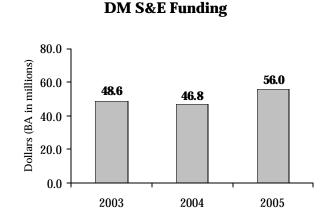# Departmental Management

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 and Departmental Staff Services that develops and implements the Department's internal policies, procedures, and other administrative guidelines.

DM S&E Funding

Dollars (BA in millions)

Year	Value
2003	48.6
2004	46.8
2005	56.0

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 Loan Guarantee Programs, enacted in FY 1999 to assist the steel, oil and gas industries.

Summary of Appropriations

Funding Levels

Appropriation	2003 Actual	2004 Estimate	2005 Estimate	Increase (Decrease)
Salaries and Expenses	$44,662	$46,791	$56,021	$9,230
Emergency Oil and Gas Guar. Loan Program	(920)	0	0	0
Emergency Steel Guar. Loan Program	0	52,168	(35,012)	(87,180)
TOTAL APPROPRIATION	43,742	98,959	21,009	(77,950)
Unobligated balance, rescission, S&E	0	(1)	0	1
Transfer of AID Funds (22 USC 2392(a))	3,950	0	0	0

Budget Authority

	2003 Actual	2004 Estimate	2005 Estimate	Increase (Decrease)
Salaries and Expenses	48,612	46,790	56,021	9,231
Emergency Oil and Gas Guar. Loan Program	(920)	0	0	0
Emergency Steel Guar. Loan Program	0	52,168	(35,012)	(87,180)
TOTAL BUDGET AUTHORITY	47,692	98,958	21,009	(77,949)
Mandatory: (Credit Reestimate)				
Emergency Steel Guar. Loan Program	53,749	124	0	(124)
Emergency Oil & Gas Guar. Loan Program	31	0	0	0
Total Mandatory Budget Authority	53,780	124	0	(124)

FTE

	2003 Actual	2004 Estimate	2005 Estimate	Increase (Decrease)
Salaries and Expenses	186	223	224	1
Reimbursable	56	74	74	0
Working Capital Fund	601	682	685	3
Franchise Fund	23	25	25	0
Total FTE	866	1,004	1,008	4

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	FTE	Amount	FTE	Amount
2004 Appropriation			223	$46,791
Adjustments to Base				
Other Changes				
2004 Pay raise		$293		
2005 Pay raise		246		
Payment to the Working Capital Fund		80		
Within-grade step increases		259		
Change in compensable day		(83)		
Civil Service Retirement System (CSRS)		(29)		
Federal Employees Retirement System (FERS)		44		
Thrift Savings Plan		57		
Federal Insurance Contributions Act (FICA) -OASDI		11		
Health insurance		73		
Employees' Compensation Fund		4		
Travel: Per Diem		4		
Rent payments to GSA		149		
Printing and reproduction		1		
Other services:				
Working Capital Fund		1,532		
NIST Accounting Charges		(210)		
General Pricing Level Adjustments:				
Rental payments to others		1		
Communications, utilities & misc. charges		2		
Other services		132		
Supplies and materials		2		
Equipment		10		
Subtotal, other cost changes			0	2,578
Less Amount Absorbed				(260)
TOTAL, ADJUSTMENTS TO BASE			0	2,318
2005 Base			223	49,109
Program Changes			1	6,912
2005 APPROPRIATION			224	56,021

Comparison by Activity

DIRECT OBLIGATIONS	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Executive Direction	89	$17,660	89	$14,159	89	$14,159	0	$0
Departmental Staff Services	134	33,299	134	34,950	135	41,862	1	6,912
TOTAL DIRECT OBLIGATIONS	223	50,959	223	49,109	224	56,021	1	6,912
ADVANCES & REIMBURSEMENTS								
COMMITS	8	160,869	8	160,000	8	160,000	0	0
GSA Rent	0	30,000	0	31,200	0	31,200	0	0
Other	66	20,400	66	20,600	66	20,600	0	0
Total Reimbursable Obligations	74	211,269	74	211,800	74	211,800	0	0
TOTAL OBLIGATIONS	297	262,228	297	260,909	298	267,821	1	6,912
FINANCING								
Unobligated balance, start of year (Direct)		(4,169)						
Unobligated balance, start of year (Reimbursable)		(869)						
Offsetting collections from:								
Federal funds	(74)	(210,400)			(74)	(211,800)		
Subtotal, financing	(74)	(215,438)			(74)	(211,800)		
TOTAL BUDGET AUTHORITY	223	46,790			224	56,021		
Unobligated balance, rescission		1						
TOTAL APPROPRIATION	223	46,791						

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Departmental Staff Services</u>	134	$34,950	+1	+$6,912
Blast Mitigation at the Herbert C. Hoover Building (HCHB)			0	+$4,000

This program increase will fund the installation of blast resistant windows for about half of the Herbert C. Hoover Building. The window upgrade is required to mitigate the harmful impact in the event of an attack against the building or one of the adjacent facilities. If an explosive device is used during an attack, the proposed upgrades will reduce the amount of glass fragments and, therefore, reduce the degree of injuries to building occupants. In the event of a chemical/biological/radiological attack, the upgrade will significantly reduce the air filtration from toxic substances providing employees with precious minutes to escape the building or enabling them to "shelter-in-place," if required. The upgraded windows provide the greatest protection from chemical or biological agents by establishing the most "air-tight" environment.

This is a significant issue for DOC due to our proximity to multiple high profile locations. This request is dictated by both threat and vulnerability. DOC plans to complete installation of blast resistant windows for the remaining half of the building in FY 2006.

	Increase / Decrease	
	FTE	Amount
Continuity of Government Operating Space and Emergency Coordinator to Increase Emergency Preparedness	+1	+$500

This increase will provide for additional space and equipment needed to meet basic operational readiness capabilities. Funding will be used to provide annual rental payments for the increased space requirements and for an External Emergency Coordinator to serve as the central point of contact in the event of terrorist activities, natural disasters or other emergency situations, including training/travel and other support costs for the position.

Security Management Application	0	+$500

This program increase will provide for the development and integration of a new corporate management application system. This system will enhance the Department's personnel security management capabilities as well as establish an organization-wide technical architecture to fully integrate future security applications for anti-terrorism and emergency management.

E-Government Initiatives	0	+$1,912

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. E-Authentication - $394 – Will provide a systematic means of "e-Authentication," that is, authenticating the identity of the remote party to an E-government transaction over the Internet and World Wide Web. Many Government services require that agencies know with some certainty with whom they are dealing with over the Internet, thus requiring authentication.

2. E-Rulemaking - $655 - Will provide a central federal portal for announcing proposed new rules and receiving comments, as well as managing entire dockets.

3. E-Travel - $221 - To establish 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.

4. Integrated Acquisition - $274 - Will allow agencies to begin sharing common data elements to enable more informed procurement, logistical, payment and performance assessment decisions.

5. E-Records Management - $40 – To develop government-wide guidance for electronic records management.

6. Business Gateway - $328 – Will reduce the burden on citizens and businesses in locating and submitting Federal forms, through a single web site for citizens and businesses to find, fill, sign and submit any form required by the Federal government.

Operating Fund: <u>Working Capital Fund</u>

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2004 Operating Level			682	$129,906
Adjustments to Base				
<u>Adjustments</u>				
Additional Required for FY 2003 Pay Raise				884
Other Changes				
2004 Pay raise		$560		
2005 Pay raise		666		
Within-grade step increases		538		
Change in compensable day		(228)		
Civil Service Retirement System (CSRS)		(78)		
Federal Employees' Retirement System (FERS)		120		
Thrift Savings Plan		22		
Federal Insurance Contributions Act (FICA) - OASDI		41		
Health insurance		319		
Employees' Compensation Fund		5		
Travel, Per Diem		12		
Rent payments to GSA		268		
Printing and reproduction		3		
Other Services:				
NIST Accounting Charges		670		
Security Guard Contract Labor Costs		1,184		
General Pricing Level Adjustment:				
Communications, utilities, & misc.		30		
Other services		453		
Supplies and materials		16		
Equipment		14		
Subtotal, other cost changes			0	4,615
Less Amount Absorbed				(538)
TOTAL, ADJUSTMENTS TO BASE			0	4,961
2005 Base			682	134,867
Program Changes			3	3,615
2005 OPERATING LEVEL			685	138,482

Comparison by Activity

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
REIMBURSABLE OBLIGATIONS	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
General Counsel	209	$31,185	209	$32,435	209	$32,894	0	$459
Public Affairs	15	2,329	15	2,410	15	2,410	0	0
Departmental Staff Services	458	99,268	458	100,022	461	103,178	3	3,156
TOTAL REIMBURSABLE OBLIGATIONS	682	132,782	682	134,867	685	138,482	3	3,615
FINANCING								
Unobligated balance, start of year		(2,876)						
Offsetting collections from:								
Federal funds		(129,906)				(138,482)		
Subtotal, financing	0	(132,782)			0	(138,482)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	682	0			685	0		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Departmental Staff Services</u>	458	$100,022	+3	+$3,156
Support Office of the Secretary's Information Technology Needs			0	+$965

This program request will provide funding for the evolving and increasing information technology needs of the Office of the Secretary. Specifically, this program increase will provide funding for software maintenance requirements; a three-year replacement program for current servers; one additional Help Desk contractor; completion of the migration of all Office of the Secretary PCs and servers to the new high speed, secure digital HCHB Network; a "catch-up" replacement of the most needed servers; and software packages to support the IT requirement throughout the Office of the Secretary.

Department of Commerce Learning Management System			0	+$260

This program increase will provide for the acquisition of a Commerce-wide enterprise license for the Learning Management System (LMS) which will allow for more efficient operations, expedited training services delivery, and economies of scale that will equate to very considerable savings across Commerce bureaus. A Commerce-wide license for implementation of LMS will enable the Department to rapidly meet identified web-based training requirements. It will promote continuous learning and improvement by enhancing the skill development of employees and quickly reduce workforce competency gaps.

Outsourcing EEO Alternative Dispute Resolution (ADR), Final Decisions			0	+$250

This program increase will allow for the outsourcing of EEO Alternative Dispute Resolution and Final Agency Decisions. This is critical to the Department's ability to comply with the Equal Employment Opportunity Commission regulations and reduce DOC's exposure to additional monetary sanctions. 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 aggressive efforts to utilize Alternative Dispute Resolution and to contract Final Agency Decisions.

	Increase / Decrease	
	FTE	Amount
Maintenance of the Consolidated Reporting System (CRS)	+1	+$260

This program increase will provide for the maintenance and operation of a production version of the Consolidated Reporting System (CRS). The CRS is a computer-based system designed to provide the Department's senior executives access to information relevant to their management activities. It will pull the critical information into one system and will provide easy access for senior executives to access and report on the performance and effectiveness of the organization. Senior executives will have direct, on-line access to real-time data on performance and be able to focus attention on those areas that can have the most impact on results. This program increase will fund an Information Technology Specialist position and contract requirements for annual license maintenance, professional support services, and data center support.

Environmental Management Program	0	+$115

This program increase will provide funding for an HCHB Environmental Management System (EMS), hazardous waste management planning, hazardous disposal costs, waste/spill control equipment, and training in handling of harmful substances, in order to comply with Federal environmental laws, regulations and Executive Orders.   This request will fund contract costs for a portion of the preparation of the HCHB Safety and Environmental Management System, hazardous waste disposal, and training. Funding is required for preparation of the Hazardous Waste Management Plan for HCHB (including training), an on-line environmental reporting system, an EMS general population training video, hazardous waste/spill control equipment, and training on recurring hazardous waste.

Office of the Secretary Training Center	0	+$345

This program increase will provide Office of the Secretary employees access to e-learning training programs. The OS Training Center will offer opportunities for training and continuous learning to all OS employees in order to realize and comply with the government-wide President's Management Agenda initiatives of expanded Electronic Government and the strategic management of human capital.

Web-based Corporate Database Reporting System	0	+$443

This program increase will fund the purchase of a next generation web-based corporate database reporting system. Currently, we use a non-Web-based corporate database reporting system to consolidate and produce the consolidated financial reports for the Department. While we have been able to perform many functions to date, this version has limitations, and enhancements to this product are not available. A next generation web-based corporate database will provide us with the flexibility to better meet current and future requirements. Inability to procure this system will impede our ability to continue maintaining a corporate database that fully integrates the financial system. Increased financial reporting requirements and expected future changes have resulted in the need for more flexibility in the system.

A-76/FAIR Act Program	+2	+$418

This program increase requests funding for two additional staff, a support contract, and training, in order to fully execute the Department's A-76/FAIR Act initiative in FY 2005.

Strategic Recruitment Program	0	+$100

The Department is actively engaged in a process to assess its workforce and address projected shortages for critical positions by developing recruitment strategies for new entrants, mid-level candidates and a fresh influx of senior executive leadership into the workforce. Our efforts will strategically position the Department to compete for top college talent and experienced workers.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
General Counsel	209	$32,435	0	+$459

The Office of the Assistant General Counsel for Administration provides legal advice to the Department's bureaus, and is funded through the Working Capital Fund. This request will address the erosion of base funding that is undermining the ability of the office to provide all necessary services to its clients. During FY 2003, the Office was unable to fill 8 positions due to funding limitations. Compliance with applicable statutory and regulatory requirements has become increasingly difficult with a declining staff.

The Office consists of three divisions, Ethics, Employment and Labor Law, and General Law. The Ethics Division is responsible not only for providing advice regarding ethics issues, but also for administering the ethics program, with its statutory and regulatory requirements regarding training and financial disclosure. The Employment and Labor Law Division's work entails providing management with advice and legal representation in the area of personnel law. In this area particularly, lawyers' involvement at an early stage in disciplinary and other personnel matters can save significant sums in the long run, obviating the need for costly full litigation. In the third division, General Law, the Office has developed excellent training models to help its clients understand how to prepare memoranda of understanding and other agreements with public and private sector partners resulting in more expeditious reviews and clearances of such agreements and the transfer of funds into and out of the Department in accordance with appropriate fiscal safeguards.

Direct Cost by Office

	2005 Estimate	
Offices	FTE	Amount
Human Resources Management	52	$16,818
Civil Rights	20	2,756
Financial Management	62	17,722
Security	139	27,429
Administrative Services	114	23,950
Acquisition Management	34	6,388
Chief Information Office	37	7,738
Management and Organization	3	377
Subtotal, Departmental Staff Services	461	103,178
General Counsel	209	32,894
Public Affairs	15	2,410
Total Working Capital Fund	685	138,482

Distribution by Bureau

	FY 2005
Bureaus	Amount
Office of the Secretary	$9,988
Office of Inspector General	1,627
Economic Development Administration	2,162
Bureau of the Census	24,097
Economic and Statistical Analysis	2,582
International Trade Administration	26,670
Bureau of Industry and Security	7,444
Minority Business Development Agency	1,652
National Oceanic and Atmospheric Administration	41,962
Patent and Trademark Office	3,151
Technology Administration	994
National Institute of Standards and Technology	10,806
National Technical Information Service	584
National Telecommunications and Information Administration	3,518
Office of Computer Services	345
Total Commerce Bureaus	137,582
Other Agencies	900
Total	138,482

Appropriation: Emergency Oil and Gas Loan Guarantee Program

Summary of Requirements

	Summary	
	FTE	Amount
2004 Appropriation		$0
Adjustments		
Restoration of Rescissions		0
2005 Base		0
Program Changes		0
2005 APPROPRIATION		0

Comparison by Activity

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
DIRECT OBLIGATIONS	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Guarantee Loan Subsidy	0	$0	0	$0	0	$0	0	$0
Admin. Expenses	0	267	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	267	0	0	0	0	0	0
Credit Reestimates	0	0						
TOTAL DIRECT OBLIGATIONS	0	267			0	0		
FINANCING								
Unobligated balance, start of year		(267)						
Unobligated balance, withdrawn		0						
Unobligated balance, end of year		0						
Subtotal, financing	0	(267)			0	0		
TOTAL DISCRETIONARY BUDGET AUTHORITY	0	0			0	0		

Appropriation: <u>Emergency Steel Loan Guarantee Program</u>

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2004 Reappropriation		$52,168
Adjustments		
Non-recurring unobligated balance reappropriation		(52,168)
Financing		
Rescission of Unobligated Balances		(35,012)
2005 Base		(35,012)
Program Changes		0
2005 APPROPRIATION		(35,012)

Comparison by Activity

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
DIRECT OBLIGATIONS	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Guarantee Loan Subsidy	0	$15,156	0	$0	0	$0	0	$0
Admin. Expenses	0	2,266	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	17,422	0	0	0	0	0	0
Credit Reestimates (Mandatory)	0	124						
TOTAL DIRECT & MANDATORY	0	17,546			0	0		
FINANCING								
Unobligated balance, start of year		(52,989)				(35,012)		
Expired balances lapsing		52,723						
Unobligated balance, end of year		35,012				0		
Subtotal, financing	0	34,746			0	(35,012)		
TOTAL DISCRETIONARY BUDGET AUTHORITY	0	52,168			0	(35,012)		
TOTAL, MANDATORY BUDGET AUTHORITY	0	124						

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)

	2003 Actual	2004 Estimate / Target	2005 Estimate / Target
Goal 1: Ensure effective resource stewardship in support of the Department's programs	$40.7	$44.6	$47.1
Clean audit opinion on Department consolidated financial statements	Yes	Yes	Yes
Consolidate Commerce-wide integrated financial management system platforms	NA	Reduce platforms from 5 to 3	Complete business case for feasibility of further reductions
Implement competitive sourcing	Combined target for FY 2002/2003 was 1203 FTEs. Completed 534 FTEs or 66% of new target of 800 FTEs	Multi-year plan under further development	TBD
Funds obligated through performance-based contracting	24% of $605M	40% of eligible service contracting dollars	50% of eligible service contracting dollars
Small purchases made using credit cards	97% of actions below $25,000	90% of actions below $25,000	90% of actions below $25,000
Increase percentage of total obligations awarded as contracts to small businesses	45% as of 10/03	42%	42%
Ensure a secure workplace for all Commerce employees	Reviewed COOP plans for 16 DoC components. Conducted compliance reviews of more than 450 security containers and 550 sensitive documents and 40 risk assessment surveys	Conduct 40 compliance reviews of security programs and classified systems, Develop COOP compliance and oversight program and identify Commerce specific security concerns	Conduct 40 risk assessment surveys and compliance review of security programs, oversee testing and evaluation of the COOP plans, and identify Commerce specific security concerns
Ensure a safe workplace for all Commerce employees	Implemented employee education and awareness training activities and a safety website. Published safety reports and distributed safety brochures.	Implement a facility safety assessment program. Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DoC facilities, & provide safety training for 100 DoC employees	Implement a facility safety assessment program. Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DoC facilities, & provide safety training for 100 DoC employees

	2003 Actual	2004 Estimate / Target	2005 Estimate / Target
Goal 2: Strategic management of human capital	$4.1	$4.3	$4.5
Ensure competency in leadership and in mission critical occupations	Implemented succession planning strategies, identified staffing & retention targets for 20 mission critical occupations, announced SES candidate development program and received 204 applications	Enrollment of new SES Candidate Development Program (CDP) participants	New CDP participants begin developmental assignments outside their positions of record
Ensure comprehensive training and development strategies	Completed needs assessments for targeted employee groups. Implemented over 1,200 e-learning courses.	Implement learning management online system in the Office of Secretary	Implement distance learning and knowledge management program for Department
Ensure diverse candidate recruitment	Completed a survey of effectiveness & utilization of recruitment activities. Determined DoC's hiring baseline.	Assess efficacy of recruitment approaches	Develop and implement new ways to significantly increase Hispanic representation
Efficiency and effectiveness of hiring systems using the Commerce Opportunities Online (COOL) System	Fill time reduced to 21 days. Completed online assessment of 304 managers who used COOL.	Maintain fill time standard of 30 days and assess applicants' and bureaus' satisfaction with COOL	Implement system improvements based on satisfaction data
Increase the alignment of performance management with mission accomplishment	GS and equivalent performance management systems are linked through the use of performance metrics tied to the APP	Cascade new performance elements to 60% of supervisory ranks	Implement the ComPAS system Department wide
Goal 3: Acquire and manage the technology resources to support program goals	$7.9	$8.1	$10.4
Transactions converted to electronic format	107 (50% of 214)	149 (70% of 214)	169 (79% of 214)
IT planning and investment review program maturity (scale of 0-5)	73% at 3 or higher 5% at 4 or higher	60% at 3 or higher; 10% at 4 or higher	65% at 3 or higher 15% at 4 or higher
IT Architecture program maturity (0-5)	91% at 2 or higher 77% at 3 or higher	60% at 3 or higher; 10% at 4 or higher	65% at 3 or higher 15% at 4 or higher
IT Security program maturity (0-5)	100% at 2 or higher 79% at 3 or higher 7% at 4 or higher	85% at 3 or higher; 33% at 4 or higher	88% at 3 or higher 40% at 4 or higher
Percentage of IT system security plans completed	100%	100%	100%
Percentage of IT systems certified and accredited	New	85%	90%
Percentage of unsuccessful intrusion attempts	85%	85%	85%
Total	**$52.7**	**$57.0**	**$62.0**

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.