

Bureau of the Fiscal Service

Program Summary by Budget Activity

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Operating Plan	Request	\$ Change	% Change
Accounting and Reporting	\$98,937	\$96,472	\$103,242	\$6,770	7.02%
Collections	\$37,948	\$41,109	\$42,417	\$1,308	3.18%
Payments	\$123,015	\$123,190	\$127,110	\$3,920	3.18%
Retail Securities Services	\$58,403	\$59,312	\$61,200	\$1,888	3.18%
Wholesale Securities Services	\$21,977	\$25,486	\$26,297	\$811	3.18%
Matured Unredeemed Debt	\$25,000	\$25,000	\$0	(\$25,000)	-100.00%
Subtotal, Bureau of Fiscal Service	\$365,280	\$370,569	\$360,266	(\$10,303)	-2.78%
Reimbursable	\$399,681	\$402,000	\$412,831	\$10,831	2.69%
Unobligated Balances Brought Forward	\$92,000	\$137,546	\$150,000	\$12,454	9.05%
Total Program Operating Level	\$856,961	\$910,115	\$923,097	\$12,982	1.43%
Direct FTE	1,499	1,577	1,617	40	2.54%
Reimbursable FTE	358	412	412	0	0.00%
Total Full-time Equivalents (FTE)	1,857	1,989	2,029	40	2.01%

Note: FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals. Table does not include supplemental funding provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L.116-136) and the American Rescue Plan (ARP) (P.L.117-2). Additionally, unobligated balances do not include CARES and ARP. Matured Unredeemed Debt funding remains available until expended.

Summary

The FY 2022 request for the Fiscal Service is \$360.3 million. The Budget ensures the viability of the Government's National Financial Critical Infrastructure (NFCI) that finances Federal operations, collects revenue, disburses payments, and reports on the Government's financial position. Because of Fiscal Service's central role in government-wide financial operations, the budget also supports Treasury's leadership in transforming Federal financial management to become more efficient, more accurate and deliver better service to citizens.

The Budget invests in business modernization, customer experience, increasing availability of data, expanding financial management solutions, innovation, operational integrity, and our workforce. These priorities will advance Fiscal Service's vision to transform federal financial management and allow the Bureau to deliver critical financial operations to the American public.

The Financial Management Quality Service Management Office (FM QSMO) is a key initiative that supports multiple goals in Treasury's 10-year Vision for the Future of Federal Financial Management. This office is ultimately responsible for operating the Federal marketplace and making quality core financial service offerings available to Federal agencies. FM QSMO seeks to partner with agency leaders to provide agencies with access to innovative and standards-based financial management solutions and deliver expert guidance that will advance government-wide financial management goals.

Budget Highlights

	FTE	Amount
FY 2021 Operating Plan	1,577	\$370,569
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$10,234
Pay Annualization (1.0% average pay raise)	0	\$557
FERS Contribution Increase	0	\$1,676
Pay Raise (2.7% average pay raise)	0	\$5,049
Non-Pay	0	\$2,952
Non-Recurring Costs:		
Matured Unredeemed Debt	0	(\$25,000)
Other Adjustments:		
Annualization of Hires	38	\$5,428
Efficiency Savings:		
Non-Pay Decreases	0	(\$5,428)
Subtotal Changes to Base	38	(\$14,766)
FY 2022 Current Services	1,615	\$355,803
Program Changes:		
Program Increases:		
Quality Service Management Office	2	\$3,700
Electric Vehicles and Associated Infrastructure	0	\$763
Subtotal Program Changes	2	\$4,463
Total FY 2022 President's Budget	1,617	\$360,266

Budget Adjustments

Maintaining Current Levels (MCLs)..... +\$10,234,000 / +0 FTE

Pay Annualization (1.0%) +\$557,000 / +0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

FERS Contribution Increase +\$1,676,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Pay Raise (2.7% in 2022) +\$5,049,000 / +0 FTE

Funds are requested for a 2.7% average pay raise in January 2022.

Non-Pay +\$2,952,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent supplies, and equipment.

Non-recurring Cost..... -\$25,000,000 / -0 FTE

Matured Unredeemed Debt -\$25,000,000 / -0 FTE

United States Savings Bonds that have reached final maturity and stopped earning interest are considered Matured Unredeemed Debt (MUD). As of the end of FY 2020, the MUD balance had reached \$27.5 billion. The Consolidated Appropriations Act, 2021, (P.L. 116-260) provided \$25 million, available until expended, for the digitization of records of matured savings bonds that have not been redeemed. This adjustment removes the FY 2021 appropriation from the FY2022 base.

Other Adjustments..... +\$5,428,000 / +38 FTE

Annualization of Hires +\$5,428,000 / +38 FTE

Funds are requested for annualization of salary and benefits for hires that occur during FY 2021. These hires support the bureau's priorities and the staffing levels required to ensure effective operational activities.

Efficiency Savings..... -\$5,428,000 / -0 FTE

Non-Pay Decreases -\$5,428,000 / -0 FTE

Anticipated savings from reduced non-pay programmatic requirements to align with operating levels.

Program Increases..... +\$4,463,000 / +2 FTE

Quality Service Management Office (QSMO) +\$3,700,000 / +2 FTE

This funding will support the Department's implementation of the Financial Management Quality Service Management Office (FM QSMO). Federal agency financial systems face critical modernization needs, and opportunities exist for improving compliance with financial management standards, leveraging technology and shared solutions, and reducing lengthy deployment delays and cost overruns. By leveraging the FM QSMO's Marketplace of core financial systems preconfigured with standards-based capabilities, agencies will share in the initial cost of modernizing a system as well as keep systems up to date by utilizing Marketplace providers.

Increased funding will allow Treasury to continue establishment and implementation of the FM QSMO Marketplace of solutions and services, which will help agencies meet their financial management needs and accomplish shared government-wide goals. During FY 2022, Treasury plans to stand-up the initial Marketplace for agencies to acquire core financial system solutions through a government-wide contract vehicle. It is envisioned that the Marketplace will also include other financial management solutions and services complementary to core financial systems as well as Treasury centralized services. In addition, the increased funding will enable the Treasury FM QSMO team to work with agencies to assess adoption readiness, plan for use of the Marketplace solutions and services, and provide the necessary support to ensure agency participation in the design of the Marketplace

Electric Vehicle and Associated Infrastructure +763,000 / +0 FTE

Following the lead from Executive Order (E.O.) 14008, "Tackling the Climate Crises at Home and Aboard," the U.S. Department of the Treasury joins in the Administration's priority to develop a comprehensive plan to create good jobs and stimulate clean energy industries by revitalizing the Federal Government's sustainability efforts. This includes Treasury's commitment to use all available procurement authorities to augment its Departmentwide fleet management program with a continued focus on leasing of electric vehicles (EV) and purchasing, installing, and maintaining essential infrastructure. The planned resources will help Treasury comply with the requirements set forth by E.O. 14008 and reduce the carbon footprint of emissions into the atmosphere by acquiring an updated fleet of zero-emissions vehicles that can support mission operations.

For FY 2022, the Bureau of Fiscal Service (Fiscal Service) requests \$763,000 to fund the eventual full conversion of its fleet to EV. Of that money, approximately \$50,000 will be

allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. It is expected that Fiscal Service will need two charging stations to support its future EV state. Currently, Fiscal Service has a total of 29 vehicles in its fleet, of which two are EVs.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Accounting and Reporting	Percentage of Government-wide Accounting Reports Issued Timely (%)	100.0	99.6	100.0	99.5	99.5
Collections	Percentage of Total Federal Government Receipts Settled Electronically (%)	98.0	98.4	99.0	98.0	98.3
Payments	Percentage of Treasury Payments Made Electronically (%)	95.4	95.6	96.0	96.1	96.4
Payments	Count of Improper Payments identified or Stopped (# in Thousands)	20.3	22.4	22.8	21.5	22.5
Payments	Dollar Amount of Improper Payments Identified or Stopped (\$ Millions)	35.5	41.1	43.5	37.0	38.8
Retail Securities Services	Percentage of Retail Customer Service Transactions That Are Unassisted (%)	N/A	69	70	71	72
Wholesale Securities Services	Percentage of Auction Results Released Accurately (%)	98.9	98.8	100	100	100
Wholesale Securities Services	Percent of Auctions Successfully Completed by the Scheduled Close Date (%)	N/A	100	100	100	100
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools (\$ Billions)	7.44	9.65	10.68	8.81	9.04
Debt Collection	All Delinquent Debt Collected as a Percentage of all Delinquent Debt Referred (%)	N/A	14.3	15.7	14.9	14.9
Debt Collection	Percentage of the Active Delinquent Debt Portfolio Collected (%)	N/A	6.8	9.2	7.0	7.0

Description of Performance

Accounting and Reporting: Fiscal Service collects, analyzes, and publishes government-wide financial information, made available to both the public and private sectors, to provide transparency on the Government’s financial status. In FY 2020, Fiscal Service continued its strong performance by issuing 100 percent of government-wide accounting reports on time. This is an improvement over FY 2019, where a one-time system error impacted the annual performance. Fiscal Service expects to meet its FY 2021 and FY 2022 performance targets by transforming the quality, effectiveness, and transparency of Federal financial management data; delivering value-added business process and system improvements; and expanding/enhancing relationships with stakeholders and customers.

Collections: In FY 2020, Fiscal Service continued growth in electronic collections by electronically settling 99.0 percent of all Federal Government receipts, in dollars, which exceeded the target of 98.0 percent. The performance results were achieved because of our continuing efforts to move paper-based transactions to electronic alternatives (e.g., Pay.gov and eCommerce alternatives such as digital wallets), and a decline in non-electronic collections due to the pandemic. Fiscal Service expects to maintain the 98.0 percent target in FY 2021 by continuing to promote the use of electronic systems in the collections process and assisting agencies in converting collections from paper to electronic media, which supports the

administration's climate priority. While the 99.0 percent rate was achieved in FY 2020, the target for FY 2021 will remain at 98.0 percent due to the uncertainty and potential impacts from the pandemic on FY 2021 collections.

Payments: Fiscal Service continues to increase the percentage of federal payments which are Treasury-disbursed. In FY 2020, Fiscal Service disbursed 88 percent of all federal payments. In FY 2020, the Fiscal Service payments activity encountered unprecedented workload in support of the CARES legislation, specifically the delivery of Economic Impact Payments (EIP) to the American public. Fiscal Service securely disbursed 1.4 billion payments totaling \$5.4 trillion; of these totals, EIPs accounted for more than 160 million payments totaling more than \$270 billion. During FY 2021, Fiscal Service issued 147 million EIP2s and as of May 12, 2021 has issued 165 million EIP3s. In total, over 472 million economic impact payments have been disbursed during FY 2020 and FY 2021.

Retail Securities Services: Retail Securities Services has demonstrated progress with improving customer self-sufficiency. In FY 2020, the percentage of unassisted retail securities transactions increased over the FY 2019 baseline, with 70 percent of retail securities transactions unassisted. In FY 2021 and beyond, Fiscal Service will continue to modernize its business to improve the customer experience by increasing customer self-sufficiency and encouraging more investors to save for the future, while achieving Treasury's financing mission in a cost-effective manner. These improvements will enhance the customers' ability to purchase, reinvest, and manage their Treasury retail investments. Improving savings bond records over time will enable collaboration with stakeholders in locating matured unredeemed debt (MUD) bondholders. Fiscal Service continues to work with the National Association of Unclaimed Property Administrators (NAUPA) and the National Association of State Treasurers (NAST) to find collaborative solutions to locate owners of MUD bonds.

Wholesale Securities Services: In FY 2020, the Federal Government's response to the COVID-19 pandemic resulted in an unprecedented increase in Treasury borrowing needs. Treasury successfully conducted 447 auctions and raised more than \$18.6 trillion without disrupting financial markets. In FY 2020, Fiscal Service set many records for auction-related workload indicators. Thirteen auctions, the most since 2008, were conducted during the week of April 6-10, auctioning \$611 billion in Treasury securities. Five auctions in a single day were conducted for the first time ever on May 27, and six auctions in a single day were conducted on September 8. Prior to the economic stimulus package, WSS averaged 28 auctions and \$1.06 trillion securities awarded per month. Since April 2020, the monthly averages have increased to 47 auctions (+67.7 percent) and \$2.04 trillion awarded (+89.18 percent) per month.

Debt Collection: Fiscal Service is the Government's central debt collection agency, managing the Government's delinquent debt portfolio and collecting delinquent debts owed to the United States, such as Federal mortgage, small business, or student loans; Federal salary or benefit overpayments; and fines or penalties assessed by Federal agencies. Fiscal Service collects delinquent debt through two programs: Treasury Offset Program (TOP) and Cross-Servicing.

Fiscal Service continues to increase the amount of delinquent debt collected through all available tools. During FY 2020, the COVID-19 pandemic had a significant impact on delinquent debt collection Agencies continuing to suspend collections is resulting in overall decrease in Fiscal Service's collections revenue.