

Departmental Management

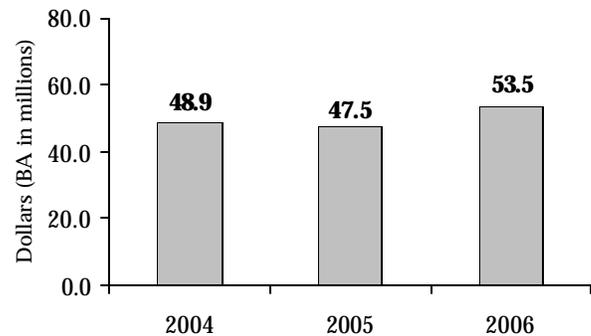
Within Departmental Management, the Salaries and Expenses account provides funding for the Secretary, Deputy Secretary and support staff. Responsibilities involve policy development and implementation affecting U.S. and international activities as well as establishing internal goals and operations of the Department. The functions include serving as the primary liaison with the executive branch, Congressional and private sector groups, and acting as the management and administrative control point for the Department. The Salaries and Expenses account contains Executive Direction that develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. It also includes Departmental Staff Services that develops and implements the Department's internal policies, procedures, and other administrative guidelines.

Departmental Management houses the non-appropriated accounts for Advances and Reimbursements and Working Capital Fund. The Advances and Reimbursements account provides a centralized collection source for special tasks or costs and their billing to users. Working Capital Fund finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis. Bureau funding is provided for centralized services such as legal advice, security, printing, building management, information technology, and procurement services.

Departmental Management also contains the Emergency Steel, Oil and Gas Guaranteed Loan Programs, enacted in FY 1999 to assist the steel, oil and gas industries.

In the FY 2006 Budget, the Department is proposing a new account in Departmental Management, HCHB Renovation and Modernization, its purpose being to fund the renovation and modernization of the Herbert C. Hoover Building.

DM S&E Funding



Summary of Appropriations

Funding Levels

	2004	2005	2006	Increase
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Appropriation				
Salaries and Expenses	\$46,791	\$47,466	\$53,532	\$6,066
HCHB Renovation and Modernization	0	0	30,000	30,000
Emergency Steel Guar. Loan Program	52,168	0	(50,168)	(50,168)
TOTAL APPROPRIATION	98,959	47,466	33,364	(14,102)
Unobligated balance rescission, S&E	(1)			
Transfer to MBDA, P.L. 108-199	(50)			
Transfer from USAID, 22 U.S.C. 2392(a)	2,150			

Budget Authority

Salaries and Expenses	48,890	47,466	53,532	6,066
HCHB Renovation and Modernization	0	0	30,000	30,000
Emergency Steel Guar. Loan Program	52,168	0	(50,168)	(50,168)
TOTAL BUDGET AUTHORITY	101,058	47,466	33,364	(14,102)

Mandatory: (Credit Reestimate)

Emergency Steel Guar. Loan Program	0	4,755	0	(4,755)
Total Mandatory Budget Authority	0	4,755	0	(4,755)

FTE

Salaries and Expenses	181	223	225	2
Reimbursable	58	68	68	0
HCHB Renovation and Modernization	0	0	8	8
Working Capital Fund	596	678	678	0
Franchise Fund	23	25	25	0
Total FTE	858	994	1,004	10

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2005 Appropriation			223	\$47,466
Adjustments to Base				
Adjustments				
FTE/ Positions Realignment			2	
Restoration of Base for FY 2005 Rescissions				643
Other Changes				
2005 Pay raise		\$254		
2006 Pay raise		384		
Payment to the Working Capital Fund		69		
Change in compensable days		(85)		
Civil Service Retirement System (CSRS)		(28)		
Federal Employees Retirement System (FERS)		42		
Thrift Savings Plan		16		
Federal Insurance Contributions Act (FICA) -OASDI		23		
Health insurance		81		
Employees' Compensation Fund		(65)		
Travel: Per Diem		1		
Rent payments to GSA		42		
Printing and reproduction		1		
Other services:				
Working Capital Fund		327		
NIST Accounting Charges		145		
General Pricing Level Adjustments:				
Rental payments to others		1		
Communications, utilities & misc. charges		5		
Other services		258		
Supplies and materials		5		
Equipment		20		
Subtotal, other cost changes			0	1,496
TOTAL, ADJUSTMENTS TO BASE			2	2,139
2006 Base			225	49,605
Program Changes			0	3,927
2006 APPROPRIATION			225	53,532

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Executive Direction	109	\$21,031	109	\$19,514	109	\$23,341	0	\$3,827
Departmental Staff Services	114	28,793	116	30,091	116	30,191	0	100
TOTAL DIRECT OBLIGATIONS	223	49,824	225	49,605	225	53,532	0	3,927
ADVANCES & REIMBURSEMENTS								
COMMITTS	8	201,847	8	200,000	8	200,000	0	0
GSA Rent	0	32,241	0	32,727	0	32,727	0	0
Other	60	22,209	60	22,588	60	22,588	0	0
Total Reimbursable Obligations	68	256,297	68	255,315	68	255,315	0	0
TOTAL OBLIGATIONS	291	306,121	293	304,920	293	308,847	0	3,927
FINANCING								
Unobligated balance, start of year (Direct)		(2,358)						
Unobligated balance, start of year (Reimbursable)		(1,847)						
Offsetting collections from:								
Federal funds	(68)	(254,450)			(68)	(255,315)		
Subtotal, financing	(68)	(258,655)			(68)	(255,315)		
TOTAL BUDGET AUTHORITY /	223	47,466			225	53,532		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Departmental Staff Services</u>	116	\$30,091	+0	+\$100
Acquisition Management			+0	+\$100

This program increase will supplement the DOC Acquisition Career Management Program by increasing Commerce sponsored training for acquisition teams and facilitating the execution of targeted reviews for acquisitions that fall below the Acquisition Review Board (ARB) threshold of \$5 million. The training will improve acquisition workforce performance through the enhancement of acquisition planning and project management skills necessary for the successful management of contracts. Funding will further implement requirements pursuant to the Clinger-Cohen Act and Office of Federal Procurement Policy (OFPP) Letter 97-01 (\$50,000). The targeted reviews would be conducted to perform an additional level of review to ensure high profile acquisitions that normally would fall below the ARB threshold and may not be held to the same level of scrutiny will comply with applicable regulations and acquisition reform. Funding (\$50,000) will provide for assessment, review, analysis and recommendations for awards below the ARB threshold.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Executive Direction</u>	109	\$19,514	+0	+\$3,827
E-Government Initiatives			+0	+\$3,827

This increase will fund initiatives related to expanding Electronic Government. The President has made expanding E-Government integral to a five-part Management Agenda for making government more focused on citizens and results. These initiatives integrate agency operations and IT investments. Department-wide coordination and oversight is provided by the Department’s CIO.

1. Business Gateway - \$516 – Will reduce the burden on citizens and businesses in locating and submitting Federal forms, including Commerce forms, through a single web site for citizens and businesses to find, fill, sign and submit any form required by the Federal Government.
2. E-Authentication - \$450 - Will provide a systematic means of “E-Authentication,” that is, authenticating the identity of the remote party to an E-government transaction, a requirement of many E-government transactions provided by Commerce.
3. E-Rulemaking - \$825 – Will provide a central Federal portal for announcing proposed new rules and receiving comments, as well as managing entire dockets.
4. E-Travel - \$191 – For Commerce’s use of a government-wide, web-based, end-to-end travel management service that reduces capital investment and total cost per transaction based on best travel management practices.
5. Geospatial One-Stop - \$300 – Will provide Federal and state agencies with a single point of access to cartographic data, thereby enabling the consolidation of redundant data.
6. Grants.gov - \$453 – Will provide the capability for citizens and organizations to find out about Commerce and other Federal grant opportunities online and for applications for Commerce and other Federal grants to be submitted quickly and easily online.
7. Integrated Acquisition - \$159 - Will allow agencies, including Commerce, to begin sharing common data elements to enable more informed procurement, logistical, payment and performance assessment decisions without Commerce having to build and maintain its own databases of such information.
8. International Trade Process Streamlining - \$730 – Provides small and medium size companies a one-stop online capability to find out about export opportunities and to obtain information about trade partnerships and financing opportunities in such a way as to significantly improve the volume of exports by such companies.
9. Grants Management (Line of Business) (LoB) - \$29 – To develop a government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship.
10. Financial Management (LoB) - \$83 – To develop a government-wide financial management system business strategy that identifies efficiencies, improves business performance, and reduces costs while continuing support for agency performance accountability, financial controls, and mission effectiveness.
11. Human Resources (LoB) - \$91 – To develop a modern, cost effective, standardized, and integrated Human Resources Information System that will support the strategic management of human capital.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2005 Appropriation	0	\$0
2006 Base	0	0
Program Changes	8	30,000
2006 APPROPRIATION	8	30,000

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	0	0	0	0	8	30,000	8	30,000
TOTAL Direct OBLIGATIONS	0	0	0	0	8	30,000	8	30,000
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL Obligations	0	0	0	0	8	30,000	8	30,000

FINANCING

Unobligated balance, start of year		0		
Offsetting collections from:				
Federal funds	0	0	0	0
Subtotal, financing	0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	8	30,000

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>HCHB Renovation and Modernization Project</u>	0	\$0	+8	+\$30,000

This program increase will provide 8 FTE and \$30 million, to be made available until expended, for Phase 1 of the planned renovation of the Herbert C. Hoover Building (HCHB). The 70-year old HCHB is one of the last historic buildings in the Federal Triangle to be scheduled for renovation and modernization. For over three years, the General Services Administration has studied the infrastructure, systems and interior spaces of the HCHB to determine the necessary repairs and improvements.

In order to address the extensive infrastructure needs found by GSA, the planned multi-year renovation would extend the useful life of the building by upgrading infrastructure, improving space utilization, incorporating major security upgrades and preserving historic features of the building.

GSA and Commerce are both responsible for a share of the costs of the projects. GSA and Commerce's portions of the renovation and modernization must be funded simultaneously so that design, installation, furnishing and moves can be coordinated.

Commerce requests funding in FY 2006 for costs related to the first phase of the renovation. In the first phase, HCHB's sub-basement level will be renovated to provide storage space, a computer room, and internal swing space before the onset of the major construction work. Simultaneously, during this phase, one-third of HCHB's tenants will be moved to external swing space where they would remain for the duration of the project. Commerce's request includes funding related to the renovation of HCHB's sub-basement level, moving, furnishing and other customization costs related to leasing external office space for tenants; and costs for a project management office.

Operating Fund: Working Capital Fund

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2005 Operating Level			678	\$137,845
Adjustments to Base				
Adjustments				
Other Changes				
2005 Pay raise		\$518		
2006 Pay raise		1,229		
Change in compensable days		(245)		
Civil Service Retirement System (CSRS)		(79)		
Federal Employees' Retirement System (FERS)		121		
Thrift Savings Plan		23		
Federal Insurance Contributions Act (FICA) - OASDI		39		
Health insurance		359		
Travel, Mileage		1		
Travel, Per Diem		4		
Rent payments to GSA		95		
Printing and reproduction		6		
Other Services:				
DOC Health Unit Contract Costs		311		
GSA Steam Bill		245		
Pepco Charges		894		
General Pricing Level Adjustment:				
Communications, utilities, & misc.		21		
Other services		581		
Supplies and materials		29		
Equipment		39		
Subtotal, other cost changes			0	4,191
TOTAL, ADJUSTMENTS TO BASE			0	4,191
2006 Base			678	142,036
Program Changes			0	546
2006 OPERATING LEVEL			678	142,582

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
REIMBURSABLE OBLIGATIONS								
General Counsel	207	\$32,764	207	\$33,466	207	\$33,466	0	\$0
Chief Information Officer	35	\$9,010	65	\$9,166	35	\$9,166	0	0
Public Affairs	15	2,432	15	2,478	15	2,478	0	0
Departmental Staff Services	421	104,698	421	96,926	421	97,472	0	546
TOTAL REIMBURSABLE OBLIGATIONS	678	148,904	708	142,036	678	142,582	0	546
FINANCING								
Unobligated balance, start of year		(11,059)						
Offsetting collections from:								
Federal funds	(678)	(137,845)			(678)	(142,582)		
Subtotal, financing	(678)	(148,904)			(678)	(142,582)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Departmental Staff Services</u>	421	\$96,926	+0	+\$546
Equal Employment Opportunity Investigations			+0	+\$425

This program increase will allow for the contracting of EEO investigations. This is critical to the Department's ability to comply with Equal Employment Opportunity Commission (EEOC) regulations and reduce DOC's exposure to additional monetary sanctions. EEOC regulations require that federal agencies complete the investigation of EEO complaints within 180 calendar days of the date a formal complaint is filed. Sanctions for noncompliance may include default judgments against the Department, including: equitable relief, monetary damages, attorney's fees and discovery costs. Currently, the Office of Civil Rights has 137 cases pending investigation at an average of 398 days. The workload is such that current staff cannot keep pace with the caseload and seeks contract support in caseload settlement. The Department proposes to resolve the pending cases through contracting an average of 85 investigations annually for an estimated cost of \$425,000.

Acquisition Career Management Program +0 +\$121

This program increase will help develop, coordinate, and maintain the policies and procedures that govern the acquisition of all supplies and services required by the Department. Funding will provide formal training and education to the DOC acquisition workforce to ensure acquisition professionals meet the requirements of the Acquisition Career Management Program and the Contracting Officer's Representative (COR) Certification Program (\$23,000). An increase in funding is required to revise and implement the COR Certification Program for training and educating DOC CORs (\$50,000) and obtaining technical and system support to maintain and enhance the capabilities of the COR database (\$30,000). The funding requested for the Government-wide Acquisition Management Intern Program (\$18,000) is a key element in attracting and retaining an acquisition workforce that is talented, motivated, diverse, productive, and highly skilled.

Direct Cost by Office

Offices	2006 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	53	\$16,945
Civil Rights	20	3,375
Financial Management	61	17,082
Security	139	27,036
Administrative Services	114	26,482
Acquisition Management	31	6,175
Management and Organization	3	377
Subtotal, Departmental Staff Services	421	97,472
Chief Information Officer	35	9,166
General Counsel	207	33,466
Public Affairs	15	2,478
Total Working Capital Fund	678	142,582

Distribution by Bureau

Bureaus	FY 2006
	<u>Amount</u>
Office of the Secretary	\$10,090
Office of Inspector General	1,675
Economic Development Administration	2,363
Bureau of the Census	25,017
Economic and Statistical Analysis	2,877
International Trade Administration	28,986
Bureau of Industry and Security	8,215
Minority Business Development Agency	2,231
National Oceanic and Atmospheric Administration	40,693
Patent and Trademark Office	2,555
Technology Administration	988
National Institute of Standards and Technology	11,217
National Technical Information Service	559
National Telecommunications and Information Administration	3,716
Office of Computer Services	314
Total Commerce Bureaus	141,496
Other Agencies	1,086
Total	142,582

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2005 Appropriation		\$0
Adjustments		0
2006 Base		0
Program Changes		0
2006 APPROPRIATION		0

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Admin. Expenses	0	458	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	458	0	0	0	0	0	0
Credit Reestimates	0	0						
TOTAL DIRECT OBLIGATIONS	0	458			0	0		
FINANCING								
Unobligated balance, start of year		(460)						
Unobligated balance, withdrawn		2						
Unobligated balance, end of year		0						
Subtotal, financing	0	(458)			0	0		
TOTAL DISCRETIONARY	0	0			0	0		
BUDGET AUTHORITY								

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2005 Appropriation		\$0
Adjustments		0
2006 Base		0
Program Changes		(50,168)
2006 APPROPRIATION		(50,168)

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Admin. Expenses	0	1,670	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	1,670	0	0	0	0	0	0
Credit Reestimates (Mandatory)	0	4,755						
TOTAL DIRECT & MANDATORY	0	6,425			0	0		
FINANCING								
Unobligated balance, start of year		(51,838)				(50,168)		
Expired balances lapsing		0						
Unobligated balance, end of year		50,168				0		
Subtotal, financing	0	(1,670)			0	(50,168)		
TOTAL DISCRETIONARY	0	0			0	(50,168)		
BUDGET AUTHORITY								
TOTAL, MANDATORY BUDGET AUTHORITY	0	4,755						

DM Performance Measures

The Department has re-examined the performance measures used to monitor its progress in providing policy oversight and administrative support services, which represent the bulk of its activity under Departmental Management. Substantial changes have been made to better reflect our most significant activities and to more closely correspond to the government-wide management initiatives established in the President's Management Agenda for FY 2005.

- Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Department's Programs
- Performance Goal 2: Strategic Management of Human Capital
- Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

The following table shows the measures that DM uses to gauge its performance. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

Performance Goals (Obligations) and Measures (Targets)

(Dollars in millions)

	2004 <u>Actual</u>	2005 <u>Estimate / Target</u>	2006 <u>Estimate / Target</u>
Goal 1: Identify and effectively manage human and material resources critical to the success of the Department's strategic goals.	\$56.1 ¹	\$55.8	\$89.5
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management	New	Eliminate any reportable condition within one year of the determination that there is a reportable condition; 90% of management that have access to the Consolidated Reporting System (CRS) have financial data / reports available within one day of the 15 th of the month after submitting the raw data to the CRS.	Eliminate any reportable condition within one year of the determination that there is a reportable condition; 95% of management that have access to the Consolidated Reporting System (CRS) have financial data / reports available within one day of the 15 th of the month after submitting the raw data to the CRS.
Effectively use competitive sourcing	New Departmental FAIR Inventory Guidance has been developed	TBD	TBD
Obligate funds through performance-based contracting	42% of \$806M ²	50% of eligible service contracting dollars	50% of eligible service contracting dollars
Obligate contracts to small businesses	Small business 61.95% ³	44.8% of contracts	44.8% of contracts
Acquire and maintain diverse and highly qualified staff in mission-critical occupations	Implement learning management on-line system in the Office of the Secretary (70%); continue improving representation of underrepresented RNO group within targeted critical job groups (10%); maintain fill-time standard of 30 days (10%) and assess applicants' and bureaus' satisfaction with COOL (10%).	Assess applicants' and bureaus' satisfaction with new automated application system, compare to COOL, improve as indicated (70%); continue improving representation of underrepresented RNO groups throughout the majority of the bureaus (10%); evaluate implementation of learning management on-line system (10%); maintain fill-time standard of 30 days (10%)	Continue improving representation of each underrepresented RNO group throughout Department (70%); evaluate and improve learning management system (10%); maintain fill-time standard of 30 days (10%) and improve applicants' and bureaus' satisfaction with automated application system

¹ This dollar amount has been updated as of November, 2004 (after the Performance and Accountability Report for FY 2004). Does not include internal reimbursables.

² These dollar amounts represent eligible service contracting dollars, and are reported in the Federal Procurement Data System as of 9/17/04.

³ Projection as of 9/23/04.

Departmental Management

	2004 <u>Actual</u>	2005 <u>Estimate / Target</u>	2006 <u>Estimate / Target</u>
Improved management of information technology (IT) systems	New	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all national critical and mission critical systems are certified and accredited in accordance with the Department's IT security policy.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all national critical, mission critical, and business essential systems are certified and accredited in accordance with the Department's IT security policy.

Note: Funding levels reflect direct and external reimbursable funding. Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and do not appear in these DM totals.