

# Departmental Management and Reimbursable Support Activities

Departmental Management provides the executive leadership, policy, guidance, independent program evaluation, and coordination needed to manage the diverse, complex, and nationally significant programs that are Interior’s responsibilities. These offices also guide and coordinate all of Interior’s administrative activities such as finance, information resources, procurement and acquisition, human resources, and budgeting. Departmental Offices also includes legal services through the Solicitor’s Office, the audits and investigations of the Inspector General, environmental damage coordination, and administrative hearings and appeals.

Within the Departmental Offices are several other significant programs. These include the Office of Insular Affairs (OIA), which provides assistance to insular areas; the Office of the Special Trustee for American Indians (OST), which manages and discharges the Secretary’s responsibilities for about \$3.2 billion in trust assets of American Indians; the Natural Resources Damage Assessment and Restoration program, which coordinates the Department’s natural resources damage assessment and restoration effort; and the National Indian Gaming Commission, which regulates certain Indian gaming activities.

The Department also provides support services used by the bureaus to accomplish their work through a variety of reimbursable operations and interagency agreements. These include the National Business Center (including aircraft services); specific working capital funds in the Bureau of Reclamation, the U.S. Geological Survey, and the Bureau of Land Management; and reimbursable activities by selected Departmental Offices. Activities include administrative support services such as accounting, property management and purchasing, drug testing, training, security, printing, communications, and computer systems operations and maintenance. In addition, several other federal agencies, commissions, state governments, and cooperators are also customers.

The Interior Franchise Fund (IFF), which is another working capital fund, provides commonly required administrative systems and systems support, administrative operations, and information technology services on a competitive, fee-for-service basis to other federal agencies with the goal of reducing administrative costs.

The resources expended for Departmental Management and Reimbursable Support Activities are shown in *Figure 10*.

**Figure 10**

<b>Departmental Management and Reimbursable Support Activities</b>		
<b>Program Activity</b>	<b>2001 Expenses (in millions)</b>	<b>2000 Expenses (in millions)</b>
A. Departmental Offices *	\$176	\$199
B. Reimbursable Support Activities		
B1. National Business Center	704	613
B2. Interior Franchise Fund	235	129
B3. Other Reimbursable Activities **	256	110
<i>Subtotal B</i>	<i>1,195</i>	<i>853</i>
<b>Total Departmental Management and Reimbursable Support Activities</b>	<b>\$1,371</b>	<b>\$1,052</b>

\* Includes Inspector General, Solicitor, and other Departmental Offices.

\*\* Includes Bureau Working Capital Funds.

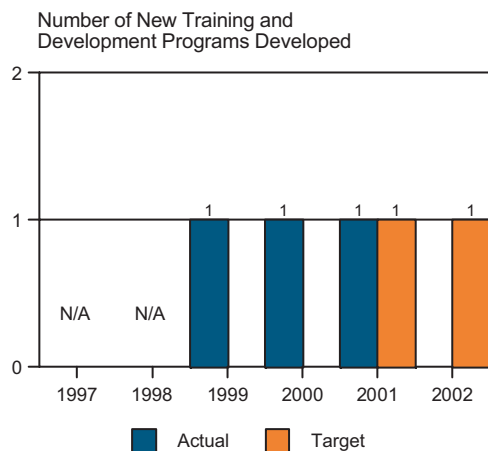
**Departmental Management** (Provide overall policy guidance and direction for the Department of the Interior in a broad range of management areas that affect nearly all aspects of Interior operations)

**Lead People to Succeed**

**Background:** Interior requires a dedicated, diverse, highly qualified workforce to accomplish its mission and achieve its goals. To ensure that a quality workforce is in place, the long-range goal is to create a work environment in which employees are valued, motivated, developed, and rewarded for excellent, customer-focused performance. To accomplish this goal, the Department strives to develop and implement a comprehensive, integrated approach that addresses all levels of career management.

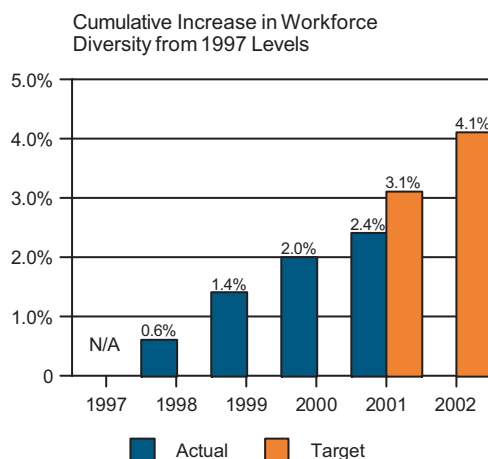
**Performance Measure - Number of New Training and Development Programs.** The Department recognizes the need to train and develop employees for both mission and career advancement. As such, Interior’s focus is on developing and implementing effective training and development programs that emphasize career management, focus on critical skill needs, and support lifelong learning.

**2001 Results:** The Department met its performance target by developing a training program for employees involved with workforce planning. In 2001, a workgroup composed of bureau and office representatives identified the need for workforce planning and assisted with the development of a workforce planning manual. The manual identifies specific approaches and outputs to the process and contains sample forms and checklists that can be used by employees engaged in workforce planning. The manual was published in August 2001.



**Performance Measure - Percent Increase in Workforce Diversity.** The Department strives to achieve diversity goals through increasing employees’ awareness of diversity issues and by improving targeted recruitment to increase the diversity of the applicant pool. Selections are made solely on the basis of merit. The measurement focus is on increasing the general diversity of the workforce, not on quotas, numeric targets, or specific vacancies. Percentages are calculated as portions of the total workforce rather than the growth rate of specific groups; for example, if a group moves from five percent to six percent, it is reported as having increased one percent of the total workforce rather than as a 20 percent increase in the group. Thus an increase of one percent is significant progress, given the limited turnover rate.

**2001 Results:** The Department's workforce diversity increased by 2.4 percent from the 1997 level of 44.6 percent to 47.0 percent. The performance target of 3.1 percent was not achieved because (1) there were fewer opportunities to hire and (2) separations offset the increase in the number of hires. While there has been an increase in diversity since 1997, hiring barriers continue to exist. Hiring and retention strategies are being implemented to overcome these barriers. The Department conducts targeted recruitment and monitors applicant pools to ensure that selection certificates are diverse.



### ***Provide the Services and Technology to Manage***

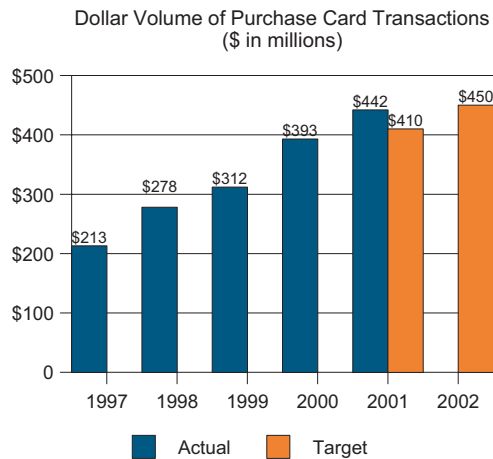
**Background:** Procurement and property management play important roles in virtually all activities and programs of the Department. The procurement of goods and services is a critical support element in accomplishing mission objectives. By improving the quality and price of procured items, as well as the timeliness of procurement actions and productivity of our procurement staff, Interior saves resources and improves the Department's services to the American people.

The management of personal, real, and museum property is also critical to Interior's mission of protecting and preserving federal assets. As the largest landholder within the federal government, Interior has a unique responsibility to conserve approximately 132 million cultural artifacts, pieces of artwork, and other museum properties. Interior also manages personal property assets valued at more than \$1.7 billion, more than 57,000 buildings and facilities, and a fleet of more than 31,500 vehicles.

**Performance Measure - Dollar Volume of Purchase Card Transactions.** The Department strives to provide better service and cost savings through use of the governmentwide purchase card. Interior's charge card program is integrated; up to three business lines—travel, fleet, and purchase—can be activated in one cardholder account and card. Under the charge card program, non-procurement personnel may select and order items under the \$2,500 micro-purchase threshold.

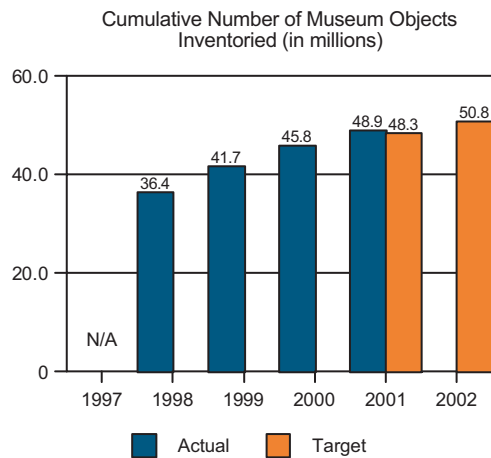
**2001 Results:** The Department exceeded its performance target as the dollar volume of purchase card transactions totaled almost \$442 million. The SmartPay integrated charge card proved especially useful during the fire season as it gave fire crews quick access to supplies and lodging and enabled the Department to pay vendors immediately. The card was also useful in campground maintenance as it allowed employees who were hundreds of miles away from the

office to purchase supplies and equipment immediately. Other employees were able to use the card to purchase supplies expeditiously and with reduced paperwork.



**Performance Measure - Number of Museum Objects Catalogued.** Interior is responsible for approximately 132 million museum objects, a collection that is second in size only to those managed by the Smithsonian Institution. The Department’s museum collections include important artifacts of the Nation’s cultural and natural heritage. Careful documentation of these museum collections establishes accountability for their management and use in preserving the Nation’s natural and cultural resources, supporting science activities, and providing heritage recreation and education for the public.

**2001 Results:** The Department exceeded its performance target by cataloging over 3 million museum items in 2001, increasing the total number of items catalogued to approximately 48.9 million. This is about 37 percent of Interior’s collections, which is an estimated 132 million items (or 71 million items and 38,000 linear feet of documents). Bureaus partner with approximately 650 non-federal institutions to house, manage, and exhibit Interior museum collections.



## ***Use Information Technology to Better Manage Resources and Serve the Public***

**Background:** Historically, information technology planning at Interior has been conducted primarily at the program or bureau level. The Interior Architecture Project focuses on meeting the requirements of the Clinger-Cohen Act of 1996 to establish an enterprisewide analysis of business, information, and technology practices. This analysis provides a basis for identifying and managing crosscutting business, information, and technology requirements. Toward this end, Interior's Chief Information Officer has established a methodology to conduct the architecture-related information gathering and analysis. The outcome of this analysis is a target Interior Information Architecture (IIA) for crosscutting business, information, and technical issues. The implementation plan is the result of a gap analysis comparing existing information architecture within Interior to the desired target IIA.

**Performance Measure:** *Complete a Department Enterprise Information Architecture Plan.*

**2001 Results:** The plan for development of the IIA was updated to reflect an accelerated approach using META Group Consulting as advisors and facilitators. This effort will result in the creation of a high-level IIA implementation plan by the end of calendar year 2002. An assessment was also conducted on the Department's progress in closing the gap between the existing information architecture and the target IIA. The progress is measured through an applied Capabilities Maturity Model (CMM), which assists organizations in maturing people, processes, and technology assets to improve long-term business performance. The 2001 assessment determined that CMM Level 2 was attained for 69 percent of the measurements, exceeding the Department's expectations.

**Performance Measure:** *Complete a Critical Information Technology Infrastructure Protection Plan.*

**2001 Results:** Under the GSA SAFEGUARD Program, a contractor delivered the completed Interior IT Security Plan in September 2001. The plan was implemented by the Department in September 2001.

## ***Provide Safe, High-Quality Workplaces***

**Background:** Interior is committed to improving its infrastructure. In recent years, increasing deferred maintenance and capital improvement needs have threatened Interior's infrastructure and natural resource protection efforts. Additions to Interior's infrastructure inventory have further stretched maintenance and capital improvement dollars.

The Department recognizes that long-term improvement of the condition of Interior facilities requires better data on current conditions. To this end, Interior has issued formal requirements for conducting facility condition assessment surveys across all of the bureaus. These surveys will provide a continuous, systematic review program through which the bureaus can identify repair, rehabilitation, and replacement needs. These condition assessment surveys represent a more thorough and comprehensive examination of facilities than past efforts, and are therefore more likely to uncover additional needs.

**Performance Measure - Percent of Repair and Construction Projects Completed.** The Department manages about 57,000 buildings and quarters facilities, approximately 120,000 miles of roads, and a wide variety of other constructed assets. These facilities serve over 400 million visitors annually. They provide schooling for approximately 48,000 Native American children and a place of work for tens of thousands of Interior employees. As the steward of these assets, Interior is committed to improving the maintenance of these existing facilities and making the capital investments in new facilities that are essential to its mission.

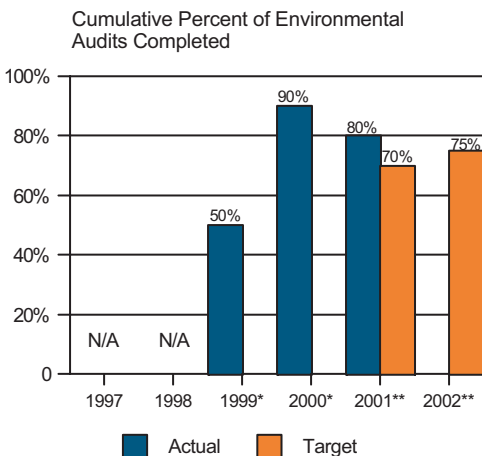
**2001 Results:** Overall project completion rates for the 2000 and 2001 repair and construction programs exceeded the performance targets. The 61 percent reported for Year 1 of the 2001 program clearly indicates that Interior bureaus aggressively implemented their repair and construction program. Data reported in 2002 will provide the Department with additional trend information that will help determine if adjustments to performance targets are necessary.

Performance Measure	1997	1998	1999	2000 *	Plan 2001	2001	Plan 2002
Percent of repair and construction projects completed by funding year	N/A	N/A	N/A	Yr 1: 48% Yr 2: 71% Yr 3: N/A	Yr 1: 30% Yr 2: 70% Yr 3: 95%	Yr 1: 61% Yr 2: N/A Yr 3: N/A	Yr 1: 30% Yr 2: 70% Yr 3: 95%

\* The 2000 Year 1 percentage was revised to reflect additional information that was not provided during last year's data call. The 2000 Accountability Report showed 22 percent for Year 1.

**Performance Measure - Percent of Environmental Audits Completed.** Environmental auditing is the systematic, documented, periodic, and objective review of facility operations and practices related to meeting environmental compliance standards. Each Interior bureau is responsible for developing and implementing its own environmental auditing program.

**2001 Results:** The Department exceeded its performance target of 70 percent using 2000 data (2,509 Interior-owned and operated facilities) as the base. Interior bureaus reported that 522 audits were performed for a cumulative total of 1,998 audits (80 percent) completed. The Department expects the base number of facilities to continue to change over the years, which will affect both projections and targeted outcomes.



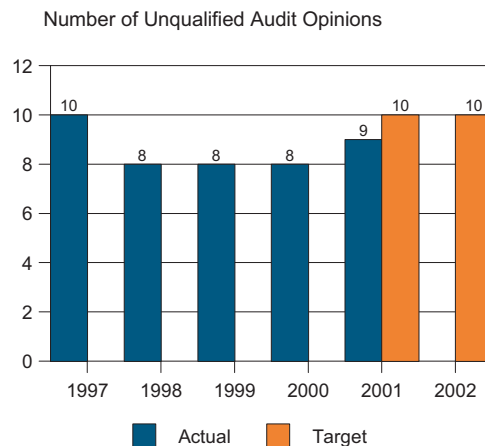
\* 1999 data was used as the base.  
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## Ensure Financial and Managerial Accountability

**Background:** Key laws such as the Chief Financial Officers Act, the Government Management Reform Act, the Government Performance and Results Act, the Debt Collection Improvement Act, the Federal Financial Management Improvement Act, and the Reports Consolidation Act of 2000 have established new standards and high expectations for government operations. In response to these laws and other initiatives, such as implementation of Federal Accounting Standards Advisory Board pronouncements, the Department continues to reshape the way it conducts business. To comply with the new standards and meet increasingly high expectations, Interior will provide timely and reliable financial and performance information that will permit stakeholders and decisionmakers to track progress and evaluate the results of Interior's programs.

**Performance Measure - Number of Unqualified Audit Opinions.** To strengthen the integrity of financial operations and ensure the accuracy of financial data, the Department produces audited consolidated financial statements as well as audited financial statements for each of the bureaus. The goal is to achieve unqualified (clean) audit opinions on all financial statements and comply with Federal Financial Management Improvement Act requirements.

**2001 Results:** The Department achieved a total of nine unqualified audit opinions on its consolidated and bureau financial statements, just short of the target of ten unqualified audit opinions. One bureau received a disclaimer on its financial statements.



**Performance Measures - Percent Implementation of Audit Recommendations and Percent Completion of Corrective Action Plans for Material Weaknesses.** Timely implementation of Office of Inspector General (OIG) and General Accounting Office (GAO) audit recommendations and timely correction of material weaknesses are essential to improving the efficiency and effectiveness of the Department's programs and operations and to achieving its integrity and accountability goals.

**2001 Results:** The Department implemented 63 percent of audit recommendations (target not met) and completed 50 percent of corrective action plans for material weaknesses (target not met). Several corrective actions were delayed while policy officials were confirmed and appointed to office. The Department is finding that many GAO audit recommendations cannot be completed within the one-year timeframe specified in the performance measure because they often require policy development or revision, formal rulemaking proceedings,

and/or legislative changes which typically are multi-year actions. Multi-year actions are tracked and monitored separately by the Department. Annual GPRA goal performance for implementation of audit recommendations is based on recommendations expected to be completed in that year.

Three material weaknesses were not corrected as scheduled during 2001. The scope of the corrective action plan for the BLM Land Exchange Program was expanded during 2001 as a result of findings in a GAO report and an internal review of the land appraisal component. Final corrective action is now targeted for 2002. The completion of the corrective action plan for the BOR Irrigation of Ineligible Land material weakness was delayed because of litigation issues. Final corrective action is now targeted for 2002. The completion of the Department Artwork and Artifacts material weakness was delayed because of bureau progress reviews. Final corrective action was achieved by several bureaus before the end of the year. Four bureaus, however, need additional time to complete the required actions due to competing priorities, resource commitments, and the volume of their collections.

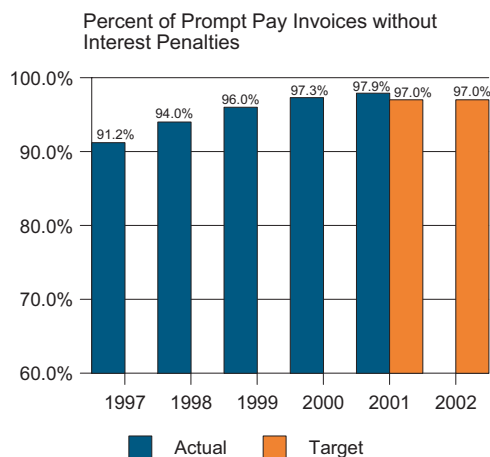
Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Percent implementation of GAO and OIG audit recommendations	N/A	N/A	61%	77%	75%	63%	75%
Percent completion of corrective action plans for material weaknesses	N/A	N/A	50%	33%	75%	50%	75%

### **Improve Financial Management Performance**

**Background:** The Department monitors financial management performance through the periodic collection and reporting of data for the Prompt Payment Act, Electronic Funds Transfers, and the Debt Collection Improvement Act.

**Performance Measure - Percent of Prompt Pay Invoices without Interest Penalties.** The Prompt Payment Act requires that payments be made within 30 days of receipt of invoice. The Department's objective is to have the percentage of payments without interest penalties meet or exceed the governmentwide goal of 97 percent.

**2001 Results:** The Department exceeded its performance target by paying 97.9 percent of its invoices without incurring Prompt Pay interest penalties.





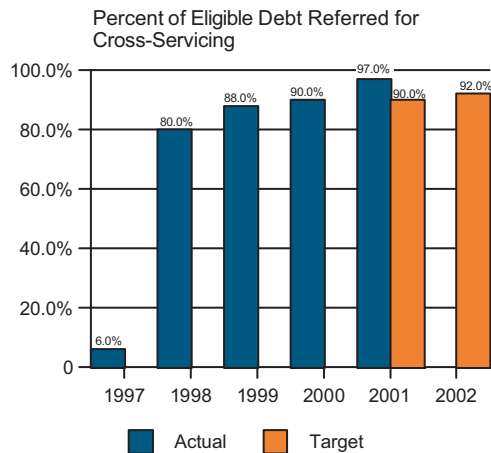
**Performance Measures - Percent of Salary Payments, Vendor Payments, Miscellaneous Payments, and Charge Card Payments (\$25,000 or less) processed by Electronic Funds Transfers (EFT).** The Debt Collection Improvement Act of 1996 (DCIA) requires that all payments be made by EFT unless covered by waiver. The Department's goal is to use EFT to the maximum extent possible, except for payments covered by waivers.

**2001 Results:** The Department exceeded its performance targets for EFT payments as shown in the following table.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Salary EFT Payments	85.8%	90.2%	97.9%	98.4%	98.0%	98.6%	98.0%
Vendor EFT Payments	14.4%	25.3%	61.1%	76.5%	80.0%	80.6%	80.0%
Miscellaneous EFT Payments	34.6%	54.6%	83.5%	91.6%	92.0%	92.8%	92.0%
Charge Card (\$25,000 or less)	N/A	N/A	88.2%	94.0%	91.0%	95.5%	93.0%

**Performance Measure - Percent of Eligible Debt Referred for Cross-Servicing.** The collection of delinquent debt due from the public is a major goal of the Debt Collection Improvement Act. The Department's goal is to refer all 180-day and older eligible debt to the U.S. Treasury for cross-servicing and to refer delinquent debts to the Treasury Offset Program as required by law.

**2001 Results:** The Department exceeded its performance target by referring 97 percent of eligible debt to the U.S. Treasury for cross-servicing.



## Reimbursable Support Activities

The Department provides a number of support services through various reimbursable operations administered either by the Department or by individual bureaus. These include the National Business Center (a working capital fund within the Department) and working capital funds at the Bureau of Reclamation, the U.S. Geological Survey, and the Bureau of Land Management. Departmental Offices provide selected support services to bureaus on a reimbursable basis. The Department also administers the Interior Franchise Fund, which provides support services to non-Interior customers on a reimbursable basis under a pilot program established by the GMRA. The Department has established performance measures for the National Business Center and the Interior Franchise Fund. The other reimbursable activities operate to recover costs in accordance with rules established by their respective authorizing legislation.

### **National Business Center**

**Background:** Interior’s National Business Center (NBC) was created from the merger of three administrative service centers in three different bureaus into one service provider located in the Office of the Secretary. The NBC is founded on a vision “to be recognized as the preferred business solution provider for the federal sector.” In addition to providing administrative and system services to Interior bureaus and offices, the NBC plays an important role in the federal government sector as a fee-for-service organization providing these same services to agencies outside of Interior. The NBC provides competitive, state-of-the-art products and systems and incomparable customer service to the federal sector.

**Performance Measures - Percent of Customers Satisfied with NBC Business Line and Percent of Payroll Processed Timely.** The NBC improves the efficiency and effectiveness of federal government through cross-servicing of human resources, payroll, finance, accounting, government housing management, and performance support. The NBC also provides a full complement of payroll operations, data centers, procurement, organizational development, and fiscal and property services; offers classroom, video conference, videotaped, computer-based, and web-based training; and provides multimedia presentations.

**2001 Results:** The NBC contracted with Booz-Allen Hamilton to conduct a customer service survey to determine the level of satisfaction of NBC customers, identify service delivery strengths and weaknesses, identify key drivers of excellent customer service, and provide customer service improvement training for NBC staff. The survey and data analysis were completed and serve as the baseline for NBC’s continuous improvement process. During 2001, the NBC timely processed 99.9 percent of payroll through the Federal Personnel/Payroll System, which exceeded the performance target of 99 percent.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Percent of customers satisfied with NBC business line	N/A	N/A	N/A	N/A	Establish baseline	Baseline established	Develop Action Plan
Percent of payroll processed timely	N/A	N/A	N/A	99%	99%	99.9%	99%

## **Interior Franchise Fund**

**Background:** In 1996, the Office of Management and Budget authorized the Department to establish a franchise fund pursuant to the Government Management Reform Act of 1994. The Interior Franchise Fund (IFF) carries out its responsibilities by relying upon a network of service provider organizations. The IFF's competitive strengths lie in its ability to attract and retain external customers and its ability to quickly garner the staff needed to meet customer needs. The creative concept of using Interior resources on a reimbursable basis allows the IFF to keep personnel and fixed costs to a minimum and precludes the need for maintaining permanent staff.

### **Performance Measures - Number of Customer Orders and Amount of Retained Earnings.**

The current service provider organizations, the Office of the Secretary and the Minerals Management Service, strive to operate in an entrepreneurial manner, consistent with the Office of Management and Budget's "Twelve Business Principles." They efficiently and effectively cross-service other agencies via interagency agreements. With the service providers' support, the IFF offers competitively priced administrative systems and related support services, administrative operations, and general administrative services that are responsive to customers' needs and budgetary constraints.

**2001 Results:** The IFF processed 1,310 orders (target not met) and generated \$335,000 in retained earnings (target not met) during 2001. The transfer of the Cooperative Administrative Support Unit business line from the IFF to the Treasury Franchise Fund had an unfavorable impact on IFF performance.

<b>Performance Measures</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>Plan 2001</b>	<b>2001</b>	<b>Plan 2002</b>
Number of customer orders	9	230	334	1,114	1,500	1,310	1,500
Amount of retained earnings (\$ in 000s)	(\$134)	(\$227)	(\$80)	\$34	\$1,200	\$335	\$1,200

## **Office of Aircraft Services**

**Background:** The Office of Aircraft Services (OAS) provides consolidated aviation management to the Department. Centralized management promotes the safe and cost-effective use of aircraft. These aircraft are used to support the management of natural resources, including wildfire suppression, wildlife surveys, migratory bird studies, and animal gathering and capturing. Aircraft are also used to conduct scientific research, including environmental protection surveys; support seismic monitoring activities; and to transport people and supplies to remote areas, where travel over land is not feasible. Additionally, aircraft are used in law enforcement and emergency search and rescue operations.

**Performance Measure:** *Number of Safety Inspections Performed.* Safety inspections improve the efficiency, effectiveness, and safety of aviation services provided by the OAS.

**2001 Results:** The Office of Aircraft Services inspected 2,362 aircraft in 2001. Of this amount, 95 were Interior-owned aircraft, and the balance were contracted aircraft or rental aircraft approved to fly for special use activities at altitudes of less than 500 feet or requiring the use of special equipment. This represented 100 percent of aircraft used in all three categories.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Number of aviation safety inspections for Interior owned aircraft	96	106	109	106	113	95	115
Number of aviation safety inspections for contract and rental aircraft	2,718	1,796	2,109	2,387	2,526	2,267	2,612

**Performance Measure:** *Number of Pilot Flight Evaluations Performed.* Pilot flight evaluations improve the efficiency, effectiveness, and safety of aviation services provided by the OAS.

**2001 Results:** The Office of Aircraft Services administered pilot flight evaluations to 3,282 pilots in 2001. Of this amount, 409 were employee pilots. The balance were vendor pilots hired to fly contracted or rental aircraft approved to fly for special use activities at altitudes of less than 500 feet or requiring the use of special equipment. Evaluations were administered to 100 percent of pilots in all three categories.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Number of Interior pilot flight evaluations conducted	254	292	393	654	763	409	400
Number of vendor pilot flight evaluations conducted	540	1,328	1,805	3,626	4,034	2,873	2,800