

Fiscal Year (FY) 2008/FY 2009 Budget Estimates Business Transformation Agency (BTA)



February 2007

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**BUSINESS TRANSFORMATION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FISCAL YEAR (FY) 2008/FY 2009 BUDGET ESTIMATES**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4: Administrative and Service-wide Activities**

	FY 2006	Price	Program	FY 2007	Price	Program	FY 2008	Price	Program	FY 2009
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
BTA	19,585	+432	+129,391	149,408	+3,637	-5,017	148,028	+3,312	+6,709	158,049

I. Description of Operations Financed:

The Defense Business Transformation Agency (BTA) began operations on October 7, 2005 to lead and coordinate business transformation efforts across the Department of Defense (DoD). On March 19, 2006, the BTA initiated a partial standup of the new agency, merging various programs and initiatives, primarily at the Office of the Secretary of Defense level. In June FY 2006, the Deputy Secretary of Defense further expanded the BTA mission by establishing a task force to support improved DoD contracting and stability operations in Iraq. The Task Force is reviewing and assessing the DoD business enterprise processes and associated systems in Iraq affecting contracting, logistics, fund distribution, and financial management. The Task Force will focus on alignment to theater commanders' goals for reconstruction and economic development. On October 1, 2006, approximately 20 additional business enterprise systems and initiatives encompassing DoD Core Business Missions (i.e., Personnel Visibility, Acquisition Visibility, Common Supplier Engagement, Materiel Visibility, Real Property Accountability, and Financial Visibility) transferred from various Components into the BTA.

Standing up the BTA further implemented the Congressional Mandate of FY 2005, which established the Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense. Through a governance structure of tiered accountability, the DBSMC manages the "corporate" or DoD Enterprise-level requirements, and each Component manages its own unique mission support requirements.

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As the single agency responsible for DoD Enterprise business transformation functions, the BTA will establish and enforce requirements, principles, standards, systems, procedures, and practices governing business transformation. For FY 2008-FY 2009, the BTA will work to expand warfighter capabilities in support of national security requirements across the full spectrum of joint, interagency, and intergovernmental business operations. These requirements are consistent with the goals and objectives of the 2006 Quadrennial Defense Review (QDR), which emphasizes the imperative for defense business agility, flexibility, and horizontal integration to sustain military operations in an era of uncertainty. The QDR mandate is clear: "the DoD must reshape the defense enterprise in ways that better support the warfighter and are appropriate for the threat environment." At the same time, investments in business operations must promote financial accountability, and responsible stewardship of the precious resources. The Department is making unprecedented progress in bringing about real institutional change. Such progress includes: 1) alignment of defense business transformation to our ultimate customer - the warfighter - and to the agility the warfighter requires, and 2) tiered accountability for achieving transformation milestones and delivering improved business capabilities.

In addition to the QDR, the President's Management Agenda also calls for streamlining Defense operations. The BTA vision supports consolidation and streamlining of the various DoD business transformation activities, increasing efficiency, and strengthening acquisition oversight of business transformation initiatives and systems, eliminating redundancy and overhead in Defense. The FY 2007 budget reflects a phased stand-up of the new agency and conversion to the National Security Personnel System. The FY 2008 estimates reflect the first full year for BTA operation.

The Business Enterprise Architecture (BEA) serves as the blueprint for the consolidation of business systems across the Department. The BEA provides the architectural framework and an information infrastructure for the Department, including business rules, requirements, data standards, system interface requirements, and the

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depiction of policies and procedures. The DoD Architecture Framework (DoDAF) products, including Operational, Technical, System, and All View products, provide this framework. The BEA is developed under the DoD Tiered Accountability concept, reflecting key Business Enterprise Priorities within the Core Business Mission areas of the Department. Through this concept, a DoD Component is responsible for defining an enterprise architecture associated with their own tier of responsibility, while complying with the policy and BEA at the DoD Enterprise-level.

The Department's business objectives include improved requirements management, a single face to industry (our suppliers and vendors), and expanded use of business intelligence to achieve improved performance and greater cost efficiencies across the Department. The Department will further define and implement policies, procedures, standards, and interface requirements that improve the preparation of a general ledger. This will ultimately lead to improved asset visibility and accountability across the Department and submission of an auditable financial statement. Specific objectives of the BTA are:

- Support for Joint Warfighting Capability. Joint military requirements drive the need for greater commonality and integration of business and financial operations.
- Better Information for Strategic Resourcing Decisions. Access to reliable management information will allow DoD leadership to make sound decisions that affect the Department's human resource capabilities; the condition, status, and location of assets supporting warfighters; and the employment of resources to best enable the warfighting mission.
- Reduced Cost of Business Operations. Streamlining or eliminating costly, outdated, and redundant systems, procedures, and programs will allow the Department to deliver warfighting capabilities, deal with growing pressures on resources, and benefit from economies of scale more effectively.

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- Improved Stewardship to the American People. The Department recognizes its responsibility to the American people to manage financial and human resources carefully as it supports joint warfighting requirements.

The BTA focus is on delivering meaningful and measurable progress toward defense business system modernization and transformation. The BTA has seven operating divisions:

- Defense Business Systems Acquisitions Executive (DBSAE)
- Agency Operations
- Transformation Planning and Performance
- Transformation Priorities and Requirements
- Enterprise Integration
- Warfighter Support
- Investment Management

Defense Business Systems Acquisitions Executive (DBSAE)

The Defense Business Systems Management Committee (DBSMC) established the DBSAE within the BTA to oversee designated enterprise-level business systems directly. The DBSAE drives the successful implementation of Department-wide systems and initiatives in support of the Department's business transformation goals. The mission of the DBSAE is to develop, coordinate, and integrate programs, systems, and initiatives providing Enterprise-wide business capabilities to the warfighter.

During FY 2007, approximately 20 DoD business programs, systems, and initiatives, encompassing the various business mission areas in Common Supplier Engagement, Materiel Visibility, Real Property, Acquisition Visibility, and Financial Visibility, will transfer from multiple DoD Components into the BTA DBSAE. FY 2008 is the first full year

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of operation in the BTA under the DBSAE. In FY 2007 and FY 2008, the DBSAE is adopting a portfolio structure that will enable these programs to benefit from a portfolio view of their efficiency and cost-effectiveness in supporting a more operationally driven and responsible business environment. This view will allow the DBSAE to generate portfolio-driven strategies within and between portfolios, and therefore, enable the best strategies for resources, business intelligence, hosting, and change management. A defined strategic picture will facilitate articulation of clear goals and objectives for ultimate transition to state of the art business systems, and form a solid foundation for choosing the best alternatives to put in place to support future warfighting capability. The DBSAE will continue this effort in FY 2009.

Agency Operations

Agency Operations provides centralized support across the BTA. This support enables the divisions to complete their individual missions, contributing to the overall transformation mission of the Department. Agency Operations focuses on speed of execution, providing consistent measurable improvement. The organizational mission includes centrally managed functions, such as planning, programming, policy, financial management, administrative services, pay and personnel, travel, training, contracting, facility and space management, security, and property accountability. The division provides an interface with the Government Accountability Office (GAO), and assists with planning related to the National Security Personnel System (NSPS) and the establishment of policies and procedures for the organization.

Transformation Planning & Performance

The Transformation Planning & Performance (TPP) division provides matrix support to all Agency processes and product development of designated deliverables, including the Business Enterprise Architecture (BEA) and the Enterprise Transition Plan (ETP). The BEA team develops, maintains, and coordinates architecture content and updates; implements

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policies; aligns the architecture with the Core Business Missions (CBMs), Components, and the Federal Enterprise Architecture (FEA) and conducts testing of the architecture. The ETP team maintains and coordinates content, format, and revisions; collects, maintains and reports on enterprise program metrics; and provides updates to the document as necessary. Transformation Planning & Performance also includes Milestone Assurance responsibilities for defining and managing business related data standards and strategies. These data requirements are coordinated with the business mission areas and support the data requirements for the Investment Review Boards (IRBs), BEA, and ETP.

Transformation Priorities & Requirements

Transformation Priorities and Requirements division is the primary link to the Principal Staff Assistants (functional business requirement owners) within the Office of the Secretary of Defense, as well as other Department of Defense-level organizations including US Transportation Command, the Defense Logistics Agency, and the Defense Finance and Accounting Service. It ensures that the BEA, the ETP, and the guidance for business system investment management reflect the functional priorities and requirements of these client organizations.

Enterprise Integration

The Enterprise Integration (EI) division supports the integration implementation requirements of enterprise-level business capabilities, such as Enterprise Resource Planning (ERP) systems, across Department to best support the joint warfighter. Specifically, this office ensures that DoD ERP implementation initiatives leverage best practices, ensures rapid adoption of DoD-wide information and process standards as defined in the Business Enterprise Architecture (BEA), and eliminates burdensome processes that hinder successful, rapid deployment of ERP capabilities within the components. EI promotes the adoption of best practices for the implementation of ERP systems across the DoD Enterprise and the Services and Agencies, through collaborative

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engagement and participation in the acquisition process. Finally, EI creates operational awareness within the OSD and BTA communities of the tactical impact of information, process, and data standards on service transformation efforts, and act as a conduit of communication and awareness regarding tactical deployment of DoD Business Enterprise Standards as defined in the BEA.

Warfighter Support Office

The Warfighter Support Office (WSO) addresses immediate business process and business system challenges that adversely impact current operations. WSO delivers near-term value by connecting the Department's business mission to the warfighter, identifying and addressing frontline opportunities. The WSO has an externally facing customer focus, carrying the Business Mission Area forward to the Warfighting Mission Area. The WSO is actively engaged in establishing a Contingency Contract Management Capability to support a common system and business process for contingency contract management in Iraq. In addition, the WSO is spearheading a contingency contracting effort to man portable, stand-alone capability that allows Contingency Contracting Officers (CCOs) or Ordering Officers to work independently in an austere environment, to publish both purchase orders and contracts. This will provide near-real-time visibility on items procured and delivered, and money obligated, throughout the CCO community, as well as the ability to transfer information easily to home offices.

Investment Management

Investment Management (IM) division provides support for business systems, coordinates the efforts required by the DoD 5000 series as it pertains to business systems, and provides BTA input for the QDR. This division creates a business investment framework that enables decision-making based on integrated and aligned capabilities, reliable fiscal information, and risk-managed program execution. Additionally, the IM provides standard operating procedures and guidelines for DoD business system

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investments. The IRBs with representation from the relevant Services, Defense Agencies, and Combatant Commands, are evolving their process to assess the value of modernization investments relative to their impact on end-to-end business process improvements that support warfighters. The IM division reports to the DBSMC and the Congress on the progress of IRB reviews and assessments. In FY 2006, the DBSMC approved approximately 263 systems recommended by the IRBs. These systems represent approximately \$4.9B total in DoD modernization investment funding. The DoD Information Technology budget contains the details of these investments.

Investment Management is also piloting concepts that improve and accelerate the acquisition process for Major Automated Information Systems within the business mission area. This process, called the Enterprise Risk Assessment Model (ERAM) will help deliver business capabilities rapidly, by identifying program risks and providing mitigation solutions to program managers. With the ERAM model, the goal is to respond better to emerging technology, make better decisions about how the Department manages investments, and deliver Business Capability improvements faster.

Enterprise-level Business Priority Areas

The Department's integrated transformation plan, detailed in the Enterprise Transition Plan (ETP), addresses six DoD-wide Business Enterprise Priorities (BEPs). These priorities cover a broad range of the Department's personnel, logistics, real property, acquisition, purchasing, and financial requirements. The paragraphs that follow describe the DoD BEPs for FY 2008-FY 2009 and highlight the benefits essential in meeting the agency's goals and objectives.

Personnel Visibility focuses on providing access to reliable, timely, and accurate personnel information for warfighter mission planning. Benefits include accurate and timely access to compensation, decreased operational costs, reduced cycle times, and management of DoD human resources in a combined environment. Personnel business

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priorities comprise the Defense Integrated Military Human Resources System (DIMHRS Pers/Pay) and the Defense Travel System (DTS). As articulated in the September 2006 update of the ETP, the DoD completed Air Force and Army Go Forward Assessments and both Services are proceeding with DIMHRS implementation. Current plans show DIMHRS will be implemented in the Army and Air Force in 2008. To increase oversight of this effort, the Department established an executive-level Steering Committee and a DIMHRS Configuration Control Board that ensures DIMHRS aligns with Service/Agency needs.

Common Supplier Engagement (CSE) aligns and integrates policies, processes, data, technology, and people to simplify and standardize the methods that DoD uses to interact with commercial and government suppliers. The Department has a single enterprise system for electronic document storage, with approximately 50,000 users, that serves as a feeder to Wide Area Workflow (WAWF). DoD improvements in this area include the automated contingency contracting capability, which improves accuracy, accountability, and visibility of procurement transactions. Additionally, the CSE business area supports the following:

- Standard Procurement System (SPS): a standard method for producing agreements with suppliers
- Central Contractor Registration (CCR): an authoritative source of commercial supplier information in support of the Federal sourcing and payment processes
- Electronic Data Access (EDA): a secure online electronic storage and retrieval capability for procurement information
- Contractor Performance Assessment Reporting System (CPARS): a web-based application that collects and manages an automated library of assessment reports of contractor performance
- Acquisition Spend Analysis Service (ASAS): a DoD-wide Strategic Sourcing system that provides an Enterprise-wide spend analysis capability that can access data

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across disparate databases, aggregate that data and electronically generate results

- Several Federal eGov Integrated Acquisition Environment (IAE) initiatives that include:
 - o Federal Technical Data Solution (FedTeDS): a single solution to disseminate acquisition-related information to vendors
 - o On-line Representations and Certifications Application (ORCA): -a single entry point for suppliers to assert their compliance with federal laws
 - o Past Performance Information Retrieval System (PPIRS): the authoritative source for contract Performance Assessment Reports.

Matériel Visibility focuses on improving supply chain performance. Benefits include timely and accurate information on the location, movement, status, and identity of material and supplies for the warfighter. The Military Equipment Valuation initiative has established the acquisition cost and useful life of each item of military equipment in the DoD inventory, using a consistent, auditable approach. The Department recently kicked off an initiative that will enable DoD to use commercial data standards for many on-line transactions. The Department expanded the requirement for contractors supplying matériel to Defense to affix packages with passive radio frequency identification (RFID) tags to improve matériel visibility. This business enterprise consists of two parts. The Unique Item Identification Registry (IUID) uniquely identifies tangible personal property items. It enables accurate and timely valuation and tracking of DoD equipment, matériel, and supplies through their life cycle. The Logistics Business Mission drives matériel visibility by aggregating item, vendor, and customer data, enabling synchronized views of information, and dramatically improving visibility.

Financial Visibility focuses on providing real-time access to accurate and reliable financial information that will inform efficient and effective decision-making. This will also directly support the Department's ability to present its financial condition, supported by an unqualified audit opinion. DoD is laying the foundation for Financial

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Visibility, starting with the definition of the Standard Financial Information Structure (SFIS). The SFIS facilitates a common business language that supports data requirements for budgeting, financial accounting, cost and performance management, and external reporting across the DoD enterprise. The Department is also building upon existing infrastructure with the Business Enterprise Information Services. This is a corporate information environment in which to collect financial transactions across the Department; provide the authoritative source for SFIS values; ensure data is compliant with SFIS standards; post to a corporate general ledger; and produce external financial management reports based on the standardized data. Consistent with the FY 2006 QDR and President's Management Agenda for streamlining Defense operations and investments in business processes to support and promote financial accountability and responsible stewardship of resources, the agency is establishing the requirements to enable standards for the creation and modernization of financial systems "working across all Defense agencies."

Real Property Accountability focuses on acquiring access to accurate and reliable financial information on DoD real property assets. The Department has enacted a policy that ensures enterprise-wide compliance with procedures for managing real property inventory and has drafted standard business processes and information requirements for accepting real property into the DoD inventory. These policies and processes provide the structure for consistent and auditable real property financial information of newly acquired or upgraded property, including uniform depreciation. Several initiatives in this area include the Real Property Acceptance Requirements - to establish the capability to provide accurate and reliable information; Real Property Asset Database - central repository of DoD real property inventory; and the Real Property Unique Identifier Registry (RPUIR) - supports the enterprise capability requirement for a real property inventory.

Acquisition Visibility focuses on achieving timely access to accurate, authoritative, and reliable information supporting acquisition oversight, accountability, and decision-making throughout the Department for effective and efficient delivery of

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warfighter capabilities. It makes critical acquisition information transparent. A significant accomplishment is providing Congress access to the unclassified portions of Selected Acquisition Reports (SAR) data for approximately 89 programs using standard desktop browsers. The Defense Acquisition Management Information Retrieval (DAMIR) capability eliminates the need for 6,230 individual SAR reports to be printed, quality inspected, packaged, manually delivered, and routed to seventy Congressional recipients. The primary goal of DAMIR is to streamline acquisition management and oversight by leveraging the capabilities of a net-centric environment.

II. Force Structure Summary: NA

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III. Financial Summary

	FY 2007							
	FY 2006 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			<u>Current Estimate</u>	<u>FY 2008 Estimate</u>	<u>FY 2009 Estimate</u>
<u>Amount</u>			<u>Percent</u>	<u>Appropriated</u>				
A. BA Subactivities								
BA 4 Administrative & Service-wide Activities								
BTA Program Mgt	19,585	72,141	-1,497	-2%	70,644	69,279	52,218	56,114
DBSAE Program								
Executive Office	-	2,370	-	-	2,370	2,370	2,630	2,750
Defense Integrated Military Human Resources System (DIMHRS)	-	51,400	-28,350	-55%	23,050	20,190	25,270	25,970
Defense Travel System (DTS)	-	7,892	-	-	7,892	7,320	9,596	8,950
Standard Procurement System (SPS)	-	14,441	-	-	14,441	13,230	15,710	15,817
Electronic Document Access (EDA)	-	3,809	-	-	3,809	4,740	3,918	4,253
Central Contractor Registration (CCR)	-	2,930	-	-	2,930	2,930	3,520	3,600
Federal Technical Data Solution (FedTeDS)	-	922	-	-	922	2,140	1,100	1,120
Wide Area Workflow (WAWF)	-	3,594	-	-	3,594	4,740	3,698	4,418

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	FY 2007							
	<u>FY 2006 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	<u>FY 2008 Estimate</u>	<u>FY 2009 Estimate</u>
<u>Amount</u>			<u>Percent</u>					
A. BA Subactivities								
Acquisition Spend								
Analysis Service (ASAS)	-	639	-	-	639	610	956	1,145
C Military Equipment (CAMS-ME)	-	3,100	-	-	3,100	2,870	3,200	3,710
Contractor Performance Assessment Reporting System (CPARS)	-	1,991	-	-	1,991	1,560	2,090	2,200
Unique Item Identification Registry (IUID)	-	1,000	-	-	1,000	1,000	1,000	1,000
Online Representations and Certifications Application (ORCA)	-	1,324	-	-	1,324	1,324	1,100	1,140
Past Performance Information Retrieval System (PPIRS)	-	1,917	-	-	1,917	1,490	2,010	2,110
Logistics Core Business Mission (LOG CBM)/DLA	-	5,715	-	-	5,715	5,715	5,732	5,302
Global Exchange (GEX)	-	3,070	-	-	3,070	4,070	3,370	3,500
Business Enterprise Information Services (BEIS)	-	0	-	-	-	2,830	10,910	14,950
Defense Procurement and Acquisition Policy (DPAP)	-	1,000	-	-	1,000	1,000	0	0

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	FY 2007							
	<u>FY 2006 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>			<u>Current Estimate</u>	<u>FY 2008 Estimate</u>	<u>FY 2009 Estimate</u>
<u>Amount</u>			<u>Percent</u>	<u>Appropriated</u>				
A. <u>BA Subactivities</u>								
TOTAL BTA	19,585	179,255	-29,847	-16%	149,408	149,408	148,028	158,049

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III. Financial Summary (Dollars in Thousands) (continued):

<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2007/FY 2007</u>	<u>Change</u> <u>FY 2007/FY 2008</u>	<u>Change</u> <u>FY 2008/FY 2009</u>
Baseline Funding	179,255	149,408	148,028
Congressional Adjustments (Distributed)	-28,350	0	0
Congressional Adjustments (Undistributed)	-1,497	0	0
Adjustments to Meet Congressional Intent	0	0	0
Congressional Adjustments (General Provisions)	0	0	0
Subtotal Appropriated Amount	149,408	149,408	148,028
Fact-of-Life Changes (CY to CY Only)	0	0	0
Subtotal Baseline Funding	149,408	149,408	148,028
Anticipated Supplemental	0	0	0
Reprogrammings	0	0	0
Price Changes	0	+3,637	+3,312
Functional Transfers	0	-2,472	0
Program Changes	0	-2,545	+6,709
Current Estimate	149,408	148,028	158,049
Less: Wartime Supplemental	0	0	0
Normalized Current Estimate	149,408	148,028	158,049

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2007 President's Budget Request (Amended, if applicable)		179,255
1. Congressional Adjustments		-29,847
a. Distributed Adjustments		-
1. DIMHRS Transfer to RDTE-DW	-30,000	
2. BTA DIMHRS	1,650	
b. Undistributed Adjustments		
1. Unobligated Balances	-812	
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1. Sec 8106 - Economic Assumptions	-504	
2. Sec 8097 - Excessive Growth in Travel and Transportation	-106	
e. Congressional Earmarks - Indian Lands Environmental Impact	-75	
FY 2007 Appropriated Amount		149,408
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2007 Baseline Funding		149,408
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2007 Estimate		149,408
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2007 Normalized Current Estimate		149,408
6. Price Change		3,637
7. Functional Transfers		-2,472
a. Transfers In		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
b. Transfers Out		
1) US Transportation Command to the Air Force BRAC account	-2,472	
8. Program Increases		22,161
a. Annualization of New FY 2007 Program		
1) Annualization of FY 2007 Labor Program	458	
b. One-Time FY 2008 Increases		
1) Increase of two paid days above the FY 2007 level	203	
c. Program Growth in FY 2008		
1) Increase to support the <u>Financial Visibility</u> business enterprise priority primarily for Business Enterprise Information Services, which builds upon existing infrastructure to provide timely, accurate, and reliable business information from across the DoD to support auditable financial statements as well as provide detailed information visibility.	8,000	
2) Increase for the <u>Material Visibility</u> business mission primarily to support logistics initiatives to enable synchronized views of information - ensuring data is maintained and available due to aggregation of access at a single node, including accessible Unique Item Identification information used to ensure the acquisition, repair, and deployment of items.	6,900	
3) Increase for the <u>Personnel Visibility</u> business mission primarily for the Defense Integrated Military Human Resources System to implement the recommendations of the Task Force directed by the Defense Business Management Systems Committee, considered essential in revolutionizing military personnel, and pay to support the 21 st century warfighter.	6,600	

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III. Financial Summary (Dollars in Thousands) (continued):

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
9. Program Decreases		
a. Annualization of FY 2007 Program Decreases		
b. One-Time FY 2007 Increases		
c. Program Decreases in FY 2008		-24,706
1) Increase for the Personnel Visibility business mission primarily for the Defense Integrated Military Human Resources System to implement the recommendations of the Task Force directed by the Defense Business Management Systems Committee, considered essential in revolutionizing military personnel, and pay to support the 21 st century warfighter.	-24,288	
2) Fact of life decreases for rent, purchase utilities, purchased communications, and supplies & materials.	-418	
FY 2008 Budget Request		148,028
10. Price Change		3,312
11. Functional Transfers		
12. Program Increases		6,745
a. Annualization of New FY 2008 Program		
1) Annualization of the prior year labor	256	
b. One-Time FY 2009 Increases		
c. Program Growth in FY 2009		
1) Increase in the <u>BTA Program Office</u> to covert approximately 15 positions that are inherently governmental and previously funded via a reimbursable agreement with the Defense Finance and Accounting Services and affected by the BRAC.	1,250	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) Increase to support the <u>Financial Visibility</u> business enterprise priority essential to continue the Department's effort for the Business Enterprise Information Services to support auditable financial statements as well as provide detailed information visibility.	3,700	
3) Increase for engineering, technical consulting, and contractor support for investment management as mandated by the Congress in support of the Defense Business Systems Management Committee for Investment Review Board's systems reviews and assessments.	993	
4) Increase for environment replacement due to equipment obsolesced.	174	
5) Fact of life increases for travel, rent, utilities, and for facilities costs for restoration and modernization essential for OSHA compliance.	372	
13. Program Decreases		
a. Annualization of FY 2008 Program Decreases		
b. One-Time FY 2008 Increases		
c. Program Decreases in FY 2009		-36
1) Purchased communications	-18	
2) Supplies and materials	-18	
FY 2009 Budget Request		158,049

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IV. Performance Criteria and Evaluation Summary:

As a newly established agency, the BTA is in the process of developing metrics representative of its' business transformation goals and objectives. The agency is currently working with other DoD representatives to develop performance metrics by BEP. The OMB 300 exhibits and recent update to the Enterprise Transition Plan provide some measures of performance, although they may have Defense-wide applicability and cross multiple appropriations. Preliminary efforts for performance metrics include the following:

(1) Personnel Visibility—a) measure to capture the number of Army/Air Force Active Duty, Reserve, Guard and Retirees employing DIMHRS access for regular pay and benefits info and b) measure of military/civilian employees logging on DTS to input Temporary Duty (TDY) request data.

(2) Common Supplier Engagement—a) measure to capture customer service support, including trouble tickets written up by the SPS Help Desk during a normal work day; and b) length of time it takes an SPS Help Desk analyst to troubleshoot the Authorized Caller's Service Request.

(3) Materiel Visibility - Assertion reports 97% accurate regarding number of assets and allocation of assets to programs; and b. Availability of Capital Asset Management System - Military Equipment (CAMS-ME).

(4) Financial Visibility—a) percentage of systems that are posted to the Corporate General Ledger; and b) percentage of financial reports that are produced using Standard Financial Information Structure (SFIS) values.

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(5) Real Property Accountability—a) Environmental reports to Congress submitted on time; and b) OSD information available on time, enabling OSD oversight of Component POM, budget, program execution, and environmental liability information.

(6) Acquisition Visibility—a) Yearly percentage of unclassified Selected Acquisition Reporting (SAR) data provided to Congressional committees and other Departments through automated access to and electronic presentation; and b) Quarterly percentage of each of the following acquisition information requirements: DAES Reporting to include: Unit Cost Reporting (UCR); Program Deviation Reporting; Earned Value Management; and other future delineated acquisition information available from the Army, Navy and Air Force.

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<u>V. Personnel Summary</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	Change		
					<u>FY 2006/ FY 2007</u>	<u>FY 2007/ FY 2008</u>	<u>FY 2008/ FY 2009</u>
<u>Active Military End Strength (E/S)</u>							
<u>(Total)</u>							
Officer	5	5	5	5	-	-	-
<u>Civilian End Strength (Total)</u>							
U.S. Direct Hire	93	180	190	200	+87	+10	+10
 <u>Civilian FTEs (Total)</u>							
U.S. Direct Hire	43	160	175	190	+117	+15	+15
Average Annual Civilian Salary (\$)							

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

	FY 06	FY 2006/FY 2007		FY 07	FY 2007/FY 2008		FY 08	FY 2008/ FY 2009		FY 09
	Actuals	Price	Program	Estimate	Price	Program	Estimate	Price	Program	Estimate
<u>CIVILIAN PERSONNEL COMPENSATION</u>										
Exec, Gen and Spec Schedules	5,409	92	21,001	26,502	795	1,161	28,458	655	1,250	30,363
Total Civ Pers Compensation	5,409	92	21,001	26,502	795	1,161	28,458	655	1,250	30,363
Travel of Persons	419	10	771	1,200	28	72	1,300	30	70	1,400
Total Travel	419	10	771	1,200	28	72	1,300	30	70	1,400
Rental Pymts to GSA (SLUC)	3,563	86	4,751	8,400	210	-110	8,500	213	87	8,800
Purchased Utilities (Non-Fund)	330	8	3,663	4,001	92	-92	4,001	88	11	4,100
Purchased Comm (Non-Fund)	4,400	106	2,309	6,815	157	-7	6,965	153	-18	7,100
Training	0	0	1,200	1,200	26	0	1,226	27	0	1,253
Supplies & Materials (Non-Fund)	325	8	642	975	22	-1	996	22	-18	1,000
Equip Maintenance by Contract Facility Sustainment, Restoration, and Modernization by Contract	160	4	958	1,122	26	52	1,200	26	174	1,400
Equipment Purchases (Non-Fund)	232	6	162	400	9	91	500	11	89	600
Contract Consultants	1,000	24	876	1,900	44	0	1,944	43	0	1,987
Mgmt & Professional Spt Svcs Studies, Analysis, & Eval	0	0	151	151	3	0	154	3	13	170
Engineering & Technical Svcs	1,745	42	30,848	32,635	751	0	33,386	734	323	34,443
Other Intra-govt Purchases	0	0	2,056	2,056	47	0	2,103	46	951	3,100
Other Contracts	1,000	24	3,976	5,000	115	0	5,115	113	872	6,100
Total Other Purchases	133	3	220	356	8	33	397	9	44	450
TOTAL	869	21	55,805	56,695	1,304	-6,216	51,783	1,139	2,861	55,783
	13,757	332	107,617	121,706	2,814	-6,250	118,270	2,627	5,389	126,285
	19,585	434	129,389	149,408	3,637	-5,017	148,028	3,312	6,709	158,049