. The program also allows military recruiters to channel their activity toward qualified students who are interested in a military career.

ES conducts enlistment tests for individuals who wish to enter the military service.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $7,862 Full-Time Equivalents: 157

Direct HR services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost-effective choices to meet individual and Governmentwide customer needs. (Ongoing)

ES Goal 10: **Administer the Armed Services Vocational Aptitude Battery for the Department of Defense (DoD) and provide related services.**

Revolving Fund
DoD Testing

Means:

➢ Support DoD student testing by accepting all requests for conducting test sessions.

➢ Work closely with DoD Testing Program managers to assess and improve operations.

Indicators and Performance Results:

➢ Continuation of the contract by DoD.

The contract between OPM and DoD was continued for FY 2000 and has been executed for FY 2001.

➢ Requests for numbers of student test sessions by DoD are met.

During FY 2000, OPM met all DoD requirements for student test sessions.

➢ Quarterly feedback sessions with DoD program managers show increased customer satisfaction.

During FY 2000, feedback sessions with DoD were held quarterly and, in addition, on an as needed basis. DoD program managers continue to indicate that they are extremely satisfied with the test program as administered by OPM.

VERIFICATION AND VALIDATION

See the Salaries & Expenses, Employment Service, Verification and Validation Section.

FY 2002 BUDGET CHANGES

An increase of $297,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

EMPLOYMENT SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$37,519	$37,755	$36,363	(1,392)
Full-Time Equivalents	390	364	364	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) provides a variety of operational and consultative human resources services to agencies on a reimbursable basis. Services are delivered in all areas of Employment Service responsibility, including automated examining, testing, organizational assessment, personnel records processing, and employment information.

OPM continues to provide two functions formerly funded fully through its general fund appropriation: employment information and examining for Administrative Law Judge positions. These are now funded through a mix of appropriated and reimbursable funds.

In the employment information area, costs of supporting USAJOBS, the Governmentwide automated employment information system, are split between OPM and agencies; agencies pay a prorated share based on each agency's number of employees in the competitive service. OPM continues to fund approximately half of employment information through S&E appropriations to ensure that the needs of job seekers, veterans, and displaced employees are balanced with the needs of agencies.

In the case of the Administrative Law Judges (ALJ's), OPM is prohibited by law from delegating the authority for examining to agencies. ES must fully recover the costs of examining and related services for these positions through agency fees based on the number of ALJ's in each agency. OPM will continue to fund other ALJ personnel program functions (such as personnel policy development, reviewing and approving non-competitive employment actions and classifying positions) through appropriated funding under OPM Goal I, LEAD.

OPM also continues to conduct the Presidential Management Intern (PMI) Program through both appropriated and reimbursable funds by recovering the costs of assessment and training through agency fees based on the number of PMI's hired.

Revolving Fund
Employment Services

ES continues to maintain a nationwide cadre of experienced test examiners who provide services to a number of Federal agencies and the DoD. ES currently administers tests nationwide for Border Patrol agents, Customs Inspectors, and other occupations.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. ***OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.***

FY 2002 RESOURCE SUMMARY: Obligations (000): $36,363 Full-Time Equivalents: 364

Direct HR services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost-effective choices to meet individual and Governmentwide customer needs. (Ongoing)

ES Goal 9: **Provide expert human resource products and services that meet agency specific needs to ensure that Federal agencies receive high quality, cost effective employment services needed to run high performing organizations.**

OPM has the unique responsibility of providing human resource expertise on a reimbursable basis to the Federal government. This means that we have had to re-think and re-engineer part of our organization by learning to operate more like a business. During this transformation, we learned the importance of listening to our customers because their vital input allows us to grow our business and deliver market-driven quality products and services.

Means:

- Provide employment information and opportunities to employers, job seekers, and the general public through USAJOBS, the Federal Government's employment information system.
- Continually assess customer needs and customer satisfaction to ensure that customers are satisfied and that reimbursable services are financially stable.
- Work closely with customers to determine the most useful enhancements for major ES automated project lines.

- Increase the market share of the USAStaffing system by implementing a governmentwide marketing campaign.

- Conduct Organizational Assessment Surveys (OAS) for federal agencies.

- Continue to work with customer agencies to define additional options for Employee Express and Annuitant Express, which allow employees and annuitants to make authorized enrollment and data changes directly, without having to submit changes on paper for a personnel office to input later.

- Develop a new ALJ examination.

- Ceate new ALJ database to track time response to an agency's request for a certificate of eligibles.

- Conduct conferences and/or seminars on current policies and practical issues to put information into the hands of human resource professionals.

Indicators and Performance Results:

- OPM's widespread customer base indicates ES is providing products and services that are effective and useful.

  During FY 2000, our customer base has expanded to include additional agencies such as the Department of State, Department of Transportation, Department of Energy, and the State of Hawaii

- Customers continue to contract for staffing products and services at least at prior year levels.

  Preliminary FY 2000 financial data (as of September 30, 2000) indicates that the total contract for services will equal the FY 1999 contract value.

- Incoming requests and response time tracked by manipulating existing ALJ database.

- The number of PMI's hired is sustained at high levels approaching the ceiling of 400.

  In FY 2000, the PMI Program Office initiated an email application announcement system that reaches more than 900 college and university presidents, deans, and placement officials. This effort was a supplement to the original PMI mailing list, and now reaches more than 1,000 schools.

- Continue favorable customer satisfaction with employment information as indicated by the "satisfied" ratings obtained from the USAJOBS on-line user surveys.

Revolving Fund
Employment Services

USAJOBS is in the process of replacing the current survey on the system to allow users more options to express their satisfaction. Overall, the ratings for USAJOBS continue to be favorable.

➢ The Organizational Assessment Survey (OAS), developed by OPM, is used by agencies and other organizations to contribute to the measurement and improvement of Government performance.

In FY 2000, OPM conducted 10 organizational assessments on a fee-for-service basis. Once the survey was completed, the agencies had information to target their improvement activities. We will strive to provide more agencies with the Organizational Assessment Surveys each year.

VERIFICATION AND VALIDATION

See the Salaries & Expenses, Employment Service, Verification and Validation Section.

FY 2002 BUDGET CHANGES

An net decrease of $1,392,000 is estimated due to lower anticipated workload offset by increases for pay raise and inflation.

REVOLVING FUND

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$144,533	$188,709	$186,337	($2,372)
Full-Time Equivalents	48	42	42	---

DESCRIPTION OF ACTIVITY

The Investigations Service has investigations conducted for other Federal agencies through a contract with a corporation. These investigations are carried out on a reimbursable basis to provide agencies with the information necessary to determine whether to grant security clearances to individuals occupying or being appointed to sensitive national security positions or for public trust positions. The extent of the investigation is determined by the level of clearance, risk or sensitivity in the position held (or to be held) by an individual.

IS will also continue to investigate employees of contractors for various agencies.

During FY 2001, OPM accepted a major new investigative workload for the DoD at the request of the Assistant Secretary of Defense. IS will help the Defense Security Service eliminate a backlog of investigation cases. We have tailored our cases to meet their specific needs for coverage.

IS furnishes National Agency Checks (NAC) and National Agency Checks and Inquiries (NACI) for other Federal agencies, as well as Special Agreement Checks for various agencies.

Both the investigative company and OPM continue to meet high workload demands from agencies with no decrease in the quality of investigations.

FY 2002 will be OPM's first full year with a new contract for investigative services. OPM is closely reviewing its contract requirements to ensure that the new contract allows us to continue to meet the varied needs of our customers.

Specific investigative functions of OPM include:

- Manage and provide oversight of the contract company/companies for conducting background and other investigations for OPM's customer agencies;
- Liaison with customer agencies for case billing;

Revolving Fund
Investigations Service

- Maintain the Security/Suitability Investigations Index (SII);
- Ensure the integrity of the Personnel Investigations Processing System (PIPS) data base and related hardware and software; manage software development for new and improved PIPS processes;
- Assure case quality to customer agencies through contract oversight and case audits; and
- Recover operating costs through fiscal management and proper case pricing.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. ***OPM'S HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES, AND THE PUBLIC.***

FY 2002 RESOURCE SUMMARY: Obligations (000): 186,337 Full-Time Equivalents: 42

Direct HR services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost effective choices to meet individual and governmentwide customer needs.

IS Goal 4: **The quality of investigations is maintained and workload demands are met with timely, relevant products.**

This program goal was established under strategic Goal IV to track the quantity and quality of investigative services we provide to our customer agencies.

Means:

➢ Ensure the quality of investigative and adjudicative case products through continuous contract oversight review and audit sampling.

➢ Monitor the investigations contract and related costs.

- Beginning in July 2001, OPM will have a new contract for investigative services that will place additional performance requirements on the contractor to ensure that OPM meets the expanding needs of its customer agencies.

- Host an annual Security Directors' conference to reinforce investigative procedures.

- Assess comments from agency participants in the Personnel Security Directors' conference in FY 2002.

- Develop new products designed to meet agencies' expanding coverage needs. OPM will continue to provide extensive support to the Defense Security Service to help them eliminate a backlog of investigation cases. We have also been asked to carry out work for military positions in DoD in addition to the civilian workload we are already completing for them. As a result of OPM's pioneering efforts in fingerprint imaging, the FAA has requested support in implementing the Airport Security Improvement Act. This will be an ongoing, high-volume workload, processing airport employees with access to restricted or sensitive airport areas. We expect to process over 200,000 cases each year for all major airports and airline carriers.

- Make investments in technology and processes to improve the levels of service provided to OPM customers. We are currently developing system enhancements to our Personnel Investigations Processing System (PIPS) to accept web-based electronic case papers by the end of FY 2002.

Indicators/Performance Results:

- Quality of the contractor's case products.

  In FY 2000, we continued to carry out an intensive contractor oversight function to ensure that our contractor was maintaining a quality control inspection system which will assure that all investigative products submitted to OPM conform to contract requirements. In addition to these contract requirements, we also continued, on a sampling basis, mail recontacts of sources to obtain feedback from the public.

  Our contractor has expanded its use of the investigative source recontact to obtain more information on how well their investigators are carrying out work for OPM.

  We also continued to convene Investigations Quality Panel meetings between OPM and our contractor's managers periodically to discuss and resolve any quality concerns or issues and discuss possible investigative enhancements.

Revolving Fund
Investigations Service

➢ OPM recovers program operating costs through effective case pricing.

We continued to recover our operating costs during FY 2000 and reduced the price of OPM' Background Investigation (BI) by three percent (3%) in spite of having to pay our contractor case price increases based on the change in the Consumer Price Index (CPI). We have raised case prices approximately three percent (3%) effective January 1, 2001 due to increased operating and overhead costs.

➢ Ensure that agency security personnel are informed of investigative procedural changes.

We continued our expanded information sharing with agencies in FY 2000 by holding a Security Directors' conference to ensure that agency security personnel were fully informed of changes brought about by Executive Order 12968.

➢ Meet customer workload demands.

WORKLOAD MEASURES – CASES CLOSED				
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Department of Defense	22	8,189	11,000	11,000
Drug Enforcement Administration			3,000	3,000
Department of Energy	16,163	15,996	12,500	11,000
Other Agencies	27,820	31,996	35,500	35,500
Total Background Investigations	**44,005**	**56,181**	**62,000**	**60,500**
Department of Defense	23,057	71,954	385,000	385,000
Other Agencies	101,912	112,674	100,000	100,000
Total National Agency Checks/National Agency And Inquiries	**124,969**	**184,628**	**485,000**	**485,000**
Postal Service	162,517	172,305	120,000	120,000
Other Agencies	38,166	59,050	110,000	110,000
Total Special Agreement Checks	**200,683**	**231,355**	**230,000**	**230,000**

There will be more than double the number of National Agency Check (NAC) and National Agency Check and Inquiry (NACI) cases for FY 2001 and FY 2002 than the number closed in FY 2000 due to the additional work from DoD. We are further streamlining our automated and financial processes to ensure that we can effectively meet this increased workload.

The Department of Energy will begin sending some of their background investigations and reinvestigations to the FBI, and not OPM, beginning in mid-FY 2001. The total annual amount DOE expects to send to the Bureau is 3,000 background cases each year.

➢ Provide new services to agencies.

We will establish an 800 number quality hotline, and provide various web-based services such as Federal Investigations Notices (FIN's) and Investigations Service organizational information through our website.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to validate workload measures and validate the health of the business.

FY 2002 BUDGET CHANGES:

A decrease of $2,372,000 is estimated because of a one-time FY 2001 purchase of equipment for enhancements to the IS fingerprint submission system, the IS imaging enhancement project as well as equipment necessary to interface with OPM's new financial and billing systems.

REVOLVING FUND

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$36,372	$37,382	$39,377	$1,995
Full-Time Equivalents	25	27	27	---

DESCRIPTION OF ACTIVITY

Integral to the Office of Workforce Relations (OWR) efforts to strengthen the Government's investment in human resources is its work to provide, on a reimbursable basis, training and management assistance to improve human resource management. Factors such as deregulation, downsizing, and an increased emphasis on accountability and results have made it more important than ever to focus on front-end analysis to identify competencies and skills for appropriate training design and other activities to carry out agency missions.

The Training Management and Assistance (TMA) program provides a unique contracting vehicle that helps Federal, State, and local government agencies design and manage large and complex training and human resource development projects. In partnership with government agencies and private-sector firms (contractors), OWR provides customers immediate access to highly qualified, competitively-selected contractors that can design and develop a wide range of learning and human resource management solutions. TMA has been in business since 1982 and has worked with all major Federal agencies and some state and local governments on a host of diverse projects.

Revolving Fund
Office of Workforce Relations

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, RETIREES, THEIR FAMILIES AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $ 39,377 Full-Time Equivalents: 27

Direct HR Services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost-effective choices to meet individual and governmentwide customer needs.

OWR Goal 7: **Through the Training and Management Assistance program (TMA), assistance is provided to Government agencies in managing the development of training and other human resource management solutions that meet specific short and long-range agency objectives.**

This program goal was established under Strategic Goal III to support OPM's efforts in offering technical assistance to help Government agencies develop training and human resource management solutions, including workforce planning and succession management strategies, e-learning applications, traditional classroom training, compensation and performance management, and other customized products.

Means:

➢ *Provide high-quality training and HRM solutions to government agencies through an expedited contracting process which is managed by an experienced team of HR and contracting professionals:*

- *Assisting agency customers with project design and implementation.*
- *Effectively managing new and existing projects.*
- *Ensuring that products/solutions developed by TMA contractors meet specific agency requirements.*
- *Expanding and enhancing TMA services in response to the changing needs of government agencies.*
- *Improving marketing activities.*

Indicators/Performance Results:

- Financial Indicator: Income earned meets or exceeds operating costs. Standard accounting methods and tracking software are used to verify financial measures.

Financial Measures (dollars in millions)	FY 2000	FY 2001	FY 2002
Income earned	$43.7	$41.5	$43.1
Operating costs	$42.8	$41.5	$43.1
Difference (+/-)	$ 0.9	$ 0.0	$ 0.0

- Customer Satisfaction Indicators: End-of-project quality surveys and interviews are used to determine if specific agency objectives are met and to measure the level of customer satisfaction with service provided by the TMA program. TMA uses the results of these surveys and interviews as well as internal and external audits/evaluations to enhance program effectiveness.

  During FY 2000, TMA managed approximately 200 projects to support the strategic training and human resource management initiatives of numerous Federal agencies and the District of Columbia Government. The program recorded $43.7 million in income, exceeding its target by more than $500,000. This is the highest income total in TMA's 20-year history. Agencies continue to recognize the substantial value of the professional and expeditious technical assistance and expertise TMA provides, as evidenced by informal customer feedback, anecdotal information, agency accomplishment of goals stated in the statement of work and management plan of projects, and swift resolution of project problems. Some examples of improved performance are highlighted below.

  TMA developed the last of 23 graduate-level courses for DoD's Defense Leadership and Management Program (DLAMP). The program is a key component of DoD's succession management and leadership strategy. Approximately 49 DLAMP participants and/or graduates have been promoted to higher levels in DoD. As a result of this course development project, TMA entered into an interagency agreement with DoD to further support their succession planning and leadership initiatives.

  TMA worked with the Defense Acquisition University (DAU) to convert several of its acquisition courses from classroom training to Web-based training. As a result, DAU is now training an additional 3,700 students per year and estimates a three year cost avoidance of $13.3 million dollars.

Revolving Fund
Office of Workforce Relations

In FY 2000, TMA worked with the U.S. Fish and Wildlife Service (FWS) to perform an analysis of the functions, responsibilities, and resources necessary to administer its Federal Aid program. FWS is using the analysis results to implement new management systems and to make strategic decisions regarding the optimal staffing levels and types of personnel needed in its Federal Aid program across the country.

In FY 2000, OPM's Office of Inspector General published a report on the TMA program. The report concluded the program is viewed by client agencies as providing a "...significant value-added benefit over other procurement vehicles in government that assist in securing contractor services."

An FY 2000 marketing analysis revealed that overall project management service was good, but there were some inconsistencies in the overall service received from project managers. TMA has implemented a "Consistency of Service Model" to standardize core service and has incorporated this into staff performance plans. TMA will monitor the effectiveness of this initiative.

FY 2002 BUDGET CHANGES:

An increase of $1,995,000 is estimated to cover increases in program activity and the cost of pay raise and inflation.

REVOLVING FUND

EXECUTIVE RESOURCES
(dollar amounts in thousands)

RESOURCES	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	FY 2002 Change
Obligations	$25,798	$29,748	$29,969	$221
Full-Time Equivalents	70	78	78	---

DESCRIPTION OF ACTIVITY

Executive Resources programs are committed to improving the citizen's faith in Government and improving government performance by shaping the competencies and leadership effectiveness of the Federal executive and management corps. The Executive Resources activity (a revolving fund entity) includes the training and development programs offered by the Federal Executive Institute (FEI) and the Management Development Centers (MDCs), the SES Orientation program and Satellite Broadcasts.

The Office of Executive and Management Development (OEMD) is the umbrella organization for three learning centers (Federal Executive Institute, Charlottesville, VA, Eastern Management Development Center, Shepherdstown, WV, and Western Management Development Center, Denver, CO) where emphasis is placed on integrated programs with strategic partners who value the importance of effective leadership for public agencies. Our residential and non-residential development programs are designed to instill common corporate values, develop management and executive skills, and improve understanding and stimulate Federal management awareness of public issues. We manifest the value through knowledge creation, leveraging of technology, discovery, critical thinking, and understanding - all in an adult learning environment. To meet our responsibilities, we recruit a small number of highly experienced, diverse faculty and administrative staff with expertise in human resources development, organization behavior, customer service, political science, and the science of leadership and management (including business management skills). We supplement this with a much larger group of contract, adjunct faculty who have subject matter expertise in a variety of curricula and support fields. The skills of the professional and technical staff are continuously upgraded.

Before 1997, FEI and MDC programs were primarily directed at improving the leadership abilities of individuals through residential, interagency programs. Our focus groups, one-on-one meetings with agency leaders, and program evaluations have shown us that our customers are changing and they are asking us to change in the following ways:

Revolving Fund
Executive Resources

Our customers:

- Want us to engage in agency partnerships with them so that we can better understand their business issues and provide them with leadership and management solutions to help them better serve their customers - the American Public.
- Want customized programs that are easily accessible, flexible, state-of-the-art, and focused on improving not only individual performance, but the organization's performance as well.
- Are looking for us to show evidence of the impact of our programs.

ANNUAL PERFORMANCE GOALS FOR FY 2002
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

SERVE. OPM'S HIGH QUALITY, COST EFFECTIVE HUMAN RESOURCES SERVICES MEET THE EVOLVING NEEDS OF FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS, AND THE PUBLIC.

FY 2002 RESOURCE SUMMARY: Obligations (000): $29,969 Full-Time Equivalents: 78

The competencies and leadership effectiveness of Federal executives and managers continuously improve through training, development and voluntary mobility.

ER Goal 7: **Increase the efficiency and productivity of Federal agencies by developing the leadership skills of senior leaders and managers. OEMD will accomplish this by providing high quality, competency based, intellectually challenging, and affordable interagency leadership and management training to members of the Senior Executive Service corps, GS-15 senior executives and other managers.**

We serve all of America by providing high quality and cost-competitive leadership and management training to Federal executives and their agencies. This customer-focused and targeted enhancement training enables individuals to lead their organizations toward greater productivity.

Means:

- **Build Agency Partnerships:** We form partnerships that foster knowledge generation, best practices and enhanced services in the area of organizational leadership; We form comprehensive, long-term alliances with specific "key agencies" that result in identifiable benefits to individual executives, teams and overall agency performance; We form alliances with professional associations, foundations, and other government organizations to develop state-of-the-art products and services.

- **Grow our Technology Capability:** We aggressively pursue the use of technological innovations to improve learning outcomes for our customers and clients and ourselves (registration, sales, billing); improve our own work processes; and support new business opportunities.

- **Optimize our Financial Performance:** We are good stewards of the People's money because we develop and maintain a financial system that optimizes revenue growth and mix, cost reduction and productivity improvements, asset utilization, and investment.

- **Grow Our Business** by identifying and focusing on customer needs: We reach out to understand what our clients, consumers, and constituents need from us, organize our understanding to respond with the right mix of training and services at the right price, proactively communicate our vision, capability, and results to influence our customers to enroll in our programs and subscribe to our services.

- **Create a World-class Work Environment:** We will create a professional work environment that fosters effective customer service, productivity and innovation. We will achieve this by developing our own leadership capability, offering and welcoming open communication, ensuring there are sufficient resources to do the job well and providing employees the tools they need.

- **Pioneer the Development of Knowledge Capture, Knowledge Sharing, and the Use of Effective, Innovative Learning and Performance Improvement Technologies:** We will pioneer the development of knowledge capture and knowledge sharing as we use effective, innovative learning and performance improvement technologies for leadership and executive education. We will learn from our participants and strategic partners what works best to address a range of government leadership and management challenges. This "knowledge-creation" will be made available on demand – anytime and anyplace – to help our government work better.

Revolving Fund
Executive Resources

Indicators/Performance Results:

➢ Increases in participant training (see output measures ER Goal 8 below), coupled with high course evaluations and a systematic approach to improvement in program delivery and curriculum based on the course evaluations is the basis for OEMD's overall outcome evaluation.

In FY 2001 and FY 2002, OEMD expects to maintain program participation levels between 10,500 and 11,000 participants. We anticipate program participation to level off due to physical capacity constraints and price increases. Inflationary increases will mandate an increase in the price of program offerings, and previous experience indicates that price increases result in a decline in program participants.

In FY 2000, 10,164 managers and executives participated in programs for an overall increase of 36% over FY 1999. The dramatic growth in the overall number is a direct result of increases in the number of consulting services requested this year.

➢ OEMD will form comprehensive long-term strategic alliances with government agencies that will result in identifiable benefits to individual executives, teams, and overall agency performance. Such agency partnerships are designed to integrate agency human resource development practices with agency strategic goals.

In FY 2002, establish a Government Leadership initiative at the MDCs that will address our agency partners' needs for customized program offerings that improve organizational performance. This initiative will focus the necessary resources on the MDC organizational approach to build agency partnerships.

In FY 2002, maintain 15 agency partnerships to increase the number of custom designed programs offered to agencies, to expand consulting relationships with agencies and to generate knowledge and best practices of use to all federal agencies.

By FY 2001, establish and maintain a minimum of 12 agency partnerships with Government agencies.

In FY 2000, OEMD increased the number of custom designed programs, expanded consulting arrangements and achieved new lines of business by establishing seven new agency partnerships with government agencies

In FY 2000, EMDC expanded its partnership with the Army Acquisition Program by designing and conducting six customized one-week programs, centered on developing core competencies: leadership, communication, strategic thinking and teamwork. Participant ratings were all above 4.6 on a 5.0 scale.

In FY 2000, WMDC developed custom programs for several specific agencies in addition to the agency partnerships with EPA Region VIII and the Drug Enforcement Agency. These programs were designed to help with specific agency performance issues and included the U.S. Forest Service, Social Security Administration, Department of Energy, Navy, CIA, Department of Education and various Federal Executive Boards.

In FY 1999, The Federal Executive Institute's Center for Executive Leadership developed custom designed programs for the Department of the Treasury, the Office of the Secretary of Defense, and the Defense Intelligence Agency

➢ Implement curriculum improvements that reflect identified needs, current trends in Government, leadership competencies, and changes in policy.

In FY 2002, Succession Planning Services will be offered collaboratively throughout OEMD to no less than four organizations. This service assists agencies in aligning their human resources and strategic goals. Services offered range from succession planning program development to assessment, coaching and mentoring training and services, to focused skill development.

In FY 2001, OEMD will sustain and grow the succession planning service provided to NOAA, Defense Commissary Agency (DeCA) and the CFO Fellows Program to further assist them in aligning their human resources and strategic goals. Services offered range from succession planning program development to assessment, coaching and mentoring training and services, to focused skill development.

In FY 2000, OEMD established a Succession Planning Service with three Government groups (NOAA, DeCA and the CFO Fellows Program) to assist them in aligning their human resources and strategic goals

In FY 2000, the HR Director's Customer Satisfaction Survey showed that more than 80% of those responding rated OEMD executive and management development programs as relevant and effective in enhancing competencies and leadership effectiveness (FEI at 85% and the MDCs at 82%).

In FY 2000 OEMD conducted two curriculum reviews and re-validated its curriculum against the Executive Core Qualifications and Competencies.

In FY 2002, the MDCs will establish a National Policy Initiative in order to support communication and implementation of Government-wide priorities and to grow the OEMD business. This will be instrumental in demonstrating to our clients, consumers and customers that OEMD is able to effectively meet their needs by being ready to assist the Executive Branch in the training of executives and managers in new policy initiatives.

Revolving Fund
Executive Resources

In FY 2001 and 2002, OEMD will continue to conduct annual curriculum reviews and re-validate against the Executive Core Qualifications and Competencies. The Executive Core Qualifications and Competencies were developed and validated by the Office of Executive Resources Management (OERM) as the competencies necessary for success at the SES level. (See Executive Resources, Salaries and Expenses section of the Annual Plan)

➢ Improve the quality of OEMD programs per feedback from participant evaluations and client focus groups and meetings. The process for identifying needs includes conducting focus groups with clients and faculty, one-on-one meetings with clients, and analyzing scores and comments from participant evaluations. (Level 1: The Kirkpatrick Model of Evaluation)

By FY 2002, skills training in leading and managing diversity will have been integrated into all core OEMD leadership programs and diversity best practices will be available though OEMD's Leadership Learning System.

In FY 2001, FEI will implement improvements in the Leadership for a Democratic Society Program per the recommendations of the FEI Diversity Advisory Team composed of FEI graduates and diversity experts internal and external to government.

In FY 2000, OEMD implemented, delivered, and assessed five diversity programs (180 participants) that earned overall program evaluations of 4.4 on a 5.0 scale.

In FY 1999, OEMD developed and piloted a one-week diversity program at the MDCs and a full plenary session and workshop at FEI.

In FY 2002, the Center for Executive Leadership (CEL) will continue to develop work in the virtual technology arena and expects it to become an increasingly significant part of its consulting work. Our goal is to have at least two such virtual team programs in operation in FY 2002.

In FY 2001 CEL will continue the partnership with the Defense Intelligence Agency (DIA) and offer five one-week-long sessions of "Foundations for Virtual Teams." The course will be offered twice in the Leadership for a Democratic Society program along with a number of plenary sessions. Since our business is driven by customer demand, we anticipate that these exposures will lead to additional consulting and custom designed programs. In addition to working with the Joint Intelligence Virtual Architecture (JIVA), CEL will begin a series of programs with the DIA Operational Directorate and offer two programs in FY 2001.

In FY 2001, CEL will build on its FY 2000 work with the State Department and proposes to collaborate further with the Overseas Presence Advisory Panel (OPAP) Knowledge Management Project to offer a series of training programs. These programs are designed to establish knowledge management organizational capacity at selected U.S. Embassies beginning with a prototype program in Washington, DC in FY 2001 and followed with possible pilots in FY 2002 in India and Mexico.

In FY 2000, CEL partnered with the Defense Intelligence Agency/JIVA to provide five week long "Foundations for Virtual Teams" courses at the FEI.

In FY 2002, FEI plans to maintain its Leadership for Results Program (Action Learning) by conducting at least two sessions per year. This program ensures a return on investment for agency training dollars by building the training around a specific agency issue or challenge and ensuring action on it over the course of the program.

In FY 2001, FEI will complete the pilot of the Leadership for Results program and plans to conduct two of the Leadership for Results programs. Actual implementation will depend on customer receptivity to the pilot program. The program builds Return on Investment (ROI) into the design by having participants work in teams on significant agency business issues.

In FY 2000, FEI completed design of a new Leadership for Results program (Action Learning model), which uses state-of-the-art learning approaches to enable participants to work on significant agency issues as the vehicle for their training. The pilot test of the program began in August, 2000, with the Department of the Treasury.

➢ Assess the value of training activities through participant satisfaction surveys (Level One of the Kirkpatrick Evaluation Model) in both core and non-core programs. Goals will be 4.4 for non-core programs and 4.5 for core programs, both on a 5.0 scale.

In FY 2002, maintain or exceed standard of 4.4 on 5.0 scales for participant satisfaction ratings (program content, relevance, and facilities) in non-core programs, and 4.5 in core programs.

In FY 2001, maintain or exceed standard of 4.4 on 5.0 scales for participant satisfaction ratings (program content, relevance, and facilities) in non-core programs, and 4.5 in core programs.

In FY 2000, OEMD surpassed its estimate for participant ratings of core programs in program content, relevance, and facilities. Estimate was 4.5 but ratings averaged 4.6 on a 5.0 scale. Participant rating for non-core programs also exceeded the standard of 4.4 on a 5.0 scale, and averaged 4.6.

Revolving Fund
Executive Resources

➢ Assess overall program quality and effectiveness at Levels 2, 3 and 4 of The Kirkpatrick Model of Evaluation:

Level 1. Reaction -- Were the participants pleased with the program?
Level 2. Learning -- What did the participants learn in the program?
Level 3. Behavior -- Did the participants change their behavior based on what was learned?
Level 4. Results -- Did the change in behavior positively affect the organization?

In FY 2002, FEI will collect evaluation data on the following levels in indicated programs:

- *Level 1: All Programs*
- *Level 2: Leadership for a Democratic Society (all 10 programs)*
- *Level 3: Applied Learning Programs (three programs)*
- *Level 4: Leadership for Results Program (to be determined based on customer response to this program version)*
- *Levels 2-4: Strategic Agency Partners (as negotiated based on Agency interest and funding)*

In FY 2002, the MDCs will collect evaluation data on the following levels:

- *Level 1: All Programs*
- *Level 2: two programs*
- *Level 3: two programs*
- *Level 4: one program*

In FY 2001, OEMD will evaluate all programs at Level 1. FEI will evaluate all programs at Level 2 and the MDCs will evaluate two programs at Level 2. OEMD also plans to evaluate a minimum of four program offerings at Level 3 or Level 4 to ascertain the business impact of training programs and services.

In FY 2000, OEMD conducted a total of five Level 3/4 ROI evaluations in partnership with its customers.

In FY 2000, a pre-post assessment of FEI's Wellness Program component of the Leadership for a Democratic Society program was completed. The results demonstrated strong evidence of positive, lasting changes in health habits and awareness, and over 90 percent of the respondents gave FEI's wellness program 70 percent or more of the credit for the changes they had made.

➢ **Improve OEMD work processes, support new business opportunities, and improve customer service and learning for OEMD clients through technology enhancements.**

In FY 2002, OEMD will continue the phased implementation of its Leadership Learning System (LLS) which started in FY 2000 (Phase III). Phase III will include additional distance learning courses and simulations, on-line assessments, best case practices and case studies databases and development of on-line communities of practice. There will be documented costs savings in the following areas: (a) reduction of costs for participant materials and mailings; (b) reduction of time spent by OEMD staff in participant communications, from inquiries to registration to pre- and post-program service; (c) reduction of costs for time/travel of OEMD staff through the system's ability to make more efficient such tasks as information searching, design of documents and business proposals; (d) increased efficiency in marketing OEMD products and service and in collecting tuition because of the LLS's capabilities for email marketing and on-line payments.

In FY 2001, OEMD will expand the LLS (Phase II) to include 100% of appropriate courses on-line for pre/post course materials and data collection and continue discussion rooms. We will also implement on-line registration payment, conduct on-line surveys, develop on-line customized business proposals, increase virtual collaboration courses and pilot distance learning courses.

In FY 2001, information will be generated from the web based surveys used in FY 2000 and FY 2001 on how well knowledge from MDC seminars has improved performance of individual program participants.

In FY 2000, a web-based survey was developed and used by recent graduates of the Executive Development Seminar to secure data from recent graduates of MDC seminars. The survey's purpose was to develop information on how to increase the ability of MDC alumni to apply their acquired knowledge back in the workplace.

In FY 2000, OEMD designed, developed and implemented its Leadership Learning System (LLS) of which Training Server is the core database (Phase I). We began pilots of on-line courses for each site for pre/post course materials and data collection, on-line registration information forms, virtual collaboration courses and computer-based simulations.

➢ OEMD will seek membership in consortiums (e.g., government, academia, business) for the purpose of benchmarking its programs and identifying meaningful evaluation and measurement techniques used in other executive development programs.

In FY 2002, OEMD will establish and operate a Leadership Council composed of the top leadership of our strategic agency partners. The Leadership Council will: (a) receive state-of-the-art learning through meetings with national experts in leadership and management, (b) advise and assist the Director on needed changes and emphases in OEMD programs and services, and (c) assist OEMD in shaping and conducting best practice research and writing projects.

Revolving Fund
Executive Resources

In FY 2001, OEMD will continue to seek membership in consortiums (e.g., government, academia, business) for the purpose of benchmarking its programs and identifying meaningful evaluation and measurement techniques used in other executive development programs. This will be accomplished through partnerships with appropriate organizations such as The Center for Creative Leadership, the Organization Development Network, InterClass (a business training consortium), and representation on the National Academy of Public Administration's (NAPA) Consortium on Government Performance.

In FY 2000, OEMD participated as a member of the American Productivity and Quality Center and was a sponsor of an ROI study conducted by the Center. The study benchmarked three private sector, one government and one quasi-government organizations that conduct ROI studies in executive and management training.

In FY 2000, OEMD participated in the Organization for Economic Cooperation and Development (OECD) Human Resources consortium of 25 countries which held a two day meeting to share/benchmark leadership development practices.

In FY 2000, EMDC continued its representation of OEMD on the National Academy of Public Administration's (NAPA) Consortium on Government Performance to gather up-to-date information (e.g., case studies on successful implementation of GPRA principles) on the Government Performance and Results Act for inclusion in OEMD program offerings.

In FY 2000, OEMD, FEI/LDS, began sharing benchmarking data on leading edge management development programs with agency counterparts.

➢ OEMD will maintain a professional work environment that fosters effective customer service, productivity and innovation. The degree to which this is achieved will be measured by annual organizational surveys. Three indices will be selected from each set of survey results and the objective will be to achieve at least a 10% improvement on the following survey for those three indicators.

In FY 2002, surveys of OEMD staff will indicate: (a) strong, positive ratings of the quality of the professional work environment, and (b) improvements over the baseline in three selected work environment areas.

In FY 2001, OEMD will develop a new organizational survey and establish new baseline data for assessing employee satisfaction with the work environment. The survey used in FY 1999-2000 is no longer available for our use.

In FY 2000, OEMD Organization Assessment scores improved by an average of 40% in three key areas (communication, rewards/recognition and performance management.

In FY 2000, OEMD piloted a program to establish Individual Learning Accounts.

Direct HR services to agencies (both reimbursable activities tailored to specific agencies and non-reimbursable activities conducted under statute for all agencies) provide cost-effective choices to meet individual and governmentwide customer needs. (Ongoing)

ER Goal 8: **Participation in OPM's executive and managerial training programs is increased and income and costs are balanced.**

Operating in a break-even mode guarantees that OEMD will remain financially viable and at the same time, provide services at reasonable and cost-effective levels for its agency customers.

Means:

➢ We will be good stewards of the Peoples' money by implementing financial practices, policies and procedures to optimize revenue growth and mix, cost reduction and productivity improvements, and asset utilization and investment.

➢ We will fully implement a Balanced Scorecard to track and measure our progress toward our six OEMD business goals:

- Build Agency partnerships with the Agencies and Bureaus we Serve
- Grow our Technology Capability
- Optimize our Financial Performance
- Grow our Core Business
- Create a Professional Work Environment that Fosters Effective Customer Service, Productivity and Innovation
- Pioneer the Development of Knowledge Management (Capture and Sharing)

A balanced scorecard is a management tool that provides a comprehensive measure of how the organization is progressing towards its strategic goals. A balanced scorecard provides both financial and non-financial measures and balances short and long-term measures. This will allow OEMD to align our measures with our six business goals through the use of a collection of measures that reflect a single strategy rather than a set of multiple independent objectives.

Indicators/Performance Results:

➢ Increases in participant training (see output measures below), coupled with high course evaluations (see Indicators/Performance Results under ER Goal 7 above) and a systematic approach to improvement in program delivery and curriculum based on the course evaluations (see Indicators/Performance Results under ER Goal 7 above) is the basis for OEMD's overall outcome evaluation.

Revolving Fund
Executive Resources

Outcome evaluation assesses the extent to which a program achieves its outcome-oriented objectives. It focuses on **outcomes** and **outputs** to judge program effectiveness, but may also assess **program processes** to understand how outcomes are produced. Course evaluations (see Indicators/Performance Results under ER Goal 7 above) are used to assess overall program quality and effectiveness and how well courses improve participant's individual and organization effectiveness (outcome). The analysis of those evaluations is used to continually review and update the training and development programs and curriculum (process). Finally, if the outcome is defined and measured and a system is in place to continually review and update training and development delivery, the net changes in participants and participant training days are a reasonable surrogate outcome measure.

Office of Executive Management and Development **output** is measured primarily as the net increases and decreases in participants, and participant training days.

	FY 1999	FY 2000	FY 2001	FY 2002
Sessions	230	328	340	344
Participants	7,477	10,164	10,655	10,957
Participant Training Days	73,241	87,890	92,403	93,538

Prior to FY 2000, production data above did not include off campus consulting services (such services did not exist in significant numbers prior to FY 2000).

➢ OEMD's financial strategies continue to support current and future program needs, as well as maintain a strong fiscal condition. Financial performance for each organization is measured by annual retained earnings (i.e., revenue minus expense) in the context of a three-year financial plan. The financial plan meets the requirement to "break-even" and includes a three-year investment horizon to ensure that OEMD is careful and thorough about providing full value to its customers.

In FY 2002, OEMD will streamline its sales, accounts receivable and collections processes. Standards will be established for these functions and we will measure our performance levels against these standards.

In FY 2001, OEMD will pilot a new cost model to obtain more accurate data on common shared costs and services.

In FY 2001, OEMD will fully implement the Balanced Scorecard.

In FY 2000, OEMD developed a Balanced Scorecard that translates the OEMD mission and strategies into objectives and measures, organized into four different perspectives: financial, customer, internal business processes, and learning and growth.

➢ Financial performance standards for each organization include actual annual retained earnings performance (i.e., revenue minus expense) within tolerances of initial estimate (+$250k–$125k); sufficient cumulative retained earnings reserves to accommodate appropriate contingencies; and, an investment strategy consistent with program requirements and a three-year break-even over period.

VERIFICATION AND VALIDATION

- Baseline estimates of production (i.e., sessions, participants and participant training days) and financial data (i.e., income, obligations, costs and cumulative results of operations) are prepared annually during the planning process. Actual data on production is collected and maintained locally (i.e., at FEI, EMDC and WMDC), reported to the program's Director on a monthly basis, and analyzed relative to baseline estimates. Actual production data on sessions and training days are verifiable based on an assessment of published program schedules. Actual data on participants is also verifiable based on an analysis of income data by course. Financial data is collected and maintained in the OPM financial management system. Verification of the financial data is the responsibility of the Office of the Chief Financial Officer, OPM. Financial management information from the financial management system is reviewed, reconciled and analyzed at the operating level on a monthly basis. The local analysis is further analyzed at the nationwide program level relative to initial estimates and performance tolerances. Analysis at the highest level will result in feedback to the operating programs on performance to date, future expectations, and/or remedial actions needed.

- Participant surveys are collected for each session at the operating level, summarized, reported, explained and forwarded to the program's Director. Analysis at the nationwide program level will result in feedback to the operating programs on performance to date, future expectations and/or remedial actions needed.

- Results derived from the Kirkpatrick Evaluation process will be cross-checked against a qualitative measurement process. This qualitative process will involve interviewing organization leaders - using a modified Appreciative Inquiry Methodology - to ascertain the degree to which the organization has been improved by individual executive attendance.

- Results of the OPM Customer Satisfaction Survey will also aid in measuring the responsiveness and value of programs and services.

FY 2002 BUDGET CHANGES:

An increase of $221,000 is requested to cover the cost of pay raise and inflation.

FISCAL YEAR 2002 BUDGET JUSTIFICATION

U.S. OFFICE OF SPECIAL COUNSEL
1730 M Street, N.W., Suite 300
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TABLE OF CONTENTS

		PAGE
I.	Introduction and Summary	1
II.	The Office of Special Counsel	1
III.	Summary of FY 2000 Program Activity	4
IV.	FY 2002 Budget Request	13

Supporting Tables:

1.	Summary of Prohibited Personnel Practice Matters	6
2.	Summary of Whistleblower Reprisal Matters	7
3.	Allegations Contained in Matters Received During FY 2000	8
4.	Allegations Contained in Matters Referred for Field Investigation During FY 2000	9
5.	Summary of Hatch Act Matters	11
6.	Summary of Disclosure Matters	12
7.	Object Classification, FY 2000 through FY 2002	15
8.	Analysis of Resources, FY 2000 through FY 2002	16
9.	Allegations Received and Anticipated, FY 2000 through FY 2002	16
10.	Allegations Closed, FY 2000 through FY 2002	17
11.	Breakdown of All Matters, Pending and Completed, FY 1996 through FY 2000	17

U.S. Office of Special Counsel
Fiscal Year 2002 Budget Justification

I. Introduction and Summary

The U.S. Office of Special Counsel (OSC) is an independent federal investigative and prosecutorial agency. Under the Civil Service Reform Act (CSRA) and the Whistleblower Protection Act (WPA), the OSC's primary mission is to safeguard the merit system in federal employment by protecting federal employees and applicants from prohibited personnel practices, especially reprisal for whistleblowing. The OSC also has jurisdiction under the Hatch Act to enforce restrictions on political activity by government employees. Finally, the OSC facilitates disclosures of wrongdoing in the federal government by operating a secure channel for whistleblowers.

In the enclosed budget request, OSC is seeking essentially level funding for FY 2002. During the last two budget cycles, Congress has authorized additional resources and a modest increase in staff for OSC (from 91 to 106 FTEs). The majority of the new staff members were hired in FY 2001 and, due to hiring delays resulting from continuing resolutions, are still being trained. Our goal is to bring the new staff to full productivity by the end of the current fiscal year so that during FY 2002, OSC can make significant progress towards eliminating its case processing backlogs, and achieving other needed reforms. Stable funding for next year is necessary to permit OSC to achieve this end.[1]

II. The Office of Special Counsel

A. Statutory Background

The Office of the Special Counsel was established on January 1, 1979, by Reorganization Plan Number 2 of 1978. 5 U.S.C.A. App.1, § 204, at p. 471. The Civil Service Reform Act (CSRA) of 1978, effective on January 11, 1979, enlarged OSC's functions and powers. Pub. L. No. 95-454, 92 Stat. 1111 (1978). The Office operated as the autonomous investigative and prosecutorial arm of the Merit Systems Protection Board (MSPB) until 1989, enforcing the laws concerning prohibited personnel practices (PPPs) as well as the legal limitations on political activity by federal employees contained in the Hatch Act.

In March of 1989, Congress enacted the Whistleblower Protection Act (WPA) of 1989. Pub. L. No. 101-12, 103 Stat. 16 (1989). The WPA established the Office of the Special

[1] For more information on OSC's FY 2000 performance, see OSC's FY 2000 Annual Performance Report under the Government Performance Results Act (GPRA), filed with Congress on April 2, 2001. In addition, OSC's latest five-year strategic plan, and FY 2002 Annual Performance Plan, are being transmitted to Congress simultaneously with this budget request.

Counsel as an independent agency within the Executive Branch, separate from the MSPB, and it was renamed the United States Office of Special Counsel (OSC). Under the WPA, the OSC kept its basic investigative and prosecutorial functions and its role in litigating cases before the MSPB. The WPA also substantially amended the CSRA to enhance protections against reprisal for those employees who disclose wrongdoing in the federal government, and improve the ability of the OSC to enforce those protections.

Five years after passage of the WPA, Congress enacted the Office of Special Counsel Reauthorization Act of 1994. Pub. L. No. 103-424, 108 Stat. 4361 (1994). In response to widespread criticism concerning inordinate delays in the processing of complaints by OSC, Congress imposed a 240-day time limit on the agency, within which it is required to determine whether there are reasonable grounds for believing a prohibited personnel practice has been committed. The 1994 legislation also added approximately 160,000 employees of the Veterans Administration and certain government corporations to coverage under the statutes administered by OSC, as well as significantly broadening the definitions of the types of personnel actions covered under these statutes.[2] Finally, the 1994 legislation made federal agencies explicitly responsible for informing their employees of available rights and remedies under the WPA, and directed that OSC play a consultative role in that process.

B. OSC's Mission

OSC's mission is to protect federal employees and applicants, especially whistleblowers, from prohibited employment practices; to promote compliance by government employees with legal restrictions on political activity; and to facilitate disclosures of wrongdoing in the federal government. The OSC carries out this mission by:

- investigating complaints of prohibited employment practices, especially reprisal for whistleblowing, and pursuing remedies for violations;
- providing advisory opinions on, and enforcing, the Hatch Act;
- protecting the reemployment rights of veterans under the Uniformed Services Employment and Reemployment Rights Act (USERRA);
- operating an independent and secure channel for disclosure and investigation of wrongdoing in federal agencies; and
- promoting greater understanding of the rights and responsibilities of government employees under the statutes enforced by OSC.

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[2] The "Uniformed Services Employment and Reemployment Rights Act" (USERRA), Pub. L. No. 103-353, 108 Stat. 3149 (1994) (codified at 38 U.S.C. 4301), also enacted in 1994, gave the OSC additional responsibilities. Among other provisions, the Act authorized the OSC, under certain circumstances, to represent a federal employee who is a veteran or reservist before the MSPB and the U.S. Court of Appeals for the Federal Circuit, if a federal agency has failed to reemploy that person in accordance with provisions of the law.

C. OSC's Organization and Procedures

The OSC maintains its headquarters in Washington DC, and has two field offices: one in Dallas, Texas, and one in Oakland, California. The agency has two administrative support units in the headquarters office (the Human and Administrative Resources Management Branch and the Information Systems Branch). Their functions include budget, finance, personnel, procurement, information technology, and records management services.

The Special Counsel and her staff, who are responsible for policy making and the overall management of OSC, including congressional relations and public affairs, are located within the Immediate Office of the Special Counsel (IOSC). The OSC's Outreach Specialist is assigned to the IOSC, and is responsible for developing and/or coordinating proactive outreach efforts by OSC, and for promoting compliance by federal agencies with the employee information requirement at 5 U.S.C. § 2302(c).

The agency is organized into four operating divisions. These are the Complaint and Disclosure Analysis Division,[3] the Investigation Division, the Prosecution Division, and the Planning and Advice Division. Their functions, briefly, are as follows:

1. The Complaint and Disclosure Analysis Division includes OSC's two principal intake units for new matters received by the agency – the Complaints Examining Unit (CEU) and the Disclosure Unit (DU).

CEU. This unit is the intake point for all complaints alleging prohibited personnel practices and other violations of civil service law, rule, or regulation within the OSC's jurisdiction.[4] The attorneys and personnel management specialists in CEU conduct an initial review of complaints to determine whether they are within OSC's jurisdiction and whether further investigation is warranted. CEU refers all matters stating a potentially valid claim to the Investigation Division.[5]

DU. This unit is responsible for reviewing information submitted by federal whistleblowers, and for advising the Special Counsel on the appropriate disposition of

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[3] This division was established during FY 2000. Its two constituent parts - the Complaints Examining Unit and the Disclosure Unit - were formerly part of the agency's Prosecution Division.

[4] Unless noted otherwise, all successive references to prohibited personnel practice complaints received by CEU include complaints alleging violations of civil service law, rule, or regulation listed at 5 U.S.C. § 1216, except for alleged violations of the Hatch Act. The latter are treated as a separate category of complaints, and are processed by the Hatch Act Unit (described further under "Prosecution Division," at p. 4).

[5] When a matter is not referred for investigation, CEU must by law provide complainants with a written statement of reasons, to which they may respond. On the basis of the response, if any, CEU decides whether to finalize its preliminary determination to close the matter or to refer the matter to the Investigation Division.

the matter (including possible referral to the head of the relevant agency for investigation and a report to the OSC, referral to an agency Inspector General, or closure). DU also analyzes agency reports of investigation to determine whether they appear reasonable and meet statutory requirements before the Special Counsel transmits them to the President and appropriate congressional oversight committees.

2. The **Investigation Division (ID)** investigates complaints referred after the preliminary inquiry by CEU. (The division also investigates matters referred by the Prosecution Division's Hatch Act Unit.) Investigators prepare a report or summary of investigation, which the Prosecution Division uses as the basis for its analysis of the legal merits of a complaint.

3. The **Prosecution Division (PD)** consists of the General Law and Litigation Unit and the Hatch Act Unit (HAU).

General Law and Litigation Unit. Attorneys from this unit review all completed investigations to determine whether the inquiry has established any violation of law, rule, or regulation, and whether a request for stay or an enforcement action is warranted.[6] If a negotiated resolution with the agency involved cannot be reached, unit attorneys conduct any necessary litigation before the MSPB. The unit also represents the Special Counsel when the OSC intervenes or otherwise participates in other proceedings before the MSPB.

HAU. This unit is responsible for administration of Hatch Act restrictions on political activity by federal, and certain state and local, government employees. The unit issues advisory opinions to requesters seeking information about the application of the act's provisions to specific activities. It also receives and reviews complaints alleging Hatch Act violations, referring complaints when warranted to the Investigation Division for further inquiry.

4. The **Planning and Advice Division** provides legal advice and support to the OSC on general administrative matters; engages in strategic planning and policy development, including with respect to outreach and education activities; and manages the agency's Freedom of Information/Privacy Act and ethics programs.

III. Summary of FY 2000 Program Activity

Prohibited Personnel Practice Matters

Receipts and Investigations

During FY 2000, OSC received 1,958 new matters alleging prohibited personnel practices with 3,996 separate allegations. Of the 1,605 matters processed by the CEU

[6] The term "enforcement actions" includes corrective action proceedings against an agency, or disciplinary action proceedings against an individual, initiated by OSC before the MSPB, based on the apparent commission of a prohibited personnel practice or other violation of law, rule, or regulation within OSC's jurisdiction.

in FY 2000, OSC lacked jurisdiction in 267 matters (or 16.6% of the total matters processed), leaving 1,338 matters (83%) in which the agency was required by statute to conduct an inquiry. Following CEU review, 267 matters were referred for field investigation (20% of the matters over which OSC had jurisdiction). In addition, following initial review and inquiry, CEU closed 1,347 matters because there was insufficient basis for further OSC action, or because of satisfactory resolution of an employee's complaint during the initial review. The types of PPP allegations received in FY 2000 and the types of PPP allegations referred for investigation are included in Tables 1-4.

Enforcement Actions

Enforcement actions are cases filed by OSC with the MSPB that seek corrective action (relief intended to make an aggrieved employee whole), or disciplinary action (the imposition of discipline on an employee who has committed a violation). Under 5 U.S.C. § 1214, before OSC may initiate proceedings for corrective action before the MSPB, the OSC must report its findings and recommendations to the agency involved. Only when the agency has had a reasonable period of time to take corrective action and fails to do so, may OSC proceed to petition the Board for corrective action.

If OSC believes a PPP has been committed and initiates discussions with the agency, the matter is often resolved through settlement between the complainant and the agency. When an agency refuses to grant appropriate corrective action after a formal request from the Special Counsel, OSC generally proceeds immediately to file a complaint with the MSPB. In addition to rectifying the matter at issue, corrective action litigation often has the additional benefits of clarifying and expanding existing law, and of bringing greater public attention to the mission and the work of the OSC. This significantly increases the deterrent effect of OSC's efforts. In FY 2000, OSC filed four enforcement action complaints with the MSPB.

Under 5 U.S.C. § 1215, when OSC determines that disciplinary action against an employee is warranted, OSC can file a complaint directly with the MSPB. Should the agency agree to take appropriate disciplinary action on its own initiative, then the matter can be settled without resort to an MSPB proceeding.

Favorable Actions Achieved

OSC also obtained 57 informal favorable actions in PPP matters in FY 2000, and one corrective action in a USERRA matter. Of these favorable actions, 13 were disciplinary actions, with cases involving allegations of reprisal for whistleblowing accounting for 47 of the total favorable actions. OSC also obtained 11 stays of personnel actions through voluntary negotiations with agencies and two stays were obtained through petitions to the MSPB.

Recent Prohibited Personnel Practice Cases

Several of the cases that have recently been favorably resolved are illustrative of OSC's work protecting the merit system. They include, among others, an Immigration and Naturalization Service employee who claimed that he was demoted and suffered a three week suspension in retaliation for providing testimony to Congress concerning the "Citizenship USA" program; a Department of Education official who alleged that he was reassigned out of his job because he was suspected of disclosing the agency's improper, preferential treatment of a financially troubled private college; and a research scientist with the Department of Veterans Affairs who claimed that her term appointment was not renewed because she had disclosed scientific misconduct by her supervisor.

In FY 2000, OSC also obtained the largest disciplinary action settlement in the agency's history as a result of its investigation into an illegal hiring scheme at the National Credit Union Administration (NCUA), which used bogus duty stations to hire pre-selected candidates. Ten NCUA officials were subjected to disciplinary actions that included significant suspensions coupled with salary reductions. See Federal Times, April 3, 2000 ("Credit Union Disciplines 10 Executives").

Table 1

Summary of Prohibited Personnel Practice Matters

	FY 1998	FY 1999	FY 2000
Matters received	1,721	1,716	1,958
Matters processed by Complaints Examining Unit (CEU)	1,938	1,661	1,605
Matters processed in which OSC had jurisdiction	1,639	1,413	1,338
Matters closed by CEU	1,678	1,380	1,347
Matters referred for full field investigation	260	287	267
Enforcement actions	3	3	4
Stays - negotiated	10	12	11
Stays - obtained from the MSPB	0	1	2
Favorable actions obtained	65	52	58

Table 2

Summary of Whistleblower Reprisal Matters

	FY 1998	FY 1999	FY 2000
Matters received	691	749	773
Matters processed by CEU	863	741	646
Matters processed in which OSC had jurisdiction	774	670	600
Matters closed by CEU	656	519	671
Matters referred for full field investigation	207	224	178
Enforcement actions	1	1	2
Stays – negotiated	8	10	2
Favorable actions obtained	42	36	47

Table 3

Allegations Contained in Matters Received During FY 2000

Nature of Allegation	Number of Allegations
Reprisal for whistleblowing [§ 2302(b)(8)]	736
Reprisal for exercise of a right of appeal [§ 2302(b)(9)]	674
Discrimination on the basis of race, color, sex, national origin, religion, age, or handicapping condition [§ 2302(b)(1)(a)(D)]	618
Violation of a law, rule, or regulation implementing or concerning a merit system principle [§ 2302(b)(11)]	582
Disclosures of alleged violation of a law, rule, or regulation; gross mismanagement; gross waste of funds; abuse of authority; or a danger to public health or safety [§ 1213(c) or § 1213(g)]	463
Granting of unauthorized preference or advantage [§ 2302(b)(6)]	418
Deception or obstruction of the right to compete [§ 2302(b)(4)]	266
Allegations which did not cite or suggest any prohibited personnel practice or prohibited activity	181
Discrimination on the basis of non-job related conduct [§ 2302(b)(10)]	119
Appointment, promotion, or advocating the appointment or promotion of a relative [§ 2302(b)(7)]	71
Violation of a Veterans Preference Requirement	66
Solicitation or consideration of unauthorized recommendations [§ 2302(b)(2)]	64
Arbitrary or capricious withholding of information requested under the Freedom of Information Act [§ 1216(a)(3)]	47
Attempts to secure withdrawal from competition [§ 2302(b)(5)]	45
Violation of the Hatch Act by a state or local government employee [5 U.S.C. ch. 15]	38
Violation of the Hatch Act by a federal employee [§§ 7323-24]	33
Discrimination on the basis of marital status or political affiliation [§ 2302(b)(1)(E)]	24
Coercion of political activity [§ 2302(b)(3)]	2
Prohibited activity	2
Violation MSP reprisal for Whistleblowing	1
Suit against OSC-FOIA or PA	1
Total	4,451[7]

[7] Each matter may contain more than one allegation. Thus, this total exceeds the total number of matters received. Moreover, while a matter is being handled by OSC, additional allegations may be added to those initially presented to OSC.

Table 4

Allegations Contained in Matters Referred for Field Investigation During FY 2000

Nature of Allegation	Number of Allegations
Reprisal for whistleblowing [§ 2302(b)(8)]	171
Violation of a law, rule, or regulation implementing or concerning a merit system principle [§ 2302(b)(12)]	140
Reprisal for exercise of a right of appeal [§ 2302(b)(9)]	126
Granting of unauthorized preference or advantage [§ 2302(b)(6)]	68
Deception or obstruction of the right to compete [§ 2302(b)(4)]	45
Discrimination on the basis of race, color, sex, national origin, religion, age, Handicapping condition, or marital status[§2302(b)(1)(A)-(E)]	43
Discrimination on the basis of non-job related conduct [§ 2302(b)(10)]	24
Securement of withdrawal from competition [§ 2302(b)(5)]	17
Appointment, promotion, or advocating the appointment or promotion of a relative [§ 2302(b)(7)]	9
Discrimination-marital status	9
Solicitation or consideration of unauthorized recommendations [§ 2302(b)(2)]	8
Violation of a Veterans Preference requirement	4
Violation of the Hatch Act by a federal employee [5 U.S.C. § 7323-24]	4
Violation of the Hatch Act by a state or local government employee [5 U.S.C. Ch. 15]	3
Arbitrary or capricious withholding of information requested under the Freedom of Information Act [§ 1216(a)(3)]	3
Total	680[8]

[8] See fn. 7.

Hatch Act Matters

Advisory Opinions

OSC's Hatch Act Unit saw a significant increase in requests for assistance during FY 2000, in part due to state, local and federal primaries and general elections held during the year. During FY 2000, the OSC issued 2,810 advisory opinions in response to telephone, written and e-mail inquiries.

Violations and Enforcement

During FY 2000, OSC received 98 new matters alleging violations of the Hatch Act. Following initial review by the Hatch Act Unit, five matters were referred for field investigation. OSC issued 21 warning letters during this period and four Hatch Act enforcement actions were filed in FY 2000.

Recent Hatch Act Cases

The Hatch Act Unit has begun to generate significant litigation activity at OSC. Many of these cases have resulted in significant public and media interest. For example, in August 2000, a Regional Administrator for the Environmental Protection Agency was suspended from his position without pay for 100 days, in settlement of OSC's petition for disciplinary action, alleging that he violated the Hatch Act by soliciting campaign contributions. See Govexec.com, Sept. 6, 2000 ("As Elections Near, Don't Get Caught in the Hatch Act"). In November 2000, the Acting Administrator of the Health Care Financing Administration, HHS, agreed to resign from his position for holding a political fundraiser in his home, in violation of the Hatch Act. See Washington Post, Dec. 16, 2000 ("Head of HCFA Is Forced To Quit For Hatch Act Violation"). And, just days before last November's Presidential election, OSC was sued in federal court by the American Postal Workers Union, which challenged an OSC advisory opinion that the display of a partisan political poster on union bulletin boards nationwide violated the Hatch Act. See Washington Post, Nov. 3, 2000 ("As Election Looms, Postal Service and Union Wrangle Over Hatch Act"); Federal Times, Dec. 4, 2000 ("Appeals Court to Hear Hatch Arguments").

Table 5

Summary of Hatch Act Matters			
	FY 1998	FY 1999	FY 2000
Advisory opinions issued	2,124	2,063	2,810
Matters received	83	71	98
Matters referred for investigation	6	3	5
Disciplinary action complaints filed with MSPB	0	3	4
Disciplinary actions obtained before MSPB and through negotiation	5	1	2
Warning letters issued	20	21	21

Whistleblower Disclosures

In addition to its investigative and prosecutorial mission, OSC provides a safe channel through which federal employees, former federal employees, or applicants for federal employment may disclose information they reasonably believe evidences a violation of law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to public health or safety. 5 U.S.C. § 1213(a).

During FY 2000, OSC received 422 disclosure matters for possible referral to the agency concerned under §§ 1213(c) or 1213(g). In addition, 209 disclosure matters were carried over from FY 1999. A disclosure matter usually contains multiple allegations of a violation of law, rule, or regulation; gross mismanagement; gross waste of funds; abuse of authority; or a substantial and specific danger to public health or safety. In FY 2000, the Disclosure Unit referred 8 matters to agency heads for their review and completed action on 389 matters.

Recent Disclosure Cases

The Disclosure Unit has become an increasingly important player in uncovering and publicizing misconduct and waste of public funds. This past year, for example, Dr. Donald Sweeney, an economist with the St. Louis District of the Army Corps of Engineers, provided OSC with information demonstrating a substantial likelihood that Army Corps of Engineers officials had exerted improper influence and manipulated a cost-benefit analysis for purposes of obtaining approval to undertake a navigation improvement project on the Upper Mississippi River and Illinois Waterway. The project involved the expansion of locks along the Upper Mississippi at an estimated cost of between 750 million and 1.1 billion dollars. An investigation conducted by the Army, on the basis of OSC's transmittal, substantiated Dr.

Sweeney's allegations. See New York Times, Dec. 7, 2000 ("Army Corps Falsified Data for a Project, Study Says"); Associated Press, Dec. 6, 2000 ("Feds Find Army Corps Rigged Data").

Similarly, within the past few months, OSC has reported to Congress and the President about gross mismanagement at the Department of Education (involving risks to billions of dollars in student loan program money), see Associated Press, Feb. 1, 2001 ("Education Worker's Claims Supported"); Govexec.com, Feb. 5, 2001 ("Report Raps Education for 'Gross Mismanagement' of Grants Program"), and the illegal reallocation of millions of dollars in funds from accounts dedicated to small disadvantaged businesses at the Small Business Administration. OSC has also in recent years overseen investigations that substantiated whistleblower disclosures concerning design issues for NASA's Space Shuttle and patient safety at VA Hospitals.

Table 6

Summary of Disclosure Matters

	FY 1998	FY 1999	FY 2000
Matters received	331	369	422
Disclosures referred for investigation and a report under § 1213(c)	2	15	8
Disclosure allegations referred to agency Inspectors General	65	71	106
Disclosure allegations closed due to lack of sufficient basis for further action	247	349	303
Remaining disclosures carried over to next fiscal year for completion of review	257	209	245

Outreach Program

One of Special Counsel Kaplan's top priorities is to combat the widespread ignorance in the federal workforce concerning OSC and the laws it enforces. During FY 1999, Special Counsel Kaplan eliminated one of the two positions previously allocated to the Congressional and Public Affairs Division, and deployed the FTE to hire an Outreach Specialist. As a result, for the first time in its history, OSC now has an established program for providing outreach and training, and FY 2000 was the first full fiscal year of the program's existence.

The Outreach program has been established to assist agencies in meeting their statutory mandate under 5 U.S.C. § 2302(c), which Congress imposed in 1994. Under that provision, federal agencies are responsible "for ensuring (in consultation with the Office of Special

Counsel) that agency employees are informed of the rights and remedies available to them" under chapters 12 and 23 of Title 5. Because of this clear statutory mandate, OSC considers outreach to federal managers and employees to be an essential part of its mission.

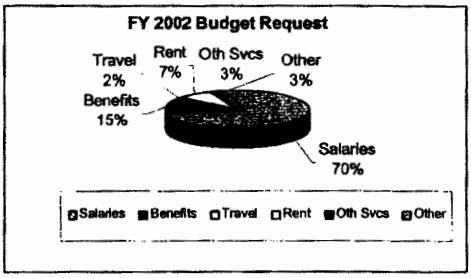
A chief focus of the Outreach program is to work proactively with federal agencies to design employee education programs. A significant step towards achieving that goal came in FY 2000 with OSC's conducting a survey of federal agency efforts to comply with § 2302(c). The results of that survey will guide future program design and compliance efforts. Moreover, the conducting of the survey itself caused many agencies to implement stepped-up measures to inform their employees of their rights. Other Outreach achievements during FY 2000 include a significant number of presentations by OSC speakers (80 presentations at 75 events). Among these presentations were eight Hatch Act forums conducted by OSC nationwide, prior to the 2000 federal, state and local elections, to explain the laws governing political activity by federal employees. In addition, FY 2000 saw a significant increase in use of OSC's web-site (www.osc.gov), which has now become an established and highly-utilized source of information about OSC and the laws it enforces: the number of user-sessions increased 32% (from 175,444 sessions in FY 1999 to 231,342 sessions during FY 2000). These significant results are also explained more fully in OSC's FY 2000 GPRA report referenced above.

V. Fiscal Year 2002 Request

OSC is requesting $11,784,000 to fund 106 FTEs for FY 2002. This represents an increase of $662,000 over OSC's FY 2001 final appropriation of $11,122,000, with no change in the FTE level. A large part of this increase, $252,000 (38%) is to pay for the projected FY 2002 salary increase of 3.6%.

The balance of the increase in funding sought, $410,000, or 62%, represents modest increases in other categories, i.e., rent, other services, supplies and materials, and equipment. In addition, a portion of this increase is necessary to fund items mandated by law or regulation, including increased costs for OSC's public transit subsidy program, and implementation of the Government Paperwork Elimination Act. Finally, OSC is anticipating retirements during FY 2002, and has set aside an increased amount to pay anticipated lump sum terminal leave benefits.

Salaries, benefits, GSA rent, and travel for conducting investigations make up approximately 94% of the OSC's budget request. The chart, at right, shows how the FY 2002 request will be distributed on a percentage basis.



Object classification data is shown in *Table 7, Object Classification*. Budget authority and outlay data can be found in *Table 8, Analysis of Resources, FY 2000 through FY 2002*, starting on page 16.

The estimate of the OSC's anticipated workload can be found in *Table 9, Allegations Received*, on page 16, and *Table 10, Allegations Closed*, on page 17.

Table 11, Breakdown of All Matters, Pending and Completed, shows the number of all new matters received from FY 1996 through FY 2000. It should be noted that while the new matters category includes Disclosure Unit and Hatch Act matters, it does not include Hatch Act advisory opinion requests.

Table 7

Object Classification
FY 2000 Through FY 2002
(in thousands of dollars)

Object Classification	Actual FY 2000	Est FY 2001	Est FY 2002
11.1 Personnel compensation	6,449	7,550	8,176
12.1 Civilian personnel benefits	1,387	1,710	1,781
21.0 Travel and transportation of persons	199	238	200
22.0 Transportation of things	10	12	10
23.1 Rental payments to GSA	815	846	867
23.3 Communications, utilities and misc. charges	138	189	130
24.0 Printing and reproduction	25	35	25
25.0 Other services	470	350	375
26.0 Supplies and materials	61	66	70
31.1 Equipment	149	126	150
99.9 Total	**9,703**	**11,122**	**11,784**

Table 8

Analysis of Resources
FY 2000 Through FY 2002
(in thousands of dollars)

Description	Actual FY 2000	Est FY 2001	Est FY 2002
Budget Authority	9,703	11,122	11,784
Outlays	9,548	10,944	11,595
Full-time employment (workyears)	96	106	106

Table 9

Allegations Received and Anticipated
FY 2000 Through 2002

Description	Actual FY 2000	Est FY 2001	Est FY 2002
Reprisal for whistleblowing	736	750	775
Hatch Act	71	85	85
Other personnel practices	3,644	3,670	3,690
Total Allegations Received and Anticipated	4,451	4,505	4,550

Table10

Allegations Closed
FY 2000 Through 2002

Description	Actual FY 2000	Est FY 2001	Est FY 2002
Reprisal for whistleblowing	628	870	880
Hatch Act	67	60	60
Other allegations	3,245	3,650	3,675
Total Allegations Processed	3,940	4,580	4,615

Table 11

Breakdown of all Matters, Pending and Completed
FY 1996Through FY 2000

Description	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
Matters pending at beginning of year	1,110	1,402	1,182	1,037	1,048
New matters	2,234	2,224	2,135	2,156	2,537
Matters closed	1,942	2,444	2,280	1,705	2,089
Matters pending end of year	1,402	1,182	1,037	1,048	1,496

UNITED STATES TAX COURT

BEFORE THE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT COMMITTEE ON APPROPRIATIONS U.S. HOUSE OF REPRESENTATIVES

Statement by Chief Judge Thomas B. Wells on the U.S. Tax Court's Appropriation Request and Program for Fiscal Year 2002

April 3, 2001

Mr. Chairman and members of the Committee, I present for your consideration the appropriation request of the United States Tax Court for fiscal year 2002.

FISCAL YEAR 2002 BUDGET REQUEST

The Tax Court's fiscal year 2002 budget request is for $37,305,000 and 335 permanent positions. This amount represents an amount equal to the fiscal year 2001 appropriation of $37,305,000.

The Court's request is simply to fund the normal day-to-day operations of processing cases from the time of filing through trial and final decision.

INVENTORY OF THE U.S. TAX COURT

Any discussion of the Court's workload must emphasize that, at the present time, the Tax Court handles approximately 95% of all substantive tax litigation in the Federal courts. As the Committee knows, it is the only court where taxpayers can litigate their cases without prior payment of a tax deficiency determined by the Internal Revenue Service. Proceedings in the Tax Court are begun by the filing of a petition by a taxpayer who has been issued an appropriate notice by the Commissioner of Internal Revenue. The Tax Court has no control over issuance of these various types of notices.

73-567 D-01--60

At page 3 of our budget justifications for fiscal years 2000 and 2001, we stated that the Court could expect to receive 100,000 new case filings for the fiscal year. We anticipated that the large majority of these cases would involve request for relief from joint and several liability on joint returns and collection due process matters. During the first four months of fiscal year 2001 the expected heavy filings have not materialized. We still believe, however, that it is inevitable that large numbers of these cases will be filed, if not in the current fiscal year, then in fiscal year 2002.

According to the annual report for the Internal Revenue Service for fiscal year 1998, there were over 383,000 liens filed and over 2,500,000 levies on property. The total amount of revenue involved was approximately $30 billion. Assuming these numbers remain fairly constant, even a small percent seeking judicial review of adverse determinations by the Internal Revenue Service would substantially increase our workload. Thus, it is imperative that the Court have the necessary fiscal resources to ensure that these types of cases (as well as others in our inventory) move through the judicial system as promptly as possible.

SUMMARY

The Tax Court's goal is to resolve cases expeditiously while giving careful consideration to the merits of each matter. The goals, as always, will remain constant as the Court endeavors to function as a safety valve in the self-assessment system, to assure a uniform interpretation of the Internal Revenue Code, and to provide a national forum for the resolution of disputes between the taxpayers and the Internal Revenue Service.

UNITED STATES TAX COURT

Fiscal Year 2002 Budget Justification

Thomas B. Wells

Chief Judge

UNITED STATES TAX COURT
FISCAL YEAR 2002 BUDGET ESTIMATES
TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS i

INTRODUCTION 1

SALARIES AND EXPENSES

Appropriation Language 2
Inventory of the U.S. Tax Court 3
Fiscal Year 2002 Staffing Needs 5
Fiscal Year 2002 Performance Measurement Plan 6
Fiscal Year 2002 Program 8
Summary of Fiscal Year 2002 Budget Request 9
Tax Court Independent Counsel 13

TAX COURT JUDGES' SURVIVORS ANNUITY FUND

Introduction 14
Program and Financing 15

INTRODUCTION

The United States Tax Court is a Court of record established under Article I of the Constitution of the United States. The Court is composed of a Chief Judge and eighteen judges. Judges of the Tax Court are appointed by the President, by and with the advice and consent of the Senate, for 15 year terms. Decisions by the Court are reviewable by the United States Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties, the judges are assisted by Senior Judges, who participate in the adjudication of regular cases, and by Special Trial Judges, who hear small tax cases and certain regular cases assigned to them by the Chief Judge. During fiscal year 2002, the Court anticipates having five Senior Judges and thirteen Special Trial Judges serving on the Court.

The Court conducts trial sessions throughout the United States, including Hawaii and Alaska.

The matters over which the Court has jurisdiction are set forth in various sections of Title 26 of the U.S. Code.

SALARIES AND EXPENSES
APPROPRIATION LANGUAGE

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; *$37,305,000*: Provided, That travel expenses of the judges shall be paid upon the written certificate of the judge.

(Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(3) of P.L. 106-554.)

INVENTORY OF THE U.S. TAX COURT

During fiscal year 2000, the number of cases filed with the Court decreased 33% from the previous year, from 20,302 cases filed in fiscal year 1999 to 13,676 cases filed in fiscal year 2000. The Court closed fiscal year 2000 with 15,324 pending cases, a 24% reduction from September 30, 1999.

The number of cases filed, closed, and pending the last ten fiscal years is as follows:

FISCAL YEAR	FILED	CLOSED	PENDING
1991	29,636	33,331	48,374
1992	30,345	34,823	44,376
1993	28,007	33,035	39,644
1994	23,524	33,475	30,424
1995	25,402	26,906	29,678
1996	27,892	29,529	29,281
1997	25,955	28,357	27,659
1998	21,185	25,987	23,138
1999	20,302	23,569	20,131
2000	13,676	18,676	15,324

At page 3 of our budget justifications for fiscal years 2000 and 2001, we stated that the Court could expect to receive 100,000 new case filings for the fiscal year. We anticipated that the large majority of these cases would involve request for relief from joint and several liability on joint returns and collection due process matters. During the first four months of fiscal year 2001 the expected heavy filings have not materialized. We still believe, however, that it is inevitable that large numbers of these cases will be filed, if not in the current fiscal year, then in fiscal year 2002.

According to the annual report for the Internal Revenue Service for fiscal year 1998, there were over 383,000 liens filed and over 2,500,000 levies on property. The total amount of revenue involved was approximately $30 billion. Assuming these numbers remain fairly constant, even a small percent seeking judicial review of adverse determinations by the Internal Revenue Service would substantially increase our workload. Thus, it is imperative that the Court have the necessary fiscal resources to ensure that these types of cases (as well as others in our inventory) move through the judicial system as promptly as possible.

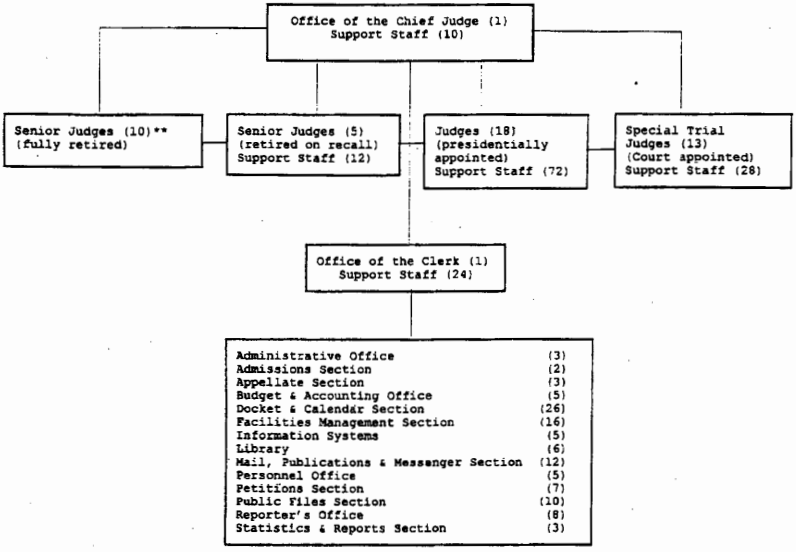
For 2002, the Court proposes a trial program of 600 weeks consisting of 264 weeks of trial sessions assigned to Presidentially appointed Judges, 236 weeks of trial sessions assigned to Special Trial Judges, and 100 weeks of lengthy special sessions. This represents no increase over the fiscal year 2001 request.

The Court's inventory of 15,324 cases as of September 30, 2000, involves approximately $25 billion in deficiencies determined by the Internal Revenue Service. It is to be noted that 713 cases, or 5% of the pending inventory, have deficiencies in dispute of $1 million or more and cumulatively represents 95% of the total deficiencies. These types of cases are assigned to a judge for active management and normally involve considerable pretrial activity, particularly in the area of discovery. The trial of such a case will often consume from 4 to 6 weeks, whereas by way of contrast, the average trial time for an ordinary case is 1 day or less. However, it does not necessarily follow that there would be a higher "return on the dollar" in these large cases. The percent of recovery by the government, in any case, large or small, depends entirely on the facts presented by both parties and the application of legal principles to those facts.

Statistics on the actual and estimated number of cases before the Court are presented in the following tabulation:

	2000 Actual	2001 Estimate	2002 Estimate
Pending, beginning of year	20,131	15,324	65,324
Docketed during year	13,676	105,000	105,000
Adjustments during year	193	0	0
Disposed of during year	18,676	55,000	55,000
Pending, end of year	15,324	65,324	115,324

UNITED STATES TAX COURT
FISCAL YEAR 2002 STAFFING NEEDS*



*As of January 2, 2001, total staffing needs (295).
**Not included in total staffing needs

PERFORMANCE MEASUREMENT PLAN

Mission Statement

The Tax Court's mission is to resolve cases expeditiously while giving careful consideration to the merits of each matter. The Court is also committed to providing taxpayers with a convenient forum for trial and simplifying the presentation of disputes involving relatively small amounts of tax dollars. The goals, as always, will remain constant as the Court endeavors to function as a safety valve in the self-assessment system, to assure a uniform interpretation of the Internal Revenue Code, and to provide a national forum for the resolution of disputes between the taxpayers and the Internal Revenue Service.

Single Plan

Unlike many other government agencies with multiple programs or the Federal Court system which has jurisdiction over many areas, the Tax Court has only one program, the judicial resolution of Federal tax cases.

Thus the performance goals applied by the Court to it's single program is to dispose of all cases as quickly as possible. In order to achieve this end, the Court schedules cases for trial promptly, ideally within one year from the commencement of the case. Over the last several years, each active judge has been assigned 6 to 8 trial sessions per year and up to 150 cases are scheduled for trial at each session. Although the majority of cases are closed as a result of an agreed settlement between the parties, in many of these cases a judge is actively involved in pre-trial and settlement discussions with the parties. The disposition of tried cases by written opinion normally occurs less than one year from the date of trial.

The Chief Judge continues to monitor workload to assure prompt disposition of tried cases. Because the inventory of cases is dependent on the extent of audit and collection activity by the Internal Revenue Service, it is difficult to project an anticipated case load for future years. We continue to attempt to effect the disposition of cases promptly, closing more cases in a given year than are filed in order to avoid building up a backlog of old cases. We have been able to achieve this goal for the last ten fiscal years.

Realizing the importance of input from all the stakeholders who have a part in the U.S. Tax Court, our strategic planning process has historically included consultation with lawyers from all segments of the nations's bar, officials of the legislative, executive, and judicial branches, and the taxpayers. The Court bi-annually schedules a Judicial Conference in order that this part of the plan is accomplished.

In order to continue to accomplish the performance goals, the funding levels reflected in the 2002 plan are consistent with the single program. The Court has made its best effort to distribute costs to accomplish the relevant goals.

The Court validates the measured values of actual performance as annually presented in the budget justification.

FISCAL YEAR 2002 BUDGET REQUEST

1. The fiscal year 2002 budget request does not incorporate or make provisions for any new programs. The amount requested is the result of existing programs.

2. Necessary procedures are, and have been, in place to review end of year spending to insure that funds are not being obligated unnecessarily. The Clerk of the Court, designated by the Chief Judge, is accountable for all spending and is specifically charged with the responsibility for review of year-end spending.

3. The Court will continue the training program started in fiscal year 1986 for the Presidentially appointed judges. The Court has found that this training for the judges and other staff has been a success. The total amount requested for this training is $19,000, although much less is usually expended each fiscal year. The Court has not requested an increase in this amount since the inception of the judges training program.

SUMMARY OF FISCAL YEAR 2002 BUDGET REQUEST

A summary of the fiscal year 2002 funding requirements for conducting the Court's activities follows:

	2001	2002	Difference
Positions	335	335	0
Personnel Compensation and Benefits	$22,239,000	$22,239,000	0
Other Costs	$15,066,000	$15,066,000	0
Budget Authority/ Appropriation	$37,305,000	$37,305,000	0

The fiscal year 2002 request represents an amount equal to the fiscal year 2001 appropriation. The Court will absorb all costs associated with inflation and, therefore, has not requested an increase in funding over the fiscal year 2001 level.

Program Changes

Other Cost Adjustments(+$0.00)

An increase in the amount of (+ $688,000) is required to finance the higher rent payments to GSA due to increased rates. The Court has no control over the amount of this increase.

A decrease in the amount of (-$688,000) for equipment (-$661,000) and supplies (-$27,000).

As required by Section 131(b) of the Supplemental Appropriation Act of 1955, as amended (31 U.S. C. 200(b)), it is hereby certified that all statements of obligations reported and furnished to the Office of Management and Budget, in connection with this request of the United States Tax Court for proposed appropriation for fiscal year 2002, consist of valid obligations as defined in Section 1311 of the Act.

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Case 220

STANDARD FORM 300
July 1998, Bureau of the Budget
Circular No. A-11, Revised.
300-10:

UNITED STATES TAX COURT
SALARIES AND EXPENSES
Program and Financing (in millions of dollars)

Identification code 23-0100-0-1-752	2000 actual	2001 estimate	2002 estimate
Obligations by program activity:			
10.00 Total new obligations	33	37	37
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	35	37	37
23.95 Total new obligations	-33	-37	-37
23.98 Unobligated balance expiring	- 2	---	---
New budget authority (gross) detail:			
Discretionary			
40.00 Appropriation	35	37	37
70.00 Total new budget authority(gross)	35	37	37
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year	4	6	7
72.99 Obligated balance, start of year	4	6	7
73.10 Total new obligations	33	37	37
73.20 Total outlays (gross)	-31	-36	-37
74.40 Unpaid obligations, end of year	6	7	7
74.99 Obligated balance, end of year	6	7	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	31	33	33
86.93 Outlays from discretionary balances	---	3	4
87.00 Total outlays(gross)	31	36	37
Offsets:			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources	---	---	--
Net budget authority and outlays:			
89.00 Budget authority	35	37	37
90.00 Outlays	32	36	37
(Memo ent: 26.8)	(Memo ent: 6)	(Memo ent: 8)	(Memo ent: 4.8)

10

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

UNITED STATES TAX COURT
SALARIES AND EXPENSES
Object Classification (in millions of dollars)

Identification code 23-0100-0-1-752		2000 actual	2001 estimate	2002 estimate
Personnel compensation:				
11.1	Full-time permanent	16	18	18
12.1	Civilian personnel benefits	3	4	4
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	1	1	1
23.1	Rental payments to GSA	7	8	9
25.2	Other services	3	3	3
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	—
99.9	Total obligations	33	37	37
	(Memo cost: 21.0)	(Memo cost: 0)	(Memo cost: 0)	(Memo cost: 4.9)

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STANDARD FORM 306
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
500-102

UNITED STATES TAX COURT
SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

23-0100-0-1-752	2000 actual	2001 estimate	2002 estimate
Judges, $145,100	24	24	24
Positions established under Section 7443A, IRC of 1986, as amended:			
Special Trial Judges, $130,590	11	13	13
Senior Level Positions	4	4	4
GS-15	11	11	11
GS-14	8	8	8
GS-13	33	35	35
GS-12	36	37	37
GS-11	57	54	54
GS-10	17	18	18
GS-09	45	44	44
GS-08	7	6	6
GS-07	31	30	30
GS-06	20	21	21
GS-05	15	15	14
GS-04	6	5	6
GS-03	4	4	5
GS-02	2	2	2
Ungraded	4	4	3
Total permanent positions	335	335	335
Unfilled positions, end of year	-40	-40	-40
Total permanent employment, end of year	295	295	295
(Memo cost: 18.8)	(Memo cost: 4.9)	(Memo cost: 4.9)	(Memo cost: 4)

GPO: 1964 O - 782-483

1895

TAX COURT INDEPENDENT COUNSEL

This presentation includes the "Tax Court independent counsel" fund. This fund is established pursuant to 26 U.S.C. 7475. The fund is used by the Tax Court to employ independent counsel to pursue disciplinary matters involving practitioners admitted to practice before the Court.

TAX COURT JUDGES SURVIVORS ANNUITY FUND
INTRODUCTION

This fund, established under Title 26, U.S. Code, section 7448, is used to pay survivorship benefits to eligible surviving spouses and dependent children of deceased judges of the U.S. Tax Court. Participating judges pay 3.5% of their salaries or retired pay into the fund to cover creditable service for which payment is required. Additional funds, subject to a maximum of 11% of the participating judges salaries, are provided, as needed, through the annual appropriation of the U. S. Tax Court.

On September 30, 2000, 20 judges of the Court were participating in the fund, and 1 eligible dependent and 9 eligible widows were receiving survivorship annuity payments.

Type size:
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STANDARD FORM 300
July 1994, Bureau of the Budget
Circular No. A-11, Revised.
300-101

UNITED STATES TAX COURT JUDGES SURVIVORS ANNUITY FUND
Program and Financing (in millions of dollars)

Identification code 23-8115-0-7-602		2000 actual	2001 estimate	2002 estimate
	Budgetary resources available for obligation:			
21.40	Unobligated carried forward, start of year	7	7	7
23.95	Total new obligations	---	---	---
24.40	Unobligated balance carried forward, end of year	7	7	7
	Net budget authority and outlays:			
89.00	Budget authority	1	1	1
90.00	Outlays	1	1	1
	Memorandum (non-add) entries:			
92.01	Total investments, start of year: Federal securities: Par value	7	7	7
92.02	Total investments end of year Federal securities: Par value	7	7	7

15

(Memo cost: 22.0) (Memo cost: 4) (Memo cost: 6) (Memo cost: 4.0)

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WITNESSES

	Page
Barton, W.R	841
Bates, S.N	841
Bennett, D.D	841
Chistolini, Paul	841
Cohen, S.R	1579
Comstock, A.L	1474
Daniel, J.F	1
Daniels, M.E., Jr	243
Davis, T.M., Sr	841
Larsen, P.D	1
Mason, D.M	611
Slavet, B.S	1271
Wagner, G.M	841
Wells, Chief Judge T.B	1909

INDEX

Page

Executive Office of the President:
- Budget Justification 123
- Chief Financial Officer 24
- Detailee Policy 30
- Electronic Documents Management System 28
- Executive Residence 32
- Faith-based Initiative 29, 34
- Impact of Nomination Process 32
- Information Technology 22
- Information Technology Architecture 22
- National Security Council 33
- Opening Remarks, Chairman Istook 1
- Opening Statement, Chairman Istook 4
- Opening Statement, Phillip Larsen 12
- Questions Submitted by the Committee 36
- Security Enhancements at the Vice-President's residence 33
- Telephone System 23
- Transition Activities 8
- Unanticipated Needs 25
- Vice-President's Residence Utilities 26
- White House Staffing 24, 30, 34

Executive Residence at the White House: Budget Justification 225

Office of Management and Budget:
- Budget Justification 421
- Budget and Performance Integration 262
- Budget Resolution 263
- E.O. 13166, "Improving Access to Services for Persons with Limited English Proficiency" 253, 268
- Federal Employee Pay Comparability Act (FEPCA) 256, 257
- First Accounts Program, CDFI and Secret Service 266
- Opening Statement, Chairman Istook 246
- Opening Statement, Director Daniels 249
- OMB's Management Agenda 255
- Paperwork Reduction Act 265
- Privatization 259
- Questions Submitted by the Committee 272
- Representative Hoyer 297
- Representative Meek 325
- Representative Northup 319
- Representative Price 323
- Representative Rothman 318
- Representative Tiahrt 315
- Secure Our Schools Act 260

Page

Office of Management and Budget—Continued
Selection Reform 270
Treasury Department Law Enforcement 269
Office of National Drug Control Policy:
Acting Director Edward H. Jurith's Written Statement 443
Introduction 443
Current Drug Use Trends 444
The Consolidated Fiscal Year 2002 Drug Control Budget 446
ONDCP's Coordinating Role 447
ONDCP's FY 2002 Budget Request 448
Conclusion 460
Questions for the Record 461
ONDCP's Fiscal Year 2002 Budget Submission 502
Letter to Representative Meek from OMB Director Mitchell E. Daniels, Jr. 582
Committee for Purchase From People Who Are Blind or Severely Disabled: Budget Justification for FY 2002 585
Federal Election Commission:
Statement Submitted by David M. Mason, Vice Chairman 611
Questions for the Record Submitted by the Subcommittee 625
Budget Justification for FY 2002 640
Federal Labor Relations Authority: Budget Justification for FY 2002 791
General Services Administration:
Alternative Fuel Vehicles 865
Alternative Fuel Vehicles, Sale of 884
Barton, Recognition of William 842
Capital Program 844
Capital Program, Fiscal Constraints on 877
Computer Security, Collaboration for 883
Computer Security Incidents 883
Contract Guards at Federal Buildings 885
Contract Guards, Increase in Number of 886
Courthouse Construction Request 876
Courthouse Priorities 892
Courthouse Program, Additional 877
Courthouse Program, Impact of Not Fully Funding 877
Courthouses, Criteria for Construction/Alteration of 891
Courtroom Sharing 892
Court Space, Need for Additional 895
Davis, Statement of Mr. 843, 846
Dearie, Statement of the Honorable Raymond J. 912
Hammond, IN Courthouse Budget 895
Hammond, IN Courthouse, Delay of 894
Hammond, IN Courthouse, Status of 893
Disagreements Concerning Design 891
Durham, Locating Federal Offices in 880
Electronic Government 844
EPA Facility, Move Scheduled for 879
EPA Facility—Research Triangle Park 879
Federal Buildings Fund 842
Energy Costs, Federal Buildings Projected 866
Energy, Long-term Contracts to Purchase 867
Energy Prices and Consumption, Rising 865
FSS Schedule 1122 Program 880, 887
GSA Coordination with Congress 889

Page

General Services Administration—Continued
Limited English Proficiency (LEP), Guidance Regarding 896
Hoyer, Opening Statement of Mr. 863
Istook, Opening Statement of Chairman 841
Judiciary Latitude in Courtroom Construction 893
Judiciary's Five-Year Plan 878
Miami Courthouse, Cost of 893
Miami Courthouse Project, Status of 891
New Technologies 882
Overnight Package Delivery Rates 883
Privatizaton 887
Repairs and Alterations Backlog 882
Repairs and Alteration Projects, Criteria for Selecting 881
Repairs and Alterations Request 881
Repairs to the Peter Rodino Federal Building 885
Roth, Statement of Judge Jane R. 902
Security Improvements 882
Consumer Products Safety Commission Project, Status of 891
Timetable for New Administrator 864
U.S. Merit Systems Protection Board:
Statement Submitted by Beth S. Slavet, Chairman 1271
Budget Justification for FY 2002 1280
National Archives:
Questions for the Record Submitted by the Subcommittee 1297
Budget Justification for FY 2002 1351
U.S. Office of Government Ethics: Budget Justification for FY 2002 1473
Office of Personnel Management:
Statement Submitted by Steven R. Cohen, Acting Director 1549
Questions for the Record Submitted by the Subcommittee 1561
Statement Submitted by Patrick E. McFarland, Inspector General 1673
Budget Justification for FY 2002 1678
Office of Special Counsel: Budget Justification for FY 2002 1859
U.S. Tax Court:
Statement Submitted by Chief Judge Thomas B. Wells 1879
Budget Justification for FY 2002 1881