

Departmental Management

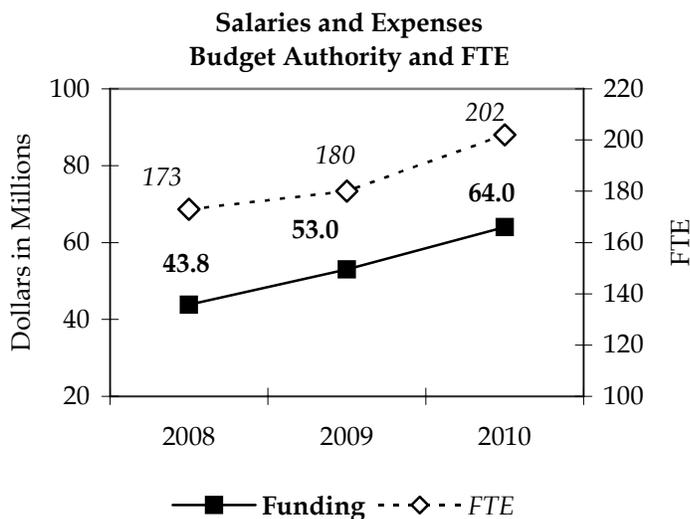
Within Departmental Management (DM), the Salaries and Expenses (S&E) account provides funding for the Secretary, Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. The S&E account contains two activities: **Executive Direction**, which develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Department's mission; and **Departmental Staff Services**, which develops and implements the Department's internal policies, procedures, and other administrative guidelines.

For FY 2010, the Department seeks an increase to the S&E account to ensure adequate controls are in place to protect the confidentiality, integrity, and availability of non-national security and national security information technology (IT) systems and the data that is processed, transmitted, and stored within the systems. Existing funding, tools, and staffing levels are substantially inadequate to ensure compliance with IT security laws, directives, and recent OMB mandates. This increase will ensure that the information in our custody is appropriately protected.

The Herbert C. Hoover Building (HCHB) Renovation and Modernization account will fund activities that continue to focus on the most critical systems to address major building infrastructure deficiencies. This account will also fund the installation of blast mitigation windows to address the security needs of Commerce employees.

DM also includes the non-appropriated Advances and Reimbursements (A&R), Working Capital Fund (WCF), and Franchise Fund accounts. The A&R account provides a centralized collection and payment point for special short term tasks or costs that encompass several of the Department's bureaus. The WCF finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically done on a centralized basis, such as Office of General Counsel, security, building management, IT, and procurement services. The Franchise Fund operates as a fee-for-service organization and manages a computer center which provides support across the Federal Government.

DM also includes the Emergency Steel and Emergency Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist companies in the steel, oil, and gas industries. While loan subsidy for the Steel Program is available, the steel industry has experienced a recovery since the program was created and only three loans have been made through the program and none since 2003. There are no outstanding loans. The authority for the Emergency Loan Guarantee Board expires December 31, 2009. The authority for the Emergency Oil and Gas Program expired on December 31, 2001.



Summary of Appropriations

Funding Levels

Appropriation	2008 <u>Actual</u>	2009 <u>Estimate</u>	2010 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$44,294	\$53,000	\$64,000	\$11,000
HCHB Renovation and Modernization	3,722	5,000	22,500	17,500
TOTAL APPROPRIATION	48,016	58,000	86,500	28,500
Transfer from PTO for NIPLECC	1,000	0	0	0
Transfer to BIS	(1,500)	0	0	0

Budget Authority

Salaries and Expenses	43,794	53,000	64,000	11,000
HCHB Renovation and Modernization	3,722	5,000	22,500	17,500
TOTAL DISCRETIONARY BUDGET AUTHORITY	47,516	58,000	86,500	28,500

Mandatory Appropriation

Credit Reestimate - Emergency Steel

Guar. Loan Program	2,739	0	0	0
Gifts & Bequests Trust Fund	990	900	900	0
TOTAL MANDATORY	3,729	900	900	0

FTE

Salaries and Expenses	173	180	202	22
Reimbursable	61	86	86	0
HCHB Renovation and Modernization	0	0	5	5
Working Capital Fund	550	610	617	7
Franchise Fund	16	21	21	0
Total FTE	800	897	931	34

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2009 Appropriation			180	\$53,000
Adjustments to Base				
<u>Other Changes</u>				
2009 Pay raise		\$508		
2010 Pay raise		320		
Payment to the Working Capital Fund		167		
Civil Service Retirement System (CSRS)		(35)		
Federal Employees Retirement System (FERS)		56		
Thrift Savings Plan		20		
Federal Insurance Contributions Act (FICA) - OASDI		32		
Health insurance		1		
Employees' Compensation Fund		30		
Travel				
Per Diem		8		
Mileage		2		
Rent payments to GSA		78		
GSA Steam		344		
Postage		1		
Other services:				
Working Capital Fund		(261)		
NARA		(2)		
Utilities (Electricity)		694		
General Pricing Level Adjustments:				
Communications and miscellaneous charges		2		
Other services		125		
Supplies and materials		2		
Equipment		7		
Subtotal, other cost changes			0	2,099
TOTAL, ADJUSTMENTS TO BASE			0	2,099
2010 Base			180	55,099
Program Changes			22	8,901
2010 APPROPRIATION			202	64,000

Comparison by Activity

	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Executive Direction	87	\$26,298	87	\$26,917	109	\$35,818	22	\$8,901
Departmental Staff Services	93	27,108	93	28,182	93	28,182	0	0
TOTAL DIRECT OBLIGATIONS	180	53,406	180	55,099	202	64,000	22	8,901
ADVANCES & REIMBURSEMENTS								
COMMITTS	0	54,709	0	44,000	0	44,000	0	0
GSA Rent	0	32,795	0	33,615	0	33,615	0	0
Other	61	42,457	86	41,637	86	41,637	0	0
Total Reimbursable Obligations	61	129,961	86	119,252	86	119,252	0	0
TOTAL OBLIGATIONS	241	183,367	266	174,351	288	183,252	22	8,901
FINANCING								
Unobligated balance, start of year (Direct)		(406)						
Unobligated balance, start of year (Reimbursable)		(4,709)						
Offsetting collections from:								
Federal funds	(61)	(125,252)			(86)	(119,252)		
Subtotal, financing	(61)	(130,367)			(86)	(119,252)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	180	53,000			202	64,000		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
IT Cyber Security	3	\$5,500	+22	+\$8,901

Increased malicious activities targeting government information systems have caused OMB, the Department of Homeland Security (DHS), and the national intelligence communities to mandate that the Department of Commerce implement stringent continuous monitoring and reporting of network activity with enhanced incident response capability; provide comprehensive situational awareness capability; and leverage IT infrastructures to provide secure (classified) cyber-security and national emergency operations. Without the additional funds, DOC could not extend these services to protect sensitive agency information adequately.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	Summary	
	FTE	Amount
2009 Appropriation	0	\$5,000
Adjustments to Base	0	(5,000)
2010 Base	0	0
Program Changes	5	22,500
2010 APPROPRIATION	5	22,500

Comparison by Activity

	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	0	\$7,512	0	\$0	5	\$22,500	5	\$22,500
TOTAL DIRECT OBLIGATIONS	0	7,512	0	0	5	22,500	5	22,500
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	0	7,512	0	0	5	22,500	5	22,500
FINANCING								
Unobligated balance, start of year	0	(2,512)	0	0	0	0	0	0
Subtotal, financing	0	(2,512)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	5,000	0	0	5	22,500	5	22,500

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Renovation and Modernization Project	0	\$0	5	+\$22,500

The Department has worked with the General Services Administration (GSA) to develop an eight-phase solution to address major deficiencies in the building's infrastructure (mechanical, electrical, plumbing, fire and life safety, and security). This request reflects the Department's focus on its most critical systems and provides a secure space into which to move employees during each phase while GSA updates, replaces and renovates HCHB's major systems. This investment will also allow the Department to address high priority security, information technology/telecommunications, and emergency power requirements to improve services to employees and contractors by improving their quality of life. The replacement of the antiquated mechanical, electrical, and plumbing systems will result in increased energy and environmental efficiencies. Additionally, the installation of blast resistant windows will not only improve building security, but will further insulate existing windows and thereby increase energy efficiencies as well.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2009 Operating Level			610	\$135,895
Adjustments to Base				
Adjustments:				
Transfer of utilities to Advance and Reimbursement				(7,394)
<u>Other Changes</u>				
2009 Pay raise		\$1,185		
2010 Pay raise		1,131		
Civil Service Retirement System (CSRS)		(125)		
Federal Employees' Retirement System (FERS)		200		
Thrift Savings Plan		36		
Federal Insurance Contributions Act (FICA) - OASDI		75		
Health insurance		90		
Travel:				
Mileage		48		
Per Diem		3		
Rent payments to GSA		148		
Printing and reproduction		2		
Commerce Business System		199		
Postage		15		
Other Services:				
Realignment for Human Resources Operation Center		4,457		
General Pricing Level Adjustment:				
Other services		311		
Supplies and materials		12		
Equipment		21		
Subtotal, other cost changes			0	7,808
TOTAL, ADJUSTMENTS TO BASE			0	414
2010 Base			610	136,309
Program Changes			7	7,482
2010 OPERATING LEVEL			617	143,791

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Executive Direction	217	\$54,104	217	\$50,500	224	\$53,992	7	\$3,492
Departmental Staff Services	393	86,602	393	85,809	393	89,799	0	3,990
TOTAL REIMBURSABLE OBLIGATIONS	610	140,706	610	136,309	617	143,791	7	7,482
FINANCING								
Unobligated balance, start of year		(4,811)						
Offsetting collections from:								
Federal funds	(610)	(135,895)			(617)	(143,791)		
Subtotal, financing	(610)	(140,706)			(617)	(143,791)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Executive Direction</u>				
Office of General Council (OGC)	99	\$19,062	3	+\$2,402
Program Management Office	0	\$0	4	+\$1,090

OGC is the Department of Commerce’s (DOC) chief legal office. The increase provides funding for additional resources necessary to address new requirements regarding regulatory matters, legal advice and assistance, and acquisition and procurement oversight.

Under the Office of the Chief Information Officer, the Program Management Office (PMO) will support the new investment review process, including an Investment Review Board (IRB) that is needed for project requirements review and approval, performance review of cost, project schedule and IT technical parameters, plus the necessary acquisition planning and review.

Departmental Staff Services

Corporate Database	0	\$63	0	+\$453
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The Consolidated Financial Statement Corporate database is the reporting system used by the Department of Commerce, Office of Financial Management to report required consolidated financial reports to the Office of Management and Budget (OMB) and the Department of Treasury. Funding is needed to upgrade the system because the current system is no longer supported by the vendor.

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease FTE</u>	<u>Amount</u>
Leadership Development Succession Planning	0	\$475	0	+\$252

The additional funding will support five training programs within DOC: Aspiring Leaders Development Program (ALDP); Administrative Professional Certificate Program (APCP); Careers-in-Motion; Executive Leadership Development Program (ELDP); and the New and Current Supervisors Training Program. These programs have proven to increase employee retention at the Department.

Support Contracts	0	\$3,492	0	+\$384
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The cost of basic facility services including trash removal and anticipated debris removal in conjunction with the HCHB renovation, pest control, elevator maintenance, and landscaping services will increase in accordance with U.S. Department of Labor mandated prices.

Travel Management System	0	\$0	0	+\$2,371
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The increase will provide the resources necessary to fully integrate Travel Authorization and Voucher Services and integrate an Online Booking Engine (OBE) with the Department's financial service capability. Specifically, the increase will allow the Department to build an interface that will connect the OBE to the financial system, allow electronic processing of vouchers, and provide comprehensive training to users, administrators, and approvers.

Guard Services	0	\$2,686	0	+\$530
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The DOC has experienced large annual increases to wage rates attributable to the Department of Labor (DOL) wage determinations and the costs associated with the unionization of security guard contracts. The additional funds will support the increase in wage rates as well as the historical cost of living increases associated with the award of a new contract.

Direct Cost by Office

Offices	2010 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	83	\$22,225
Civil Rights	13	3,055
Financial Management	46	15,653
Security	121	22,382
Administrative Services	101	20,091
Acquisition Management	27	6,062
Management and Organization	2	331
Subtotal, Departmental Staff Services	393	89,799
Chief Information Officer	34	16,647
General Counsel	179	35,387
Public Affairs	11	1,958
Total Working Capital Fund	617	143,791

Distribution by Bureau

Bureaus	<u>FY 2010 Amount</u>
Office of the Secretary	\$10,149
Office of Inspector General	1,350
Economic Development Administration	2,338
Bureau of the Census	23,871
Economic and Statistical Analysis	2,751
International Trade Administration	32,119
Bureau of Industry and Security	9,605
Minority Business Development Agency	1,334
National Oceanic and Atmospheric Administration	41,944
U.S. Patent and Trademark Office	3,439
National Institute of Standards and Technology	9,383
National Technical Information Service	388
National Telecommunications and Information Administration	4,262
Office of Computer Services	381
Total Commerce Bureaus	<u>143,313</u>
Other Agencies	478
Total	<u>143,791</u>

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Comparison by Activity

	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	324	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	324	0	0	0	0	0	0
Credit Re-estimates	0	0			0	0		
TOTAL DIRECT OBLIGATIONS	0	324			0	0		
FINANCING				1				
Unobligated balance, start of year	0	(324)			0	0		
Unobligated balance, withdrawn	0	0			0	0		
Unobligated balance, end of year	0	0			0	0		
Subtotal, financing	0	(324)			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

		<u>Summary</u>	
		<u>FTE</u>	<u>Amount</u>
2009 Appropriation	1	\$0	\$0
Adjustments to Base		0	0
2010 Base		0	0
Program Changes		0	0
2010 APPROPRIATION		0	0

Comparison by Activity

	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	610	0	0	0	0	0	0
SUBTOTAL DISCRETIONARY OBLIGATIONS	0	610	0	0	0	0	0	0
Mandatory, Credit Reestimate	0	0			0	0		
TOTAL, DIRECT OBLIGATIONS	0	610			0	0		
FINANCING								
Unobligated balance, start of year		(48,064)				(47,454)		
Expired balances lapsing								
Unobligated balance, end of year		47,454				47,454		
Subtotal, financing	0	(610)			0	0		
DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		
MANDATORY BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

DM Performance Measures

Departmental Management performance measures monitor the Department’s progress in providing policy oversight and administrative support services, which represent the bulk of DM’s activity. In FY 2008, DM split that one outcome into three, with each focusing on one or more specific elements of DM. 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 Outcomes and Measures

(Dollars reflect obligations in Millions)

	2008 Actual	2009 Estimate / Target	2010 Estimate / Target
Outcome 1: Ensure effective resource stewardship in support of the Department's programs	\$47.5	\$58.6	\$77.8
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	Closed 70% of prior year financial systems audit findings; completed FY 2008 A-123 assessment of internal controls; significant deficiency was not eliminated.	-Eliminate any Significant Deficiency (formerly "Reportable Condition") within one year of the determination that there is a Significant Deficiency. -Complete FY 2009 A-123 assessment of internal controls.	-Eliminate any Significant Deficiency (formerly "Reportable Condition") within one year of the determination that there is a Significant Deficiency. -Complete FY 2010 A-123 assessment of internal controls.
Effectively use competitive sourcing.	Completed several feasibility studies including Census plans to conduct a study of their mail clerks and records management functional area, comprising 18 FTEs, and NOAA NWS plans to conduct a feasibility study of administrative support to their regional headquarters, comprising 74 FTEs.	Use business process reengineering, feasibility studies, and/or similar initiatives to identify operational efficiency and effectiveness opportunities.	Use business process reengineering, feasibility studies, and/or similar initiatives to identify operational efficiency and effectiveness opportunities.
Obligate funds through performance-based contracting.	28% of eligible service contracting dollars	50% of eligible service contracting dollars	50% of eligible service contracting dollars
Outcome 2: Ensure retention of highly qualified staff in mission-critical positions	\$1.6	\$2.1	\$2.5
Acquire and maintain diverse and highly qualified staff in mission-critical occupations.	-Delivered a total of 4 competency models in place for the Economist, Acquisition, Mathematical Statistician, and Chemist series. -Exceeded the 45-day hiring goals mandated by OPM with an average fill time of 31 days for non-SES workers.	- Have new competency models in place for three mission-critical occupations for use in workforce recruitment, training, and development activities. -Meet or exceed the 45-day hiring goals mandated by OPM. -Train up to 50-60 participants on leadership development programs via ALDP, ELDP, and APCP. -Open ALDP to DOC employees nationwide.	- Have new competency models in place for three mission-critical occupations for use in workforce recruitment, training, and development activities. -Meet or exceed the 45-day hiring goals mandated by OPM. -Train up to 50-70 participants on leadership development programs via ALDP, ELDP, and APCP, and 180-200 participants via Careers in Motion. -Integrate Commerce Learning Center in program administration to enhance tracking and progress monitoring. -Employ enhanced instructional strategies, including mentoring, developmental assignments, action learning, and blended learning.

	2008 Actual	2009 Estimate / Target	2010 Estimate / Target
Outcome 3: Acquire and manage the technology resources to support program goals	\$5.5	\$5.5	\$14.4
Improved management of information technology (IT).	Cost/schedule overruns and performance shortfalls less than 10%. All national and mission-critical systems certified and accredited with acceptable quality documentation in place.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.
Total, DM	\$54.6	\$66.2	\$94.7