

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

FISCAL YEAR 2012 CONGRESSIONAL JUSTIFICATION



An independent agency responsible for administering the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) and the AbilityOne Program.



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COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

BUDGET REQUEST

EXECUTIVE DIRECTOR'S MESSAGE AND SUMMARY

I am pleased to present the FY 2012 Budget Justification for the Committee for Purchase From People Who Are Blind or Severely Disabled. The Committee is an independent Federal agency responsible for administering the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) as amended. The AbilityOne Program generates much-needed employment and training opportunities for nearly 46,000 people who are blind or who have other significant disabilities nationwide. The AbilityOne network is the single largest source of employment for this segment of the U.S. population, which has an employment rate of only 22 percent¹.

The AbilityOne Program's focus on creating and sustaining employment for this underserved population is well aligned with key Administration goals such as encouraging economic growth and investing in the future. As the President stated on May 4, 2010, "... spurring job creation and economic expansion continues to be our number one domestic priority." The Committee continues to educate Federal agencies about the capabilities of people who are blind or who have other severe disabilities, and to actively encourage use of the Federal procurement system to grow the number of jobs offered to these individuals through the AbilityOne Program. Our performance data shows that new full-time equivalent positions created by the AbilityOne Program increased 50% in FY 2010, following a 58% increase in FY 2009.

Employment has long-been a key pillar of the Administration's Plan to Empower People with Disabilities. In May 2010, the Committee reaffirmed its policy that employment is the primary mission of the AbilityOne Program, achieved through innovative use of the Federal procurement system. Other recent policy decisions of the Presidentially-appointed Committee demonstrate that the *quality* of employment for individuals who are blind or who have other significant disabilities is as important as the *quantity* of employment made available through the AbilityOne Program. The Committee is overseeing the implementation of a Quality Work Environment (QWE) initiative that reinforces choice, supports, workplace flexibilities, access to training, and a clear path to career and advancement opportunities, including opportunities to enhance earnings.

Responsible governance is another key Administration goal reflected in the Committee's Strategic Plan. The Committee continues to designate stewardship its highest priority. Effective stewardship encompasses many things: leadership, accountability, transparency and an unwavering focus on achieving the best possible outcomes for people who are blind or who have other significant disabilities. The AbilityOne Program's success in growing employment brings with it the continuous

¹ The Bureau of Labor Statistics reported that in August 2010, the percentage of people with disabilities in the labor force was 22.0. By comparison, the percentage of persons with no disability in the labor force was 70.2. [<http://www.bls.gov/news.release/empsit.t06.htm>].

need for program oversight. While seeking opportunities to minimize costs wherever possible, the Agency must fully maintain its capability and capacity to monitor, educate and ensure compliance among the 600-plus participating nonprofit agencies in the AbilityOne Program.

Executing transparent, participatory and collaborative practices in FY 2012, the Committee will continue to inform and engage its stakeholders in the pursuit of high priority goals such as measuring and enhancing satisfaction among employees as well as customers. The Committee will maximize existing technology and other creative approaches to solicit feedback and to enhance the services it provides at minimal cost. The Agency is working with stakeholders to review enterprise-wide business transactions and identify opportunities to decrease cycle time without sacrificing quality or informed decision making. Nearly 46,000 jobs held by people who are blind or who have other significant disabilities – a number which is growing as the Committee successfully develops new employment opportunities – are dependent on the Committee’s ability to add and maintain product or service projects on its Procurement List.

The Committee’s high-priority strategic goals and indicators are detailed in this budget submission. They are briefly summarized as follows:

1. Effective stewardship, demonstrated by the number of participating nonprofit agencies verified to be in full compliance with program rules and regulations.
2. Employee and customer satisfaction, demonstrated by increases over time in percentages of employees and customers who report that they are satisfied or highly satisfied with what the AbilityOne Program provides them.
3. Employment growth, demonstrated by the increase in jobs and hours worked by the AbilityOne Program’s workforce.
4. Business excellence, demonstrated by improved processes that affect the entire enterprise, including decreased cycle time for the AbilityOne Program’s key business transactions.

The Committee did not receive a discretionary spending target for FY 2012 in the FY 2011 budget. However, to manage the continued and anticipated increase in the Agency’s workload, particularly in oversight, outreach and business/price analysis, the Committee planned to seek a 12 percent increase in FY 2012 to fully staff our compliance function and fund some enhancements to our information management system. In light of OMB’s FY 2012 budget guidance that all non-security agencies submit a five percent decrease from discretionary spending targets for FY 2012, the Committee has reconsidered its request, and is seeking no increase in its budget this year. If authorized by OMB, a modest increase is sought under the Administration’s cyber security initiative, which would not be included in our agency toplevel budget. Thus, the Committee’s FY 2012 request is for \$5,771,000 in order to discharge the Agency’s most critical statutory and regulatory duties. A brief summary of this request is presented below.

Table 1: Budget Summary			
Category:	FY 2011 Authority	FY 2012 Request	Percent Change
Personnel	\$3,530,000	\$3,530,000	0%
Benefits	\$ 876,000	\$ 876,000	0%
All Other	\$1,365,000	\$1,365,000	0%

Total	\$5,771,000	\$5,771,000	0%
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Personnel and benefits account for nearly 75 percent of the total budget requested for FY 2012. The remainder includes necessary expenses for rent and information technology services; it also contains travel, supplies, equipment and other services. The Committee will continue to identify cost avoidance and savings opportunities to maximize available resources for the highest impact activities.

The funding reflected above will provide minimum resources to successfully execute the Agency’s specifically mandated responsibilities in FY 2012, including:

- Increase employment opportunities for people who are blind or have other significant disabilities.
- Establish rules, regulations, and policies to assure effective implementation of the Javits-Wagner-O’Day Act and the AbilityOne Program it authorizes.
- Determine which products and services procured by the Federal Government are suitable to be furnished by qualified nonprofit agencies employing persons who are blind or have other significant disabilities.
- Determine fair market prices for items added to the Procurement List and revise those prices in accordance with changing market conditions.
- Monitor participating nonprofit agencies’ compliance with the JWOD Act, Committee regulations and procedures.
- Inform Federal agencies about the AbilityOne Program and the statutory mandate that items on the Procurement List be purchased from qualified nonprofit agencies.
- Encourage and assist entities of the Federal Government to identify additional products and services that can be purchased from qualified nonprofit agencies.
- Designate and provide guidance to the Central Nonprofit Agencies that facilitate nonprofit agencies’ participation in the AbilityOne Program.
- Conduct a continuing study and evaluation of mission execution to ensure effective and efficient administration of the Act.

The Committee is proud that the AbilityOne network is the single largest source of employment for this segment of the U.S. population. However, it is keenly aware that much more must be achieved in the employment of our target population. Americans who are blind or have other significant disabilities have the highest level of unemployment among all segments of the population. The Committee’s FY 2012 budget request is structured to maximize available resources to correct this inequity, while avoiding new funding requests and adhering to the expectation of fiscal austerity.

The Administration’s commitment to empowerment of people with disabilities requires a continued emphasis on and capability to provide employment opportunities through the Javits-Wagner-O’Day Act and the AbilityOne Program. The Committee looks forward to continuing to make these contributions to the Administration’s goals and demonstrating excellence in the fulfillment of our employment mission.

Submitted by

E. Ballard
Executive Director & CEO

LEGAL AUTHORITY

*The Javits-Wagner-O'Day Act of 1971.
See 41 U.S.C. 46-48c as amended and 41 CFR Chapter 51.*

MISSION STATEMENT

*To provide employment opportunities for people who are blind
or have other severe disabilities in the manufacture and delivery of
products and services to the Federal Government.*

COMMITTEE AND ABILITYONE PROGRAM STRUCTURE

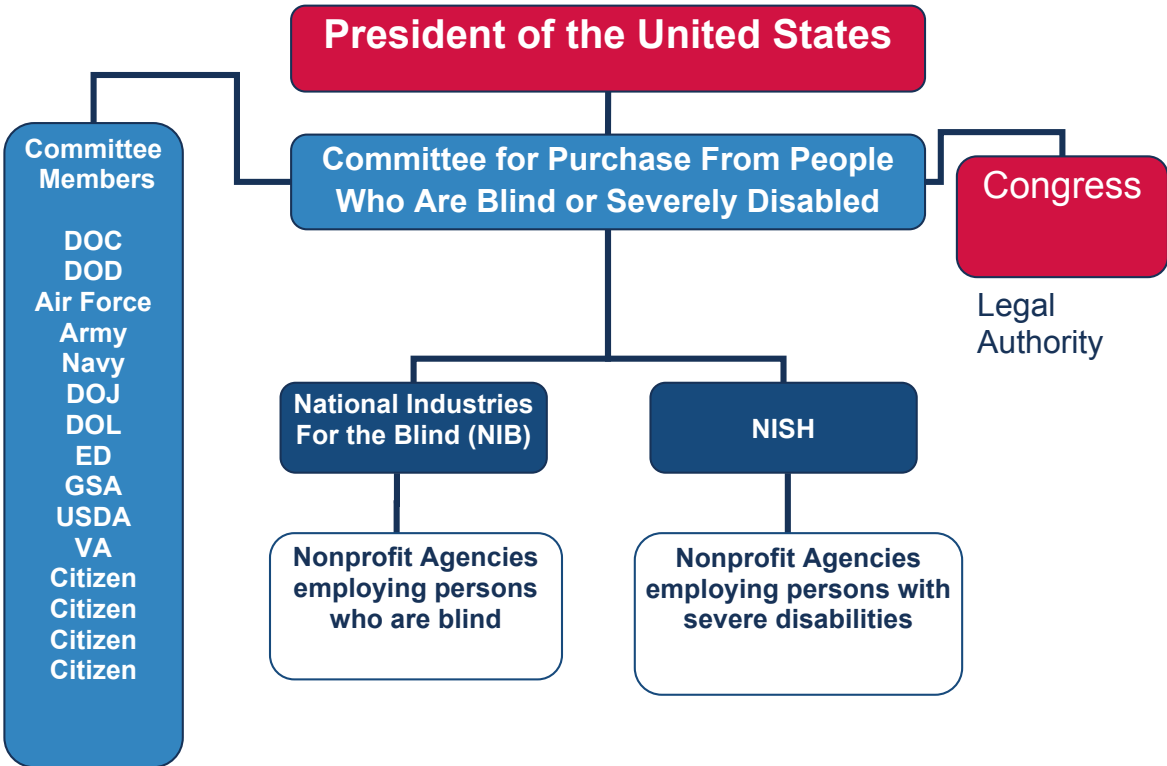
The Committee is an independent agency with exclusive responsibility for administering the Javits-Wagner-O'Day Act of 1971 (41 U.S.C. 46-48c), as amended. Accordingly, the Committee oversees an employment and procurement program known as the AbilityOne Program, which is responsible for employing nearly 46,000 Americans who are blind or who have other severe disabilities.

The agency is directed by 15 Committee members appointed by the President, 11 of whom work for and represent other Federal agencies, while four members are private citizens representing the interests of people who are blind or severely disabled. The Committee members formulate policy and vote on significant legal and administrative matters, including additions to the list of products and services for procurement by Federal Agencies and published as the "Procurement List." An Executive Director serves as the chief executive officer and leads a full-time civil service staff in performing the day-to-day activities necessary to administer the Act and the AbilityOne Program.

The Committee's enabling legislation provides for the designation of one or more Central Nonprofit Agencies to assist the Committee in administering the law and the AbilityOne Program. These central nonprofit agencies are National Industries for the Blind (NIB) and NISH (serving people with a range of disabilities). NIB and NISH are private, not-for-profit organizations that allocate orders and provide other technical and financial assistance to more than 600 State and local nonprofit agencies that participate in the AbilityOne Program.

NIB and NISH work with their associated nonprofit agencies and Federal customers to identify Government procurement requirements that can create employment opportunities for individuals who are blind or have other severe disabilities. Following opportunities for public comment and after due deliberation, the Committee places such product and service requirements on the Procurement List, thus requiring Federal departments agencies seeking to procure such designated products and services to purchase them from the nonprofit agency(ies) designated by the Committee.

ABILITYONE PROGRAM ORGANIZATION CHART



AGENCY FY 2012 BUDGET AND PERFORMANCE INITIATIVES

The Committee's Strategic Plan for FY 2010-2014 is the driver for its performance plan and indicators. The Agency's high-priority goals are (1) Effective Stewardship, (2) Employee and Customer Satisfaction, (3) Employment Growth and (4) Business Excellence. Each goal is further defined below, to include the background and accomplishments, areas identified for improvement, strategies planned to achieve the goal, measures to be used and resources required.

GOAL 1: EFFECTIVE STEWARDSHIP

The Committee has ultimate responsibility for the integrity, effectiveness and overall stewardship of the AbilityOne Program. Stewardship encompasses several oversight responsibilities related to monitoring and achieving compliance with statutory, regulatory and other appropriate requirements by all nonprofit agencies participating in the AbilityOne Program. It is necessary to protect the integrity, image and long-term employment interests of the AbilityOne Program. Effective stewardship is the cornerstone of the Agency's Strategic Plan.

Following a 2007 report and recommendations issued by the Government Accountability Office (GAO), the Committee determined that all compliance reviews of AbilityOne participating nonprofit agencies are inherently governmental and must be performed by Agency personnel. Prior to 2007, the Agency's designated Central Nonprofit Agencies performed a significant share of the total compliance reviews. Assumption of full responsibility for compliance activities had a dramatic impact on the Agency's funding requirements. In addition to the GAO recommendations, the AbilityOne Program's increasing number of manufacturing and/or service job locations – all across the country – requires a commensurate level of resources for the compliance function.

The Committee has implemented several strategies to enhance the compliance function's efficiency and outcomes. The Agency uses a statistically valid sampling method to allow a representative portion of records to be reviewed at each site with a high degree of reliability. Our information management system enables receipt of participating nonprofit agencies' self-certification reports electronically, facilitating the staff's review and identification of discrepancies. The Agency leverages technical assistance visits made by its Central Nonprofit Agencies to increase nonprofit agencies' awareness and understanding of statutory and regulatory requirements. Feedback from such technical assistance visits, as well as annual data we are authorized to collect from AbilityOne participants, enables the Committee staff to target locations that warrant site visits.

The site visit remains a fundamental element of the compliance assurance methodology. It is necessary to have the staff and travel resources to ensure that a percentage of the fastest-growing nonprofit agencies and others that have a heightened potential for noncompliance are audited on-site by trained staff annually. For this reason, the Committee has calculated in its budget request sufficient funds to maintain its compliance duties aligned with those approved in the Administration's previous budgets. It is important for the Committee to maintain funding for these critical positions in FY 2012 and beyond, and to cover their travel and information technology requirements. The Committee will continue to utilize technology to maximize efficiency and effectiveness of compliance audits. For example, video teleconferencing will enable senior staff to join the compliance team on the ground and receive immediate reporting of the review outcomes with the nonprofit agency leaders.

In FY 2012, the Committee expects to enhance its compliance program by accessing project level data as well as aggregate annual data. This strengthens the Agency's ability to flag problem areas, to identify issues that may require legislative, regulatory, or policy consideration, and to identify the most significant opportunities to increase employment for the AbilityOne workforce. As the Agency accomplishes its mission through the Federal acquisition system, assurance of contract compliance is particularly important and will require increased Committee attention in the future.

The intended outcome and target is to have 100% of participating nonprofit agencies verified by the Committee to be in full compliance with all program requirements by FY 2014. This means that at least 20% of the 600-plus participating nonprofit agencies should be reviewed each year, and any necessary corrective action taken to ensure that full compliance is achieved. In order to monitor and verify such compliance, the Committee plans to perform a minimum of 130 compliance reviews in 2012, to include repeat visits to those nonprofit agencies that are found out of compliance in previous visits. The Committee will review quarterly scorecards to monitor its progress.

The primary resources required to achieve these targets are personnel, travel funds and information technology equipment and software. As noted in the Executive Summary, funds are requested to ensure the agency has the ability to maintain its compliance positions. To adequately visit and verify AbilityOne-participating nonprofit agencies' compliance with the statutory and regulatory requirements, we anticipate the compliance staff requiring approximately \$110,000 in travel dollars (other travel dollars are discussed in the budget table and narrative later in this document). Savings will be identified elsewhere in the Committee's budget to pay for any needed upgrades to the computers and portable devices that support these employees' work on site and on travel.

As noted above, effective stewardship relates to protecting the integrity, image and long-term employment interests of the AbilityOne Program. A second objective for stewardship is communicating about the AbilityOne Program in a way that advocates its mission and protects its unique status as a socioeconomic program within the Federal Government. The strategies to achieve this objective are consistent with the Agency's current initiatives for education and outreach among Federal agencies, policy makers, advocates for people with disabilities, and other stakeholders. The Agency continues to raise visibility and garner support for the AbilityOne Program through the execution of its strategic communications plan, utilizing only minimal resources for publications and web design. Program advocacy includes establishing strategic alliances with educational institutions, Federal and commercial business partners, and expanding communications. Since FY 2008, the Agency has been successful in reaching over 14 million viewers, listeners, readers and live audience members. It has also established a strategic alliance with the Defense Acquisition University, sustained commitments from the Departments of Agriculture and Defense, and has begun partnering with commercial corporations that have significant presence in the Federal marketplace.

Effective communication and partnering will achieve heightened awareness and understanding of the AbilityOne Program, resulting in goodwill and enduring policy support for the employment mission. The AbilityOne Program has benchmark data showing its level of awareness, understanding and preference among key stakeholders. Similar quantitative research to be performed in FY 2011 will provide the Agency with an assessment of the effectiveness of current tactics and the progress toward achieving this strategic objective, and will guide any necessary adjustments in focus and/or messaging. The Committee will further deploy Internet-based communication technologies such as webinars, video teleconferencing, live streaming video, etc., to disseminate program information to audiences across America and overseas. The Committee will still require some program travel dollars to enable our staff members to personally engage high-value audiences. These resources are included

in the overall request for the travel object class. The Agency will continue to track its total reach through all media vehicles and will measure return on investment.

GOAL 2: EMPLOYEE AND CUSTOMER SATISFACTION

The Administration's Plan to Empower People with Disabilities dedicated an entire section to employment. To truly empower an individual, employment must provide personal satisfaction as well as financial income. The Agency has three guiding principles for AbilityOne employment. These principles state that employees who are blind or have other significant disabilities should have opportunities to do the work of their choice, with appropriate supports and/or workplace flexibilities; access to on-going training; and a clear path to career and advancement opportunities, including opportunities to enhance earnings. The principles are the pillars for quality employment and employee satisfaction.

In November 2008, the Committee took a significant step towards identifying and promoting best practices within the AbilityOne Program that lead to quality employment and employee satisfaction. To accomplish this, the Committee established a Quality Work Environment (QWE) initiative that will provide a strategic, consistent and program wide approach to quality employment and employee satisfaction. A steering group and subgroups comprised of AbilityOne-participating nonprofit agencies are ensuring a high level of engagement across program stakeholders as well as practical experience and credibility in the vetting and sharing of such best practices. In January 2010, the Committee affirmed several best practices identified by the steering group that can be shared with and exported to the 600-plus agencies across the AbilityOne Program. During FY 2011 and FY 2012, the affiliated agencies will be encouraged to establish their own QWE business plans.

The expected outcome is increased and/or sustained employee satisfaction among the AbilityOne workers who are blind or have other significant disabilities. The target for FY 2012 is to continue to roll out QWE business plans across the AbilityOne enterprise and to review baseline data from 2011 to identify opportunities to increase employee satisfaction. For FY 2013 – 2014, the specific targets to be determined will be in the form of percentage increases in employee satisfaction and may include the adoption rate of QWE best practices discussed above. The resources required by the Committee to achieve these targets are within the Agency's current base.

While employee satisfaction is important in its own right, it is also a driver of customer service excellence. Ensuring the satisfaction and loyalty of Federal customers is equally critical to fulfilling the employment mission of the AbilityOne Program. It is a key driver of Federal agencies' continued use of the AbilityOne Program's products and services.

While quality efforts such as Lean Six Sigma reviews and continuous improvement are ongoing, it is important for the AbilityOne Program to specifically take action to increase customer satisfaction over specified benchmarks. Without requiring increased appropriated funds in 2012, the Committee will develop and deploy strategies to improve customer satisfaction over baseline levels identified in FY 2011. It will analyze customer feedback received, pinpoint areas for improvement, and implement cost-effective tactics to begin to enhance Federal agencies' experience with the AbilityOne Program and level of overall satisfaction. Current Agency staff with expertise in communications, customer relationship management, and planning and data analysis will be tapped to define the scope and implementation requirements for both short-term and long-term strategies to address service gaps.

The expected outcome is increased and/or sustained customer satisfaction among the Federal agencies that purchase or use AbilityOne products or services. The target for FY 2012 is establishment and implementation of strategies to measurably increase customer satisfaction. For FY 2013 – 2014, the specific targets to be determined will be in the form of percentage increases in customer satisfaction and may include some measure of problem resolution. Any identified funding requirements will then be addressed in the 2013 budget request to achieve customer satisfaction targets from 2013-2014.

GOAL 3: EMPLOYMENT GROWTH

To more effectively accomplish the intent, strategic direction and employment that are the foundation of the Javits-Wagner-O'Day Act, the AbilityOne Program must aggressively pursue new employment opportunities. More than 17 million Americans are blind or have other severe disabilities, and they have the highest level of unemployment among all segments of the population². The AbilityOne Program attempts to correct this inequity, providing nearly 46,000 job opportunities to people who are blind or who have other significant disabilities. Nevertheless, AbilityOne job opportunities only scratch the surface in comparison to the opportunities needed by our target population. The AbilityOne Vision is that all people who are blind or significantly disabled will achieve their maximum employment potential. Millions of working-age Americans who are eligible for the AbilityOne Program could be served if more work is made available.

The Committee has identified and is pursuing several strategies to increase employment opportunities under the AbilityOne Program. The Agency is employing data mining and proactive engagement with Federal requiring offices and acquisition offices to identify new opportunities and recommend selection of an AbilityOne solution creating the maximum jobs. As a result, new employment opportunities in lines of business such as contract closeout services, environmental housekeeping and total facilities maintenance have been added to the Committee's Procurement List, creating hundreds of jobs for people who are blind or significantly disabled.

However, in today's economic environment and with overall constrained Federal procurement budgets, new jobs are often offset by decreases in employment attributable to shifts in Federal procurement requirements and priorities. These facts heighten the need for the Committee to implement initiatives and business practices that adapt to the Federal procurement environment, neutralize potential job losses and result in employment growth. In FY 2012, the Committee will continue to employ procurement data analysis, to engage with the large procuring agencies and to identify lines of business that create the most jobs for people who are blind or severely disabled, to foster significant employment growth.

The Committee is partnering with other Federal agencies to create and deliver training programs aimed at Federal employees and industry employees who perform Federal contract work, to educate them about the professional capabilities of people who are blind or severely disabled under the AbilityOne Program. To further education and outreach efforts among Federal agencies, and in particular, to increase AbilityOne employment of veterans who are blind or severely disabled, the Committee will continue to work with the Departments of Defense, Labor and Veterans Affairs to develop and execute an integrated strategy to increase AbilityOne employment of veterans. The Committee will establish and update necessary policies and procedures to support AbilityOne

² Ibid.

business development and employment growth. The Committee has realigned some of its FTEs to ensure adequate resources are focused on employment initiatives and policy development.

The expected outcome is increased job opportunities and the hours of work provided by those jobs to people who are blind or have other significant disabilities as compared to the previous year. As a Federal agency with oversight responsibility for the AbilityOne Program and its enabling Act, the Committee can never sacrifice stewardship for employment growth. The unique and mandated structure of the AbilityOne Program and its statutory intent frame the Committee's role in implementing initiatives and business practices, providing education and outreach, and providing effective governance of the Procurement List to grow employment. For the five-year period ending in FY 2014, based on the employment growth strategies discussed above, commitments from Federal departments to increase their purchasing and projections from the Central Nonprofit Agencies, the Committee is targeting a 40% increase in employment for people who are blind or have other significant disabilities under the AbilityOne Program.

The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2012 include our existing staff members who work in business operations, pricing, compliance and communications. It may be necessary to seek additional staffing resources in the future, to ensure that the Committee has sufficient staff infrastructure to handle its increasing workload related to Procurement List business transactions that create jobs for our target population; for example, in FY 2010, the number of transactions to add products or services to the Procurement List increased to 160 actions, up 33% over the number of similar transactions during the previous year. To the extent that the AbilityOne Program better serves Federal customers' needs and demonstrates its good governance, it is likely to gain even more opportunities to employ individuals with disabilities in the future. The existing FTEs require some modest travel resources to directly engage high-value audiences; these are included in the overall request for the travel object class.

GOAL 4: BUSINESS EXCELLENCE

As the Agency responsible for the effective administration of the AbilityOne Program, the Committee executes several business processes directly linked to key stakeholders and the employment mission. Three primary business processes that require attention, resources and coordination across agencies are (1) the Procurement List addition process, (2) fair market pricing policy and procedures, and (3) the Central Nonprofit Agency (CNA) Fee determination process.

The Agency's Procurement List addition process is defined by statute and regulation. Over the past five years, the Agency's business process reengineering has resulted in the deployment of an information management system to provide an electronic workflow vehicle and standardized procedures, resulting in some reduction of processing delays. However, further streamlining is needed to minimize the overall administrative burden and provide more responsive service to Federal customers. While statutory or regulatory change would be necessary to achieve the most sweeping reform, some efficiencies may be identified within the Committee's current authority through an end-to-end review of the processes utilized by all participating organizations. An initial review and diagnosis of the process in FY 2010 has identified four high-opportunity target areas for streamlining and process improvement.

By statute, the Committee is responsible for establishing the fair market price of products and services in the AbilityOne Program. The Committee reviews price recommendations that have been mutually

agreed upon by the Federal customer and the AbilityOne nonprofit agency that will deliver the product or service needed. Delays in this process, before or after the recommendation is received by the Committee, can delay timely contract awards. Also, participants in the Agency's pricing dispute resolution process report that it takes too long to deliver a decision. An end-to-end review of pricing procedures will enable the Committee to identify process improvements that have tangible results.

Finally, the Central Nonprofit Agency (CNA) Fee Ceiling process is critical to the administration of the AbilityOne Program, as it funds the private, nonprofit CNAs' performance of their designated duties. The fee must be fair and properly applied so that neither the Federal customer nor the nonprofit agencies participating in the program are unduly burdened. Within the past five years, the Committee and CNAs have collaboratively established a process and timeline for the annual Fee Ceiling determination that supports most needs of the CNAs, nonprofit agencies and Federal customers, but the evaluation process should be further refined. The Committee has an obligation to ensure that the CNA Fee is used as intended to benefit the AbilityOne Program overall.

The intended outcome for this goal area is that the Agency's core, external business processes are executed in accordance with documented procedures that have been developed with input from stakeholders and efficiently deliver results. The Agency will continue to consult with program leaders, front-line employees, customers, external partners and other stakeholders in developing and implementing this goal. The performance targets for FY 2012 are the reduction of cycle time for both the Procurement List processes and the fair market pricing processes. The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2012 include our existing staff members who work in business operations, pricing, and policy/programs.

FY 2012 GOVERNMENT-WIDE INITIATIVES

Improper Payments Reductions

In accordance with the Improper Payments Information Act of 2002, the Committee reports that it had no significant improper or erroneous payments in FY 2009. As of September 10, 2010, the Committee staff has reviewed and reconciled all FY 2010 payments and in so doing, has identified no significant improper or erroneous payments in this fiscal year. The Committee has no grant making authority, makes no payments to beneficiaries, has no unneeded real property and has no debt collection program. The Committee has approximately 10 contracts for services; none in excess of \$250,000 per year and most are significantly less than that threshold. Nearly all of the agency's resources are dedicated to personnel, rent and mission-critical travel. Because no significant improper or erroneous payments occurred, no corrective action is necessary. However, the Agency is committed to monthly reconciliation of all spending, including payroll, and will remain vigilant for any improper or erroneous payments in FY 2011 and beyond.

Acquisition Improvements/Workforce

As noted above, the Committee has very few discretionary funds once personnel, rent and travel requirements are paid. However, like any office or place of business, the Committee has ongoing requirements for supplies, equipment and business services such as wireless phone service, domestic package delivery and office machine rental. Where existing government-wide contracts exist to leverage volume and obtain discount prices, the Committee has utilized these vehicles and will

continue to do so. The Agency will seek to minimize office and general supply costs in FY 2012 by asking staff to conserve resources – print fewer documents, re-use and repurpose existing supplies, and reduce package delivery or postage costs.

As a small agency, the Committee does not have an acquisition workforce, nor does it have the FTEs available to hire dedicated acquisition professionals. The Committee relies on GSA's agency liaison division to provide acquisition services that are beyond its own capability. The Agency is also training current personnel in basic acquisition skills via online Defense Acquisition University and other Federal training courses.

INFORMATION TECHNOLOGY

IT Infrastructure, Project Management, Cyber Security

The Committee's primary business information system was developed in collaboration and cooperation with its key internal and external stakeholders and launched in FY 2008. Between FY 2009 and 2011, the Committee has and will continue to make minor enhancements to the system's usability and efficiency, to better support AbilityOne Program business transactions with Federal customers and participating nonprofit agencies. There are no new technological initiatives in development or investments sought for this budget cycle.

This FY 2012 budget request includes funding for high-priority maintenance of the agency's information management system as well as ongoing support of its local area network. These systems are critical to the Agency's ability to perform mission-critical tasks on a daily basis. Their accessibility and continuity also enable the Committee to increase productivity for staff on official travel and to meet government-wide goals for telework. The Agency requires ongoing programming and support to maintain its electronic workflow system that automates all AbilityOne business transactions, to include collection of compliance data reports, resulting in greater program efficiency. Such programming support, along with network support, entails specialized skills that are not inherently governmental. It is not advantageous to the Agency to directly hire individuals with such specialized skills, which require frequent updates via training and certifications.

As noted earlier, the Committee supports the Administration's priorities for information technology; particularly to leverage technology to foster transparency, participation and collaboration. The Agency will leverage commercially available technology to develop and disseminate Internet-based communication, and in particular, will make cost-effective use of video teleconferencing, web meetings and webinars to ensure that AbilityOne participants can share their concerns, best practices and recommendations directly with Agency leaders. These initiatives have a nominal cost and require no significant investment in FY 2012.

The Committee has an interagency agreement with the Department of Homeland Security, National Cyber Security Division. Under this agreement, DHS provides consolidated intrusion detection, incident analysis and cyber response capabilities in the protection and defense of the Committee's external access points and network. No resources are requested for FY 2012 for this purpose.

Employee Engagement and Wellness

Employee engagement is directly linked to achievement of agency missions. The Committee has developed an action plan that it will implement to improve employee engagement and satisfaction among its personnel in the three areas that experienced the largest decline from 2006 to 2008 as indicated in the 2008 Federal Human Capital Survey (FHCS). The following areas were selected for action beginning in FY 2010 because they can have the most significant impact on the Agency's ability to discharge its statutory and regulatory duties, and to execute the policies and strategies necessary to achieve Agency strategic goals:

- Personal Work Experiences
- Recruitment and Retention, and
- Performance Culture.

The Committee has had a number of key leadership and organizational changes since the 2008 survey. In FY 2009, the Agency began to restructure the organization to better meet the demands of an increasing workload. Employees were educated about and involved in the restructuring process, and were routinely engaged by their supervisors in recommending the most efficient and effective processes and procedures to accomplish their work. These changes, and other news impacting the Agency, are communicated to managers and employees via weekly senior staff meetings and monthly all-hands meetings. During FY 2010, the Agency placed a greater emphasis on linking employees with the strategic goals and mission directly or indirectly supported by their positions. For example, all staff members were routinely briefed on strategic initiatives and legislative developments, and asked to share their perspective on how their position relates to macro-level issues. Additionally, the Committee staff visited an AbilityOne-participating nonprofit agency as a group, to see firsthand the business and employment outcomes as an organizational training activity.

The Agency will replicate this type of training in FY 2012 within the existing budget base for employee training activities. Leadership focus on engagement, communication, performance and human capital management is expected to contribute to improvement in the three broad areas from the 2008 FHCS survey. The Committee will use the FHCS survey questions associated with the three broad areas identified above to measure improvement, targeting an average 50% increase in scores associated with those areas. The Agency will conduct an abbreviated survey during the 3rd quarter of FY11 to assess the change in survey scores.

The Committee is not one of the Chief Human Capital Officers (CHCO) Act agency, and as such, does not have a formal wellness program. However, its leadership does promote work life balance, and has established policies that provide workplace flexibilities such as alternate work schedules and telework, which can reduce fatigue and stress among employees, and can enable employees to spend more time exercising. In FY 2012, the Agency will seek innovative means to actively promote wellness at no cost, such as encouraging employees to make healthy nutritional choices and to incorporate moderate exercise into daily routine. The Agency will explore establishing a policy to allow employees reasonable administrative leave (up to 30 minutes, which may be combined with lunch time or other leave) to obtain preventative healthcare such as screenings or immunizations, or to partake in some form of exercise either within their office space or outside the office (e.g. walking or at a local fitness center.)

POLICY AND FUNDING PRIORITIES

The Agency's top policy and funding priorities pertain to (1) effective stewardship, (2) employee and customer satisfaction, (3) employment growth and (4) business excellence. Each of these is directly tied to the Agency's strategic goals as discussed in the performance plan/goals section above.

Each of these priorities will advance the Administration's goals and each is critical to the Agency's accomplishment of its mission. Effective stewardship directly relates to President Obama's goal to responsibly govern the nation. To achieve this Agency priority, it is critical to maintain current funding dedicated to the objective of ensuring oversight and full compliance with all laws and regulations. Effective stewardship ensures that the Agency's employment program, known as AbilityOne, is positioned for long-term success. The Agency's goal to grow employment for people who are blind or significantly disabled is the other major area of emphasis and top priority, which directly supports the Administration's goal to encourage economic growth and invest in the future. The Administration has signaled its support for enhancing employee satisfaction within the Federal Government to increase productivity, engagement and performance; the Committee has likewise made enhancing the satisfaction and work environment of AbilityOne employees who are blind or have other significant disabilities a top priority. Finally, the Business Excellence goal pertains both to responsible governing and investing in the future, particularly to the extent that the agency leverages technology and establishes more efficient processes to achieve excellence in its execution of mission-related business transactions.

AGENCY DISCRETIONARY FUNDING TARGETS AND ALTERNATE TARGETS

The Committee's prior year, current year and budget year requests contain no mandatory funding targets. The Congress has not directed any specific allocation of the Agency's appropriation. No discretionary funding targets were provided for FY 2012 within the Administration's FY 2011 budget. However, to manage the continued and anticipated increase in the Agency's workload, particularly in oversight, outreach and technical business/price analysis, the Committee planned to seek a 12 percent increase in FY 2012 to (1) hire additional FTEs where shortfalls exist and (2) fund enhancement of its information management system.

In light of OMB's FY 2012 budget guidance that all non-security agencies submit a five percent decrease from discretionary spending targets for FY 2012, the Committee has reconsidered its request and is seeking no increase. Accordingly, the request for \$5,5710,000 to fund the salaries and the expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled to implement the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) falls within discretionary funding and reflects a decrease from the Agency's planned budget request for FY 2012.

TERMINATIONS, REDUCTIONS AND SAVINGS

The Committee administers only the Javits-Wagner-O'Day Act and the AbilityOne Program it authorizes. The AbilityOne Program has demonstrated direct results in the form of nearly 46,000 jobs for people who are blind or who have other significant disabilities. The Agency has strategies and initiatives underway to increase this employment, with effective stewardship and business excellence. More than 17 million Americans are blind or have other significant disabilities, and they have the highest level of unemployment among all segments of our population. The AbilityOne Program attempts to correct this inequity. This budget request is structured to achieve more and be more aggressive in the pursuit of employment opportunities for these citizens. Accordingly, the Committee does not recommend making any reductions to its AbilityOne Program.

In terms of savings, the Agency will continue to use cost avoidance measures such as deploying technology to reduce processing costs and to lessen its dependency on paper and other consumable supplies. The Agency has minimized the number of hard copy publications printed and distributed in favor of providing electronic copies online. Adoption of web-based business transactions has already reduced the need for couriers and some package delivery services. In FY 2011 and 2012, leveraging economical video teleconferencing equipment will enable the Agency to reduce the need for travel to some meetings, particularly those unrelated to program compliance. The Agency is encouraging all eligible employees to participate in its telework program to avoid the cost of additional office space.

PROGRAMMATIC INCREASES OR ANOMALIES

While the Agency is maximizing use of technology and telework among its employees, its office space in Arlington, Virginia required a lease renewal effective October 1, 2009. The ensuing rent increase of 28 percent affected the non-personnel portion of the Agency's budget for FY 2010, FY 2011 and similarly affects this request and the out-years. The Agency will retrain and redeploy current personnel resources to meet its highest priority needs in FY 2012; however, it may be necessary to revisit the staffing level in the FY 2013 budget request. The Committee must build a human capital infrastructure that can fulfill its mission. The current environment of accountability and transparency, along with the imperative to accelerate employment opportunities, necessitates that the Committee have employees with specialized skills and abilities to execute program compliance, policy development and implementation, and education and advocacy to Federal agencies.

BUDGET REQUEST BY OBJECT CLASS

Table 2: Budget Request by Object Class			
	FY 2010 Authority	FY 2011 Authority	FY 2012 Request
Personnel	\$3,335,000	\$3,530,000	\$3,530,000
Benefits	830,000	876,000	876,000
Travel	230,000	238,000	238,000
Rent & Communications	443,000	550,000	550,000
Printing	20,000	10,000	10,000
Services	435,000	460,000	460,000
Supplies	50,000	52,000	52,000
Equipment	53,000	55,000	55,000
Losses & Claims	0	0	0
TOTAL	\$5,396,000	\$5,771,000	\$5,771,000

Narrative:

Salaries and Benefits - \$4,406,000. This amount represents over 75 percent of the requested budget and covers the Agency’s existing workforce. Each of these positions has been reviewed to ensure it is providing critical skills and support to the Agency’s highest priority goals, such as program compliance assurance, necessary policy development and implementation, and education/communication to Federal agencies. This amount also includes four private citizen Committee members who are appointed by the President to represent the interests of individuals who are blind or who have other significant disabilities. These appointees are paid at the Executive Level IV rate on a per-diem basis when conducting Committee business.

Travel - \$238,000. This includes travel by the Committee staff to accomplish the agency’s mission and travel by the private citizen Committee members to conduct official business. As previously stated, as a result of GAO recommendations, the Committee is intensifying its efforts to provide more oversight of the nonprofit agencies participating in the AbilityOne Program. Committee staff on-site audits will assess nonprofit agencies’ overall compliance with statutory and regulatory requirements and will provide an opportunity for the Committee staff to validate and verify the data reported by nonprofit agencies through their annual certifications. Direct customer engagement, training and participating in other high-target forums is an integral part of assessing customer satisfaction and increasing awareness of the AbilityOne Program, and thus will be conducted to the extent allowed by available resources. However, in light of the austere budget climate for FY 2012, the Agency will increase use of VTC and web meetings to reduce travel costs as much as possible in areas outside of program compliance.

Rent & Communications- \$550,000. The primary driver of this budget class is the negotiated rent for FY 2012 in the Agency’s lease, which is approximately \$500,000. The Agency’s rent was increased 28% in its lease effective October 1, 2009. Prior to that increase, it had been held relatively flat for five years. The remaining funds requested are necessary for monthly charges for current telecommunications equipment, which will be minimized as much as possible through strategic sourcing. The Committee also maintains broadband Internet access and remote access Internet

service provider accounts. These are required to enable effective implementation of Internet-based information systems that are Section 508 compliant and to provide staff members access to network and email accounts while on travel or teleworking from home or alternate locations.

Printing - \$10,000. The Committee routinely seeks efficiencies in this category and leverages the electronic dissemination of information. However, the Agency will continue to have some printing costs associated with publishing notices in the Federal Register. In the past, most of the printing in the Federal Register was to fulfill the requirement by the Administrative Procedures Act to announce for public comment the Committee's intention to add or delete a product of service to/from the Procurement List. However, consistent with the Agency's commitment to transparency, there will be a continuing need for publishing the Committee's regulatory agenda and publishing proposed and final regulations in the Federal Register. Additionally, the Committee's initiative to educate Federal agencies about the AbilityOne Program will require a limited amount of print material to supplement electronic information.

Services - \$460,000. A major portion of this category is the operation and maintenance of equipment. The Committee's LAN, VPN, electronic mail, security and Internet systems are mission critical systems. Although the Committee's Chief Information Officer has the expertise and ability to capably handle most day-to-day operations, the LAN, VPN, electronic mail, security and Internet systems have grown both in terms of sophistication and complexity. Likewise, the Committee's information management system – the backbone of the Agency's operations database and electronic workflow – requires programming expertise to keep pace with changes in the business environment. Rather than attempt to add additional Government employees to the staff, the Committee procures services to perform both on-going, and as required, technical support from commercial firms with special expertise to support operations of voice and data networks. To efficiently conserve its resources, the Committee pays GSA to provide administrative support for human resources services, accounting, and payroll services. Similarly, the Committee uses Office of Personnel Management (OPM) case examining services for any position that is filled from outside sources and pays OPM on a cost reimbursable basis. This category also includes advisory and assistance services for statutory requirements. For example, in accordance with FISMA, the Committee must review and report on its security functions on a yearly basis. Similarly, the Accountability of Tax Dollars Act of 2002 requires every agency, regardless of size, to conduct an annual audit of its financial statements. In both of these instances, the Committee procures the services of experts to perform the review functions so that the Committee can then take action to ensure full compliance. Finally, a very small portion of this category would fund educational and communications support where again the technical skills exceed the nature of the relatively small Committee staff. While larger agencies have personnel specifically designated to handle such requirements, the Committee must procure services to assist in or perform work that is required to meet these annual statutory requirements.

Supplies and materials - \$52,000. The majority of the funds are used for special, Program-related supply items, references, and IT supplies required for efficient and effective operation of the agency. IT supplies include license upgrades for office software packages.

Equipment - \$55,000. Due to changes in technology, it is necessary to refresh work stations and related desktop equipment on a scheduled basis. It is also necessary to equip compliance employees who travel as well as teleworkers with laptop computers to facilitate their productivity outside the office. The Committee also leases certain equipment for business purposes, such as a high-speed scanner used to convert paper records to electronic format or assistive technology for our staff members with disabilities.

PROPOSED APPROPRIATION LANGUAGE

***COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED***

SALARIES AND EXPENSES

For expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled, established by Public Law 92-28 (41 U.S.C. 46-48c as amended), \$5,771,000.

CONCLUSION

The Committee for Purchase From People Who Are Blind or Severely Disabled is an independent Federal agency responsible for administering the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) as amended. The AbilityOne Program creates meaningful employment and training opportunities through Federal procurement of products and services.

The program's delivery of quality products and services at fair market prices is established on a foundation of stewardship and accountability, employee and customer satisfaction, and business excellence. The Committee integrates these elements to achieve its mission of employment growth for Americans with disabilities who have the lowest U.S. rate of employment.

Employment is a key pillar of the Administration's Plan to Empower People with Disabilities. The AbilityOne network employs almost 46,000 people who are blind or have other significant disabilities nationwide. It is the single largest source of employment for this segment of the U.S. population. The Committee's high priority goals and strategies to grow employment will increase the AbilityOne Program's reach and provide more Americans with disabilities the opportunity to work. The Agency's goals, strategies and resulting budget request are well aligned with the Administration's goals and priorities, including economic growth, accountability, transparency, participation, collaboration and maximization of technology to deliver services efficiently and effectively.

This budget request is structured to support the Committee's mission and, particularly, to support its pursuit of employment opportunities for people who are blind or have other significant disabilities while maintaining program compliance and stewardship. Recognizing the need to maximize resources and perform the mission as economically as possible, the Agency has submitted a request for less funding than it deems necessary to fully and effectively execute its Strategic Plan and employment mission. However, the funds requested will enable the Committee to minimally pursue its highest priority goals while fulfilling statutory and regulatory requirements. It is important to note that the requested \$5,771,000 appropriation is offset to the extent that the wages and benefits generated through the AbilityOne Program result in some reduction in Federal assistance needed by our target population.

The Administration's commitment to empowerment of people with disabilities invites a renewed emphasis on and capability to provide employment opportunities through the Javits-Wagner-O'Day Act. We request your support in providing the requested budgetary resources and capacity to increase employment for people who are blind or have other significant disabilities.

Appendix A

Financial Management

Though it is a small, independent agency, the Committee accomplishes an important mission that is national in scope – touching nearly 46,000 lives in FY 2010. It does so without a national infrastructure, and with very limited appropriated funds. The agency’s 2010 budget was \$5,396,000; this was an increase of approximately \$300,000 over its enacted FY 2009 budget of \$5,094,000. This budget is primarily used to fund salaries and benefits for the Agency’s full-time civil service staff and private citizen members, to pay for rent and overhead expenses at the agency’s sole office in Arlington, Virginia, and to fund official travel to attend meetings, to educate audiences about the AbilityOne Program; and most importantly, to audit nonprofit agencies’ compliance with the law and relevant regulations. Any change in the agency’s financial position from the previous fiscal year is nominal.

The agency’s goals, objectives, targets and measures are focused on administration of the AbilityOne Program nationwide. Given its small size, the Committee has not previously established a formal internal controls program, though it does have processes and procedures to prevent the unauthorized use or misappropriation of Government assets going undetected. The External Services Branch of the Finance Division at the General Services Administration (GSA) provided financial systems services to the Committee under an interagency agreement during FY 2010. These include an accounting system, travel, administrative payments; personnel compensation and benefits; and cash collection and deposits. The Committee relied primarily on audits of the Finance Division conducted by the Office of the Inspector General at GSA to uncover material weaknesses in the systems and to ensure that internal control procedures are in place. No material weaknesses have been reported to the Committee by that office.

Our independent financial auditor has advised the Committee that GSA’s controls do not include adequate assurance of the accuracy of the reports they generate from the Financial Information Management System (FMIS) on behalf of client agencies such as the Committee. Thus, performing monthly vice periodic reconciliation of the financial statements generated from FMIS has been recommended by the auditor to prevent the agency from experiencing a future material weakness in internal control over financial reporting. In July 2010, the Committee adopted a spending data quality framework as instructed by the Office of Management and Budget (OMB) and the Open Government Directive. This framework provides a new level of internal control and accountability for the Agency, including monthly review and reconciliation of financial reports as recommended. Our independent financial auditor has advised the Committee that its capitalization of property, plant and equipment requires strengthening. Thus, corrective action was taken in September 2010 to prevent the agency from experiencing a future material weakness in internal control over financial reporting related to property capitalization.

With the above corrective actions, the Committee provides reasonable assurance that its systems of internal accounting and administrative control comply with applicable requirements of the Federal Managers’ Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123 (revised December 21, 2004). The Committee also provides reasonable assurance that the agency’s management accountability and internal controls are adequate and effective.