Message from the Secretary of the Treasury

Dear Member:

The Fiscal Year (FY) 2021 President's Budget prioritizes Treasury's goals to maintain a strong economy and create job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, to strengthen national security by combatting threats and protecting the integrity of the financial system, and to manage the U.S. Government's finances and resources effectively.

Treasury's request includes $12 billion for the IRS for core tax administration, Taxpayer First Act implementation, and the third year of the integrated modernization business plan, which will transform the taxpayer experience and improve tax compliance with leading edge digital services and capabilities. The Budget requests a cap adjustment to protect the integrity of the tax system and reduce the tax gap, returning $64 billion in net savings to taxpayers over ten years.

The Budget proposes increased resources for the Office of Terrorism and Financial Intelligence to counter illicit financial networks and the Financial Crimes Enforcement Network to strengthen the prevention, detection, and investigation of financial and cyber-crimes. The request includes funding for Treasury to identify and mitigate cybersecurity vulnerabilities in the financial services sector.

The Budget prioritizes U.S. leadership in International Financial Institutions by proposing to extend and increase the International Monetary Fund's New Arrangements to Borrow, as well as authorization and funding for the Multilateral Development Banks. It also seeks funding for bilateral technical assistance and critical bilateral debt relief for the nation of Somalia. Treasury's request includes $10 million to build off the $25 million provided in FY 2020 for the digitization of savings bond information and the creation of an online tool that would allow individuals to verify ownership of unredeemed bonds dated after 1974.

The Budget proposes legislation to return the Secret Service to Treasury to create new efficiencies in the investigation of financial crimes and prepare the Nation to face the threats of tomorrow. Technological advancements in recent decades, such as cryptocurrencies and the increasing interconnectedness of the international financial marketplace, have resulted in more complex issues facing our country. Criminal organizations have varied means of obtaining financing, and we have observed stronger links between financial and electronic crimes and the financing of terrorists and rogue state actors.

The FY 2021 Budget includes the information required for the Annual Performance Report. I have validated the accuracy, completeness, and reliability of the performance data in this report.

Sincerely,

Steven T. Mnuchin

Steven T. Mnuchin

U.S. Department of the Treasury
FY 2021 Budget in Brief

Summary of FY 2021 President's Budget

Appropriated Accounts – Bureau Program Detail

Non-Appropriated Accounts – Bureau Program Detail

Treasury International Programs

Supplemental Information

The information presented in the FY 2021 Budget in Brief is accurate and complete as of February 10, 2020. Any updates will be reflected in the budget available on the Department of the Treasury website, www.Treasury.gov.

FY 2021 EXECUTIVE SUMMARY

FY 2021 President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2019 Enacted (post IRS transfer)	FY 2020 Enacted	FY 2020 Enacted (post IRS transfer)	FY 2021 President's Budget
Management & Financial	**$1,458,758**	**$1,538,377**	**$1,538,377**	**$1,300,909**
Departmental Offices Salaries and Expenses	$214,576	$228,373	$228,373	$241,473
Post-transfer Oversight of USSS (non-add)	$0	$0	$0	$1,500
Committee on Foreign Investment in the United States (CFIUS) Fund	$0	$20,000	$20,000	$20,000
CFIUS Fees	$0	($10,000)	($10,000)	($20,000)
Subtotal CFIUS Fund (non add)[1]	**$0**	**$10,000**	**$10,000**	**$0**
Office of Terrorism and Financial Intelligence	$159,000	$169,712	$169,712	$172,751
Cybersecurity Enhancement Account	$25,208	$18,000	$18,000	$18,000
Treasury Capital Investments and Modernization Fund[2]	$4,000	$6,118	$6,118	$13,500
Office of Inspector General	$37,044	$41,044	$41,044	$39,335
Treasury Inspector General for Tax Administration	$170,250	$170,250	$170,250	$171,350
Special Inspector General for TARP	$23,000	$22,000	$22,000	$17,500
Community Development Financial Institutions Fund	$250,000	$262,000	$262,000	$14,000
Financial Crimes Enforcement Network	$117,800	$126,000	$126,000	$126,963
Alcohol and Tobacco Tax and Trade Bureau	$119,600	$119,600	$119,600	$125,837
Bureau of the Fiscal Service	$338,280	$340,280	$340,280	$350,200
Digitization of Unredeemed Matured Savings Bonds Records	$0	$25,000	$25,000	$10,000
Tax Administration[3]				
Taxpayer Services	$2,491,554	$2,511,554	$2,535,554	$2,562,554
Enforcement	$4,665,600	$5,010,000	$4,909,500	$5,071,260
Operations Support	$3,918,400	$3,808,500	$3,885,000	$4,104,689
Subtotal	**$11,075,554**	**$11,330,054**	**$11,330,054**	**$11,738,503**
Business Systems Modernization	$150,000	$180,000	$180,000	$300,000
Tax Reform Implementation	$77,000	$0	$0	$0
IRS Total Excluding Cap Adjustment	**$11,302,554**	**$11,510,054**	**$11,510,054**	**$12,038,503**
Cap Adjustment	$0	$0	$0	$400,000
IRS Total, Including Cap Adjustment	***$11,302,554***	***$11,510,054***	***$11,510,054***	***$12,438,503***
Subtotal, Treasury Appropriations excluding U.S. Secret Service and Cap Adjustment[4]	**$12,761,312**	**$13,048,431**	**$13,048,431**	**$13,339,412**
United States Secret Service[5]	**$2,248,159**	**$2,415,845**	**$2,415,845**	**$2,360,538**
Operations and Support	$2,148,528	$2,336,401	$2,336,401	$2,310,296
Procurement, Construction & Improvements	$97,131	$66,989	$66,989	$38,305
Research and Development	$2,500	$12,455	$12,455	$11,937
Subtotal, Treasury including U.S. Secret Service and excluding Cap Adjustment[6]	**$15,009,471**	**$15,464,276**	**$15,464,276**	**$15,699,950**
Treasury International Programs	**$1,547,697**	**$1,736,780**	**$1,736,780**	**$1,592,244**
Multilateral Development Banks	$1,348,122	$1,522,205	$1,522,205	$1,481,244
Food Security	$30,000	$30,000	$30,000	$0
Environmental Trust Funds	$139,575	$139,575	$139,575	$0
Office of Technical Assistance	$30,000	$30,000	$30,000	$33,000
Debt Restructuring - Tropical Forest Conservation Act	$0	$15,000	$15,000	$0
Somalia - Bilateral Debt Relief	$0	$0	$0	$78,000
Total, Treasury excluding Cap Adjustment	**$16,557,168**	**$17,201,056**	**$17,201,056**	**$17,292,194**
Total, Treasury	**$16,557,168**	**$17,201,056**	**$17,201,056**	**$17,692,194**

1/ The overall request for Treasury's CFIUS costs is $35 million, which includes $15 million from the CFIUS Fund and $20 million from Departmental Offices Salaries and Expenses.

2/ Previously known as the Department-wide Systems and Capital Investments Program.

3/ FY 2020 Enacted (post IRS transfer) includes a proposed transfer of $100.5 million from Enforcement to Taxpayer Services ($24 million) and Operations Support ($76.5 million). FY 2019 Enacted (post IRS transfer) includes a transfer of $194 million from Enforcement to Operations Support. $77 million for implementation of the Tax Cuts and Jobs Act was allocated to Taxpayer Services ($65 million) and Enforcement ($12 million).

4/ Treasury's enacted appropriation in FY 2019 was $12,561 million, after a $200 million rescission from the Treasury Forfeiture Fund.

5/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021. FY 2019 and FY 2020 enacted amounts exclude rescissions and administrative adjustments ($5.7M in FY 2019/$.7M in FY 2020).

6/ U.S. Secret Service appropriations are included in the subtotals for FY 2019 and FY 2020 for comparison purposes, but were not included in Treasury's enacted appropriations in those years.

MISSION STATEMENT

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. Government's finances and resources effectively.

OVERVIEW OF REQUEST

The Budget requests $15.7 billion in base discretionary resources for the Department of the Treasury's domestic programs, a $236 million or 1.5 percent increase from the FY 2020 enacted level. Excluding the United States Secret Service, Treasury requests $13.3 billion in base discretionary resources, a $291 million or 2.2 percent increase from FY 2020 enacted levels. It also requests $1.6 billion for Treasury's international programs, a $145 million or 8.3 percent decrease from the FY 2020 enacted level. The Budget:

- Proposes to transfer of the United States Secret Service (USSS) from the Department of Homeland Security to Treasury as a standalone bureau. The request provides USSS with $2.36 billion in base discretionary resources to support the 2020 Presidential election through inauguration, continue growth in staff to meet mission expansion, and advanced countermeasures to address established and evolving threats.

- Provides the IRS with $12.0 billion from base discretionary appropriations to collect $3.6 trillion in revenue, process more than 255 million tax returns, and continue to transform systems to improve taxpayer service and experience and tax administration over the long-term.
    - The request provides $300 million for multi-year modernization efforts to deliver long-term, systemic transformation of service and compliance for millions of taxpayers, small businesses, and corporations, as well as put IT operations and maintenance costs on a sustainable path. The IRS will continue developing a case management solution to replace 60 legacy systems, new digital service options including electronic notices and live chat assistance, and new web applications to streamline taxpayer filing, payment, and authentication.
    - The request proposes $106 million for Taxpayer First Act implementation to revamp IRS customer service, introduce new taxpayer protections, and deliver new online service platforms to facilitate filing and payment.
    - The request includes $5.1 billion in the enforcement account to continue building compliance staffing and protect billions of dollars in revenue. The IRS is one of the best investments in the federal government with an overall return on investment of $5 for every $1 invested, not including significant deterrence effects. Every dollar invested in enforcement requires a funding increase in operations support for technology and administrative costs.
    - In addition to the amounts above, the request includes a program integrity initiative that will generate approximately $79 billion in additional revenue and will cost approximately $15 billion, yielding estimated net savings of $64 billion over ten years.

- Provides $241 million for Treasury Departmental Offices (including $20 million for the Committee on Foreign Investment in the United States) growing workload with funding increases to continue strengthening cybersecurity in the financial services sector, provide impact analysis for tax regulations, and enhance and broaden Treasury's evidence-based decision making and program evaluation. Contingent on the transfer of USSS to Treasury, the request includes $1.5 million for departmental oversight.

- Provides $173 million for Treasury's Office of Terrorism and Financial Intelligence (TFI), a $3 million increase over the FY 2020 enacted level; and $127 million for the Financial Crimes Enforcement Network (FinCEN), a $1 million increase over the FY 2020 enacted level. These increases will allow TFI and FinCEN to continue their critical work safeguarding the financial system from abuse and combating other national security threats using non-kinetic economic tools. These additional resources will be deployed to bolster data analytic and cybercrime enforcement capabilities, fortify Bank Secrecy Act data, and counter the financial networks that support terrorists, organized transnational crime, weapons of mass destruction proliferators, and other threats.
- Proposes to transfer all alcohol and tobacco responsibilities from the Department of Justice's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) to Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB). This transfer would leverage TTB's resources and expertise relating to the alcohol and tobacco industries and allow ATF to continue to focus on its firearms and explosives mandates, enabling both agencies to more efficiently and effectively carry out their core missions of protecting the public.
- Provides $1.6 billion for Treasury's International Programs to support U.S. leadership in the International Financial Institutions. The budget proposes to extend and increase the IMF New Arrangements to Borrow, which preserves U.S. control over the activation of emergency IMF resources and reflects progress on a variety of institutional reforms at the IMF. In addition, it provides for critical investments to safeguard U.S. leadership in the Multilateral Development Banks (MDBs) while continuing to press for necessary reforms. Recently negotiated reforms – led by the United States - will improve financial management and debt sustainability while increasing the MDBs' focus on infrastructure, women's economic empowerment, and assistance to fragile states. The request seeks authorization and funding for U.S. participation in an African Development Bank capital increase as well as new pledges to the World Bank's International Development Association and the African Development Fund. It also includes authorization to vote in favor of a capital increase at the International Finance Corporation, which will not require any U.S. funding. The budget proposes $33 million for Treasury's Office of Technical Assistance and $78 million for U.S. debt relief as part of the Heavily Indebted Poor Countries (HIPC) debt relief process for Somalia.
- Proposes to impose appropriate Congressional oversight of the Treasury Financial Stability Oversight Council and Office of Financial Research (OFR) by subjecting their activities to the normal appropriations process. The Budget continues the reduced level of OFR spending commensurate with the renewed fiscal discipline being applied across the Federal Government.

Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing (Direct and Reimbursable)

	2019 Actual			2020 Enacted			2021 President's Budget		
Appropriation	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
Departmental Offices Salaries and Expenses	599	46	645	706	40	746	775	40	815
Terrorism and Financial Intelligence	440	40	480	526	41	567	575	41	616
Cybersecurity Enhancement	12		12	11		11	6		6
Office of Inspector General	154		154	167		167	180		180
Treasury Inspector General for Tax Administration	736	2	738	800	2	802	800	2	802
Special Inspector General for TARP	96		96	85		85	80		80
Community Development Financial Institutions Fund	67		67	76		76	39		39
Financial Crimes Enforcement Network	271	2	273	300	1	301	345	1	346
Alcohol and Tobacco Tax and Trade Bureau	485	10	495	502	10	512	508	10	518
Bureau of the Fiscal Service	1,495	377	1,872	1,557	412	1,969	1,582	412	1,994
Internal Revenue Service funded from regular appropriations [1]	73,554	642	74,196	74,619	978	75,597	74,881	1,027	75,908
United States Secret Service	7,669		7,669	7,777		7,777	7,896		7,896
Subtotal, Treasury Appropriated Level	**85,578**	**1,119**	**86,697**	**87,126**	**1,484**	**88,610**	**87,667**	**1,533**	**89,200**
Office of Financial Stability (Administrative Account)	22		22	16		16	14		14
Small Business Lending Fund Program	3		3	3		3	3		3
Capital Magnet Fund	3		3	6		6	3		3
Office of Financial Research	106		106	128		128	145		145
Financial Stability Oversight Council	14		14	18		18	18		18
Treasury Franchise Fund		1,807	1,807		2,042	2,042		2,112	2,112
Bureau of Engraving and Printing		1,727	1,727		1,804	1,804		1,863	1,863
United States Mint		1,536	1,536		1,671	1,671		1,705	1,705
Office of the Comptroller of the Currency		3,687	3,687		3,589	3,589		3,589	3,589
Terrorism Insurance Program	4		4	4		4	4		4
IRS Private Collection Agent Program	111		111	208		208	308		308
Subtotal, Treasury Non-Appropriated Level	**263**	**8,757**	**9,020**	**383**	**9,106**	**9,489**	**495**	**9,269**	**9,764**
Total, Treasury	**85,841**	**9,876**	**95,717**	**87,509**	**10,590**	**98,099**	**88,162**	**10,802**	**98,964**

1/ Amounts for the IRS include 1,520 FTE funded from user fees in FY 2021 and exclude the proposed $400 million program integrity cap adjustment that, if enacted, would increase IRS levels by an estimated 2,885 FTE in FY 2021.

FY 2021 President's Budget by Strategic Goal

(Dollars in Thousands)

Treasury Goal/Objective	Boost U.S. Economic Growth	Promote Financial Stability	Enhance National Security	Transform Government-wide Financial Stewardship	Achieve Operational Excellence	Total
Management & Financial	$392,778	$38,250	$348,652	$439,872	$81,358	$1,300,909
Departmental Offices Salaries and Expenses	$82,991	$38,250	$48,938	$21,437	$49,858	$241,473
Committee on Foreign Investment in the United States Fund[1]			$20,000			$20,000
CFIUS Fees			($20,000)			($20,000)
Office of Terrorism and Financial Intelligence			$172,751			$172,751
Cybersecurity Enhancement Account					$18,000	$18,000
Treasury Capital Investments and Modernization Fund[2]					$13,500	$13,500
Office of Inspector General				$39,335		$39,335
Treasury Inspector General for Tax Administration	$171,350					$171,350
Special Inspector General for TARP				$17,500		$17,500
Community Development Financial Institutions Fund	$12,600			$1,400		$14,000
Financial Crimes Enforcement Network			$126,963			$126,963
Alcohol and Tobacco Tax and Trade Bureau	$125,837					$125,837
Bureau of the Fiscal Service[3]				$360,200		$360,200
Tax Administration	$12,038,503					$12,038,503
IRS Taxpayer Services	$2,562,554					$2,562,554
IRS Enforcement	$5,071,260					$5,071,260
IRS Operations Support	$4,104,689					$4,104,689
Business Systems Modernization	$300,000					$300,000
IRS Cap Adjustment[4]	*$400,000*					*$400,000*
IRS Total, Including Cap Adjustment	***$12,438,503***	***$0***	***$0***	***$0***	***$0***	***$12,438,503***
Subtotal, Treasury Appropriations excluding U.S. Secret Service and Cap Adjustment	**$12,431,281**	**$38,250**	**$348,652**	**$439,872**	**$81,358**	**$13,339,412**
United States Secret Service[5]	**$688,943**	**$0**	**$1,126,932**	**$0**	**$544,663**	**$2,360,538**
Operations and Support	*$688,943*		*$1,114,995*		*$506,358*	$2,310,296
Procurement, Construction & Improvements					*$38,305*	$38,305
Research and Development			*$11,937*			$11,937
Subtotal, Treasury including U.S. Secret Service and excluding Cap Adjustment	**$13,120,224**	**$38,250**	**$1,475,584**	**$439,872**	**$626,021**	**$15,699,950**
Treasury International Programs		$33,000		$1,559,244		$1,592,244
Total, Treasury excluding Cap Adjustment	**$13,120,224**	**$71,250**	**$1,475,584**	**$1,999,116**	**$626,021**	**$17,292,194**
Non-Appropriated Accounts						
Office of Financial Stability (Administrative Account)				$42,154		$42,154
Terrorism Risk Insurance (Administrative)			$3,000			$3,000
Financial Stability Oversight Council	$5,220	$5,220				$10,439
Office of Financial Research	$37,636	$37,636				$75,271
Bureau of Engraving and Printing	$888,700					$888,700
United States Mint	$2,547,197					$2,547,197
Office of the Comptroller of the Currency	$882,721	$220,680				$1,103,401
Federal Reserve Bank				$645,520		$645,520
Reimbursable to the Federal Reserve Banks				$176,799		$176,799
Financial Agent Services				$865,400		$865,400
Total, Non-Appropriated Level	**$4,361,473**	**$263,535**	**$3,000**	**$1,729,873**	**$0**	**$6,357,881**
Grand Total	**$17,481,696**	**$334,785**	**$1,478,584**	**$3,728,989**	**$626,021**	**$23,650,075**

1/ The overall request for Treasury's CFIUS costs is $35 million, which includes $15 million from the CFIUS Fund and $20 million from Departmental Offices Salaries and Expenses.
2/ Previously known as the Department-wide Systems and Capital Investments Program.
3/ The FY 2020 Enacted levels include $25M , available until expended, for Matured Unredeemed Debt.
4/ The FY 2021 budget includes a program integrity cap adjustment of $400 million (Enforcement $280 million, Operations Support $120 million).
5/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021.

Summary of FY 2021 Increases and Decreases

(Dollars in Thousands)

	DO[1]	CFIUS[2]	TFI	Cyber	TCIMF[3]	OIG	TIGTA	SIGTARP	CDFI	FinCEN	TTB	FS[4]	USSS[1]	IRS	Total
FY 2020 Enacted	**$228,373**	**$10,000**	**$169,712**	**$18,000**	**$6,118**	**$41,044**	**$170,250**	**$22,000**	**$262,000**	**$126,000**	**$119,600**	**$365,280**	**$2,415,845**	**$11,510,054**	**$15,464,276**
Maintaining Current Levels (MCLs)	$5,472	$0	$3,983	$0	$0	$982	$4,354	$510	$641	$2,827	$2,748	$9,503	$74,701	$452,085	$557,806
Pay Annualization	$1,023		$757			$237	$1,048	$117	$99	$380	$590	$1,666	$45,875	$67,757	$119,549
Pay Raise	$998		$738			$231	$1,022	$115	$96	$390	$575	$1,625	$11,388	$66,080	$83,258
FERS Contribution Increase	$1,100		$800			$304	$1,582	$141	$131	$524	$714	$1,901	$14,146	$100,000	$121,343
Labor Adjustment												$1,805		$162,904	$164,709
Non-Pay	$2,351		$1,688			$210	$702	$137	$315	$1,533	$869	$2,506	$3,292	$55,344	$68,947
Non-Recurring Costs			($2,539)	($18,000)	($6,118)					($1,300)		($32,796)	($101,718)		($162,471)
Efficiency Savings/Reinvestment	($1,246)		($2,716)										($9,876)	($143,795)	($157,633)
Other Adjustment/Initiative Annualization		$10,000									$900		($55,660)		($44,760)
Adjustments to Base	**$4,226**	**$10,000**	**($1,272)**	**($18,000)**	**($6,118)**	**$982**	**$4,354**	**$510**	**$641**	**$1,527**	**$3,648**	**($23,293)**	**($92,553)**	**$308,290**	**$192,942**
FY 2021 Base	**$232,599**	**$20,000**	**$168,440**	**$0**	**$0**	**$42,026**	**$174,604**	**$22,510**	**$262,641**	**$127,527**	**$123,248**	**$341,987**	**$2,323,292**	**$11,818,344**	**$15,657,218**
Program Decreases						($2,691)	($3,254)	($5,010)	($248,641)	($2,864)	($1,500)		($115,990)		($379,950)
CFIUS User Fees		($20,000)													($20,000)
Program Increases/Reinvestments	$8,874		$4,311	$18,000	$13,500					$2,300	$4,089	$18,213	$153,236	$220,159	$442,682
Subtotal, Program Changes	**$8,874**	**($20,000)**	**$4,311**	**$18,000**	**$13,500**	**($2,691)**	**($3,254)**	**($5,010)**	**($248,641)**	**($564)**	**$2,589**	**$18,213**	**$37,246**	**$220,159**	**$42,732**
FY 2021 President's Budget funded from discretionary resources	**$241,473**	**$0**	**$172,751**	**$18,000**	**$13,500**	**$39,335**	**$171,350**	**$17,500**	**$14,000**	**$126,963**	**$125,837**	**$360,200**	**$2,360,538**	**$12,038,503**	**$15,699,950**
Program Integrity Cap Adjustment														$400,000	$400,000
FY 2021 President's Budget including program integrity cap adjustment	**$241,473**	**$0**	**$172,751**	**$18,000**	**$13,500**	**$39,335**	**$171,350**	**$17,500**	**$14,000**	**$126,963**	**$125,837**	**$360,200**	**$2,360,538**	**$12,438,503**	**$16,099,950**

1/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021. $1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on legislation enacting the transfer.

2/ CFIUS Fund enacted levels are net appropriations including user fees.

3/ Treasury Capital Investments and Modernization Fund (TCIMF) is formerly Department-wide Capital Systems Investment Programs (DSCIP).

4/ FY 2020 non-recurring costs includes MUD adjustment; program increases include $10M for MUD .

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Executive Direction	$35,407	$36,775	$37,714	$939	2.6%
International Affairs and Economic Policy	$52,428	$52,825	$54,367	$1,542	2.9%
Domestic Finance and Tax Policy	$72,570	$78,153	$84,506	$6,353	8.1%
Treasury-wide Management and Programs	$39,171	$38,279	$40,740	$2,461	6.4%
Committee on Foreign Investment in the United States	$15,000	$22,341	$24,146	$1,805	8.1%
Subtotal, DO SE	**$214,576**	**$228,373**	**$241,473**	**$13,100**	**5.7%**
Offsetting Collections - Reimbursable	$12,432	$9,071	$9,242	$171	1.9%
Transfer from CFIUS Fund	$0	$15,000	$15,000	$0	0.0%
Total Program Operating Level	**$227,008**	**$252,444**	**$265,715**	**$13,271**	**5.3%**
Direct FTE	596	703	765	62	8.8%
Reimbursable FTE	46	40	40	0	0.0%
Total Full-time Equivalents (FTE)	**642**	**743**	**805**	**62**	**8.3%**

Note: $1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on enactment of legislation transferring the U.S. Secret Service to the Department of the Treasury.

Summary

The FY 2021 Request proposes increases to help implement programs that bolster U.S. economic growth, promote financial stability, enhance national security, transform government-wide financial stewardship, and achieve operational excellence. Particular focuses of this request are continued expansion of the Office of Cybersecurity and Critical Infrastructure Protection's (OCCIP's)[1] efforts to protect the U.S. financial services sector from cyberattacks and improve resilience of critical infrastructure, continued expansion of the Office of Tax Policy's impact analyses of tax regulations, funding to pay the State Department's increased bill of the their Capital Security Cost Share Program, the creation of a maintenance and minor repair budget to support the Treasury-owned facilities and funding to support the Evidence Act and Office of Minority and Women Inclusion mandates.

In addition to requested increases for the Treasury Departmental Offices (DO) Salaries and Expenses (SE) account, DO anticipates transferring in and executing $15 million from the $20 million request of the Committee on Foreign Investment in the United States (CFIUS) Fund, discussed separately.

[1] The Department of the Treasury has recognized the continuing increase in cyber threats and the need to continue enhancing cybersecurity in the financial sector. To reflect these changes, Treasury has refocused and renamed the office from the former "Office of Critical Infrastructure Protection and Compliance Policy" name to the "Office of Cybersecurity and Critical Infrastructure Protection" (OCCIP).

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**703**	**$228,373**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	5,472
Pay Annualization (2020 3.1% average pay raise)	0	$1,023
Pay Raise (1% average pay raise)	0	$998
FERS Contribution Increase	0	$1,100
Non-Pay	0	$2,351
Efficiency Savings	0	($1,246)
Subtotal Changes to Base	0	$4,226
FY 2021 Base	**703**	**$232,599**
Program Changes:		
Reinvestments	39	$0
Staffing to Support CFIUS Caseload Growth	39	$0
Program Increases:	23	$8,874
Strengthen Cybersecurity of the Financial Services Sector	8	$3,700
Impact Analysis of Tax Regulations	3	$1,063
Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity Investments	0	$333
Attaché Cost Increases from State Department	0	$498
Implementation of Evidence Act of 2018	3	$723
Main Treasury and Freedman's Bank Building Annual Maintenance	0	$550
Increase Office of Minority and Women Inclusion staffing	2	$507
Management and Oversight for U.S. Secret Service	7	$1,500
FY 2021 President's Budget Request	**765**	**$241,473**

Budget Adjustments

Maintaining Current Levels (MCLs) .... +$5,472,000 / + 0 FTE

Pay Annualization (3.1%) +$1,023,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$998,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$1,100,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$2,351,000 / +0 FTE

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

Efficiency Savings .... -$1,246,000 / -0 FTE
Contractual Support -$1,246,000 / +0 FTE
DO will achieve cost savings and efficiencies in contract services through more efficient contract oversight, consolidating contracts where appropriate, and partnering with other agencies and DO components to leverage common technology or administrative support needs.

Reinvestments.. +$0 / +39 FTE
Staffing to Support CFIUS Caseload Growth $0 / +39 FTE
Increase in CFIUS staffing to continue to support anticipated program growth. Funding will come from redirecting contract spending.

Program Increases .... +$8,874,000 / +23 FTE
Strengthen the Financial Services Sector's Cybersecurity and Critical Infrastructure Protection +$3,700,000 / +8 FTE
The U.S. financial services sector faces a broad range of cybersecurity vulnerabilities and physical hazards. Adversaries and malicious actors have recently exploited vulnerabilities in the financial sector, leading to major financial industry breaches and disruptions. The potential for damage in the event of a major breach is massive. The scale of transactions of the largest financial systems dwarfs the U.S. GDP. For example, the largest U.S. real-time gross settlement system transmitted over $700 trillion in 2018. Although many U.S. financial institutions are well protected from attack, adversaries and malicious actors continue to grow in technical capability, and their attacks continue to increase in sophistication and severity.

The FY 2021 Request would enable Treasury, the sector-specific agency for financial services critical infrastructure, to help the private sector and regulators shift toward a more proactive posture toward these risks and challenges. This request would reduce risks by allowing Treasury and its partners to identify and address vulnerabilities before they can be exploited. The request builds on FY 2020 initiatives for which Congress provided the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) a $4.0 million increase. It expands FY 2020 efforts to map critical financial processes, assess and mitigate financial institution-level vulnerabilities, and study new technologies for potential risks to the sector. The FY 2021 Request also proposes funding one additional cyber center liaison to meet the increasing demands from the financial services sector for more information sharing and a new staff member to provide cybersecurity expertise to the CFIUS process.

Identify, Map, and Prioritize Risks and Vulnerabilities $3,194,000 / +6 FTE
This initiative will support efforts to identify risks to large financial institutions, key third parties, and the other infrastructures and technologies on which the sector relies (e.g., energy and telecommunications) to pinpoint shared vulnerabilities with potential systemic implications. This would include completion of the first version of comprehensive financial process maps. Through this initiative, Treasury will identify and diagram the infrastructure required to deliver critical financial transactions; automate maintenance of the maps; and implement visualization techniques to further understand cascading effects of cyber events in the sector to mitigate damage to the infrastructure. Additionally, Treasury will use the request funding to conduct cross-cutting studies of the firms that are critical and how they support key national critical functions. In conjunction with process mapping, this examination will allow Treasury to identify and reduce vulnerabilities to these key financial sector institutions. Finally, Treasury will

proactively assess new and emerging technologies in the financial sector to identify vulnerabilities and mitigate any associated risks associated.

The FY 2021 Request focuses on three ongoing activities:

- *Map critical processes, institutions, and data flows $1,085,000 / +0 FTE:* OCCIP will work with industry to identify, map, and prioritize vulnerabilities, focusing on 27 key financial sector institutions, critical infrastructure (e.g., electrical grid), and industry processes (e.g., credit card authorization and settlement).
- *Identify, study, and analyze vulnerabilities by engaging key financial institutions $1,249,000 / +3 FTE:* Identify and mitigate cybersecurity and operational risks and vulnerabilities at key financial institutions. Improve the security and resilience of the sector's cybersecurity to reduce exploitable vulnerabilities.
- *Assess emerging technologies $860,000 / +3 FTE:* Analyze emerging technologies for their potential security risks to financial sector networks, systems, and processes. Develop risk reduction advice for the sector and improve OCCIP's knowledge of emerging technologies.

Mitigate/Avoid Risks $506,000 / +2 FTE

Treasury/OCCIP plays an important role in the National Cyber Strategy, which the President announced in September 2018. In addition, Treasury partners with the Departments of Energy and Homeland Security to mitigate risks from specific threat actors against financial institutions, energy infrastructure, and telecom companies. Treasury's partnerships among sectors and agencies ultimately enable more timely and actionable dissemination of threat and vulnerability information to support risk mitigation. The FY 2021 Request will help prevent the introduction of new vulnerabilities into systems, lower risks to the sector, and reduce recovery costs from incidents. This initiative comprises two ongoing activities:

- *Enhance OCCIP's protection of the financial sector via the Committee on Foreign Investment in the United States (CFIUS) $233,000 / +1 FTE:* Assist in understanding product and supply chain dependencies and potential risks of transactions under review by CFIUS.
- *Cyber Command Liaison Officer $273,000 / +1 FTE:* Fund a full-time Liaison Officer at U.S. Cyber Command, which is one of the unified commands of the Department of Defense. This liaison will increase cyber threat information-sharing with financial institutions to provide early indications of malicious activity and cyber vulnerabilities that could harm the sector and the American people.

<u>Impact Analysis of Tax Regulations +$1,063,000 / +3 FTE</u>

One of the Administration's goals is to bring clarity to the complex Internal Revenue Code and to provide useful guidance to taxpayers. Following enactment of the Tax Cuts and Job Act (TCJA) of 2017, pursuant to a Memorandum of Agreement between the Treasury and OMB in April 2018, Treasury agreed to create a new framework to accommodate the Executive Order (EO) 12866. The EO requires a review of tax regulations with the objective of providing taxpayers with economic analysis for significant tax regulations while reducing regulatory burdens and providing timely tax guidance for taxpayers. To accomplish this, the Office of Tax Policy (OTP) requests $1.1 million and three FTE to conduct robust regulatory impact analyses of "significant" tax regulations as determined by OMB. Failure to adequately fund this effort will result in fewer regulations available for OMB review and subsequent publication and lead to an increase in taxpayer confusion, lowering compliance with the TCJA.

Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity investments +$333,000 / +0 FTE

Treasury's Cybersecurity Enhancement Account has made a number of key investments over the past two years which have resulted in significant improvements in Treasury's Cross Agency Priority (CAP) scores. From FY 2018 Quarter 2 to FY 2019 Quarter 2, Treasury has seen, met or exceeded six out of 10 federal-wide targets, which represented a 30 percent improvement over the prior year. This request level will sustain those prior year investments, to include operations and maintenance costs for improvements to the Treasury Secure Data Network (TSDN), Treasury's secret network, and advanced monitoring and mitigation capabilities for the Treasury Government Security Operations Center consistent with the National Continuous Diagnostics and Mitigation (CDM) strategy.

Attaché Cost Increases from State Department +$498,000 / +0 FTE

As representatives of the United States' financial diplomacy efforts, attachés possess expertise on financial authorities, financial intelligence, economic policy, sanctions, and anti-money laundering/countering the financing of terrorism. The State Department considers Treasury attachés to be significant force multipliers on the embassy teams in which they operate.

Incremental annual increases in mandatory overseas support costs continue to erode the program office base budget. In FY 2017 and FY 2018, agencies were provided a credit on their State Department Capital Security Cost Share bill to partially mitigate the impact of increases. Reduced payroll cost within non-CFIUS functions of the Office of International Affairs (IA), in addition to the closure of an overseas duty post, allowed IA to absorb the remainder of these cost increases through FY 2019, but this funding will no longer be available to support these costs in FY 2021.

Implementation of Evidence Act of 2018 +$723,000 / +3 FTE

This initiative is to support Treasury-wide data-driven strategic management processes and bolster evidence-building capability in furtherance of the Foundations for Evidence-Based Policymaking Act of 2018. It would fund key investments in personnel to increase DO's analytic capacity and better understand areas of potential risk and investment.

Office of the Chief Data Officer $472,000 / +2 FTE: P.L. 115-435 (The Evidence Act) requires agencies to designate a Chief Data Officer. This funding request is to stand up an office of the Chief Data Officer to be comprised initially of two positions. The Chief Data Officer's goals are to ensure data is used as a strategic asset, increase use of data in decision-making and evidence-building, and increase coordination of data collection and use.

Treasury Organizational Performance and Evaluation Program $251,000 / +1 FTE: The Office of Strategic Planning and Performance Improvement (OSPPI) requests one position to better support implementation of the Evidence Act, by dedicating a senior program lead to serve as the Department's Evaluation Officer and Government Performance and Results Modernization Act Program Manager. This investment would enable the Department to build a better evidence base for informing policy and strategy decisions as well as address priority questions identified in the agency learning agenda. A dedicated senior accountable official will enable the Department to build a better evidence-base for informing policy and strategy decisions. This request will also enable dedicating a modest amount of funding to procure evaluation and research support from other agencies or academic institutions to address priority questions identified in the agency learning agenda.

Main Treasury and Freedman's Bank Building Annual Maintenance +$550,000 / +0 FTE
This request represents a portion of the maintenance and minor repair budget of Treasury-owned space, including the Main Treasury (MT) Building and the Freedman's Bank Building (FBB). Treasury is in a unique position from many other Federal agencies in that it owns historic buildings, which require more and complex routine maintenance. The scope supported by this funding represents a broad range of continuous facility needs that include historical preservation; significant water leaks/intrusion; failure of minor electrical components, plumbing components and fixtures, hardware and doors, plaster, and paint; and all small projects that fall below the capital improvements level. While the MT and FBB have been kept functional under limited funding, it has not been sufficient to properly maintain the buildings, resulting in the deferral of important maintenance and repair work. Deferred maintenance results in additional costs and scope to perform the work later.

Increase Office of Minority Women and Inclusion Staffing +$507,000 / +2 FTE
The Office of Minority and Women Inclusion (OMWI) was mandated under Section 342 of the Dodd Frank Act (P.L.111-203). The initiative will expand steps to seek diversity in the workforce at all levels and fair utilization of minority and women-owned businesses in the business activities of the agency. The new staff will support efforts to institute a more transparent and data-driven accountability structure to measure success, review the impact agency policies on minority and women-owned businesses, and inform evidence-based decision-making. This request will also strive to create a more efficient and effective team of diversity and inclusion experts to implement innovative solutions and new technologies that address behavioral and systematic impediments to success.

Management and Oversight for United States Secret Service (USSS) +$1,500,000 / +7 FTE
Contingent upon enactment of authorizing legislation to reorganize the Department of Homeland Security and transfer some of its functions to the Department of the Treasury, an additional $1.5 million will be necessary for expenses of the Departmental Offices related to oversight of the USSS in areas such as IT, human capital, and budget

Legislative Proposals

Transfer the United States Secret Service to the Department of the Treasury
The Budget proposes to transfer the United States Secret Service from the Department of Homeland Security to the Department of the Treasury. The proposed funding will support necessary expenses for the coordination and oversight of the transfer by the Departmental Offices of the Department of the Treasury. For additional information on the transfer proposal, please consult the Department of the Treasury chapters of the Main Budget Volume and the Major Savings and Reform Volume.

Create a Freedom of Information Act exemption for certain financial sector cybersecurity-related information to increase protection of the U.S. financial services sector.
This proposal would provide Treasury with an appropriately scoped Freedom of Information Act (FOIA) exemption for cybersecurity-related information, in furtherance of the Department's responsibilities to enhance the security and resilience of the financial services sector's critical infrastructure. To identify risks to financial sector critical infrastructure, Treasury relies on private-sector financial organizations to provide a range of cyber threat and vulnerability information. Firms in the sector have not been sharing such information with Treasury due to concerns that their sensitive information will be subject to public disclosure under FOIA. A narrowly-tailored FOIA exemption would enable Treasury to leverage its relationship with the sector to improve information sharing. This proposal would strengthen Treasury's ability to identify risks to financial sector critical infrastructure and enable public and private-sector action to mitigate significant risks.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Domestic Finance and Tax Policy	Variance Between Estimated and Actual Receipts (Annual Forecast) (%)	4.00	2.33	3.14	4.25	4.25
International Affairs and Economic Policy	OTA - Program Engagement	4.0	3.8	3.8	3.6	3.6
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	56	56	58	59	60

Description of Performance

Variance between estimated and actual receipts (annual forecast) (percent): As part of managing the federal government's central operating account and cash position, the Office of Fiscal Projections (OFP) forecasts net cash flows (e.g., federal receipts and outlays) to ensure that adequate funds are available daily to cover federal payments. To determine its overall effectiveness, one of OFP's metrics is to measure the variance between actual and projected federal receipts. A lower variance is better because that indicates a more accurate forecast. The actual variance for FY 2019 was 3.14 percent, which is lower than the 4.25 percent target. Because tax receipts are quite variable from year to year and are very sensitive to changes in macro-economic conditions and legislative changes, accurate forecasts in one year do not necessarily portend accuracy in a subsequent year or period. OFP will maintain its target of 4.25 percent for both FY 2020 and FY 2021.

Office of Technical Assistance (OTA) Program Engagement (Traction): Measures the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership as well as the most crucial input to the successful achievement of the intermediate goals and ultimate outcomes described in the project's terms of reference and work plan during the fiscal year – such as passage of law or regulation, an increase in government revenues, an improvement in a government's credit rating, or a reduction in economic crimes. The measure is scored on a 5-point scale and averaged across all projects to provide one overall measure of OTA's performance. In FY 2019, the Traction score was 3.8, exceeding the target of 3.6. In FY 2020 and FY 2021, IA's target for Traction is 3.6.

Treasury-wide "Leaders Lead" Index of Federal Employee Viewpoint Survey (FEVS): Treasury also set the goal to increase the "Leaders Lead" index above FY 2018 results. Treasury's score for the Leaders Lead Index increased from 56 percent in FY 2018 to 58 percent in FY 2019. Treasury's score in FY 2019 exceeded the government-wide average and the average score for very large agencies by one percent. Targets are 59 percent for FY 2020 and 60 percent for FY 2021.

Cybersecurity Enhancement Account

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Cybersecurity Enhancement Account	$25,208	$18,000	$18,000	$0	0.00%
Total Program Operating Level	**$25,208**	**$18,000**	**$18,000**	**$0**	**0.00%**
Direct FTE	12	11	6	(5)	-45.45%
Total Full-time Equivalents (FTE)	**12**	**11**	**6**	**(5)**	**-45.45%**

Summary

The Department's strategic plan guides program and budget decisions for the Cybersecurity Enhancement Account (CEA). The FY 2021 Budget Request supports Treasury's FY 2018-2022 Strategic Goal: Achieve Operational Excellence.

To more proactively and strategically protect Treasury systems against cybersecurity threats, the FY 2021 budget requests $18.0 million for the CEA. Trillions of dollars are accounted for and processed by the Department of the Treasury's information technology (IT) systems, and therefore, they are a constant target for sophisticated threat actors. The CEA account identifies and supports Department-wide investments for critical IT improvements, including the systems identified as High Value Assets (HVAs). Furthermore, the centralization of funds allows Treasury to more nimbly respond in the event of a cybersecurity incident as well as leverage enterprise-wide services and capabilities across the Department.

By managing CEA centrally, Treasury elevates the importance of such initiatives and provides Treasury leadership, OMB, and Congress with better transparency into cybersecurity activities across the Department. Enhanced transparency also improves Department-wide coordination of cybersecurity efforts and improves the Department's response and recovery capabilities. With high-level support, the program provides a platform to enhance efficiency, communication, transparency, and accountability around the mission.

Over the past year, Treasury has recognized the utility of the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. In order to better align the CEA account with NIST's push for a Government-wide Cybersecurity risk framework, the FY 2021 President's Budget reflects initiatives organized around the NIST Framework Core. While in previous budget submissions CEA included initiatives organized around specific investments (e.g., High Value Assets), the FY 2021 President's Budget is instead organized around common cybersecurity activities and outcomes that are gaining use industry-wide: Identify, Protect, Detect, Respond, and Recover. Treasury's goal in making this methodology shift is to provide better clarity into the strategic focus of the Department's cybersecurity investments, align with accepted industry standards, guidelines and practices, and allow Treasury to track more effectively against government-wide reporting requirements.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**11**	**$18,000**
Changes to Base:		
Non-Recurring Costs	(11)	($18,000)
Subtotal Changes to Base	(11)	($18,000)
FY 2021 Current Services	**0**	**$0**
Program Changes:		
Program Increases:	6	$18,000
Identify the Business Context, Resources & Cybersecurity Risk	1	$5,083
Protect the Delivery of Critical Infrastructure Services	3	$8,008
Detect Cybersecurity Events	1	$550
Respond to Detected Cybersecurity Incidents	1	$3,359
Recover by Maintaining Resilience and Restoration Plans	0	$1,000
FY 2021 President's Budget Request	**6**	**$18,000**

Budget Adjustments

Program Increases…………………………………………………+$18,000,000 / +6 FTE

<u>Identify the Business Context, Resources & Cybersecurity Risk +$5,083,000 / +1 FTE</u>

Goal: Develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities.

Cybersecurity Risk Model, +$1,291,000

The Cybersecurity Risk Model initiative will define and implement a risk model for assessing and quantifying risk. This includes defining risk criteria and developing a risk quantification tool. This initiative will identify, quantify, access, prioritize, and report on Enterprise Cyber Risks found across the Treasury Department. This project aligns with the *Improving HVA Cybersecurity* initiative from the FY 2020 Budget.

Risk Management Dashboard, +$1,291,000

The end-state of the initiative will provide access to risk data and the ability to analyze such data from multiple sources. Without this central dashboard, data from the System Detection Analysis & Risk Reporting (S-DARR) tool, Treasury FISMA Inventory Management System (TFIMS), HVA data, and the CDM dashboard cannot be easily digested, making assessing risks more time consuming and inaccurate. The Risk Management Dashboard will deliver an enterprise risk analysis and scoring capability allowing personnel to manage risks through clear, centralized rankings. This project aligns with the *Proactive Cyber Risk and Threat Identification* initiative from the FY 2020 Budget.

Risk Management Framework (RMF) Automation Tool, +$2,501,000

The Risk Management Framework Automation Tool automates a broad range of services for comprehensive integrated risk management practices and replaces the outdated Treasury FISMA Information Management System (TFIMS). Automation would include controls scorecard measurement, dashboard reporting, and the generation of Risk Management Framework (RMF) System Assessment and Accreditation (SA&A) artifacts. This project aligns with the *Proactive Cyber Risk and Threat Identification* initiative from the FY 2020 Budget.

Protect the Delivery of Critical Infrastructure Services +$8,008,000 / +3 FTE
Goal: Develop and implement appropriate safeguards to ensure delivery of critical services.

HVA Security Enhancements, +$3,205,000
This request supports additional investment for HVA management per the Department of Homeland Security's (DHS) Binding Operational Directive (BOD) 18-02, which coordinates DHS's approach to securing the federal government's High Value Assets (HVAs) from cybersecurity threats. The HVA Program establishes a governance framework for Departmental HVAs in accordance with federal mandates. DHS performs a select few Risk and Vulnerability (RVA) Assessments for Treasury. However, Treasury HVAs face constraints that impede a full inventory: DHS is not available to support additional assessments, and multiple Treasury sites cannot conduct off-hours assessments as required due to system sensitivity and criticality. Treasury has elected to perform discretionary RVAs and Security Architecture Reviews (SAR) where DHS HVA RVAs are not feasible. This initiative provides support for these additional assessments. These assessments will be compliant with OMB, DHS, and National Institute of Standards and Technology requirements and standards. This project aligns with the *Improving HVA Cybersecurity* initiative from the FY 2020 Budget.

Data Centric Security and Encryption, +$281,000
Over the past several years, technological advancements have made many emergent technologies a reality. This has changed the landscape of cybersecurity. Likewise, advancements in artificial intelligence, social engineering, and quantum computing over the next several years could require upgrades to traditional defenses and methods. This initiative would provide resources to develop strategies and take steps to address emerging threats that are not imminent today in order to push protections closer to the data, consistent with the concept of Zero Trust that was recommended by the House Committee on Oversight and Reform following the Office of Personnel Management breach. This project aligns with the *Enhancements to Cybersecurity Infrastructure* initiative from the FY 2020 Budget.

Treasury Identity Enterprise Services (TIES), +$1,074,000
TIES is an identity management system that provides enterprise-class services for centrally managing employee and contractor identities/user accounts, credentials, and access to systems at the Department level. Centralizing these functions allows Treasury to consolidate duplicative identity management processes, provides the potential for increased usage of automation tools across the Department, and improves Treasury's ability to audit and report on cybersecurity posture. The tools and services provided by Continuous Diagnostics and Mitigation (CDM) Phase 2 provide Treasury with an opportunity to implement TIES. This further aligns Treasury identity management with OMB M-19-17. This project aligns with the *Enhancements to Cybersecurity Infrastructure* initiative from the FY 2020 Budget.

Centralized Key Management Services (CKMS), +$865,000
This initiative will design, procure, and implement a centralized Treasury-wide key management service. The Department shares sensitive data across networks and multiple bureaus and is using encryption to mitigate risk to data at rest and in transit. In order to be truly effective at mitigating risk, encryption must be paired with strong cryptographic key management. Utilizing a centralized key management service will allow Treasury to bring all facets of crypto key management, including hardware, software, and processes, into one location.

This is increasingly important as the number of encryption keys continue to grow based on updated encryption requirements, as outlined in Cybersecurity Information Sharing Act of 2015. This project aligns with the *Enhancements to Cybersecurity Infrastructure* initiative from the FY 2020 Budget.

Cloud Access Security Broker (CASB), +$2,583,000
The Treasury Department, in accordance with various government-wide initiatives and industry practices, is migrating many of its internal systems to cloud-based systems using Platform as a Service (PaaS) and Software as a Service (SaaS). Treasury utilizes dozens of cloud environments. Every new cloud solution creates an aperture between our on premise solutions and these dozen cloud services through which a bad actor can enter and disrupt Treasury's mission. A Cloud Access Security Broker (CASB) will sit between Treasury Bureaus and cloud service providers to enforce security, compliance, and governance policies for and between the dozens of cloud applications used by Treasury. This project aligns with the *Enhancements to Cybersecurity Infrastructure* initiative from the FY 2020 Budget.

<u>Detect Cybersecurity Events +$550,000 / +1 FTE</u>
Goal: Develop and implement appropriate activities to identify the occurrence of a cybersecurity event.

Cybersecurity Threat Hunting Analysis, +$550,000
The Government Security Operations Center (GSOC) collects a rich set of Treasury data from which to perform cyber threat identification. These datasets, however, provide only a subjective, narrow view from which to fully understand specific cyber threat activities and nation state cyber threat actors. This investment provides Treasury with access to commercial sources to supply the indicators and toolsets Treasury needs to identify malicious behavior within its datasets. Providing GSOC analysts with additional tools and a larger set of data via intelligence feeds would significantly enhance insight and understanding of cyber threat actors' command and control, infrastructure, and capabilities. This project aligns with the *Enhanced Incident Response and Recovery Capabilities* initiative from the FY 2020 Budget.

<u>Respond to Detected Cybersecurity Incidents +$3,359,000 / +1 FTE</u>
Goal: Develop and implement appropriate activities to take action regarding a detected cybersecurity incident.

Enhanced Treasury Cyber/Fraud Management Capabilities, +$3,359,000
While the Department has robust incident management protocols in place on a per information system basis, Treasury's cross-system and inter-Bureau incident management needs to be better equipped to handle the interconnectivity and interdependence of the modern IT environment. This initiative drives the Department's ability to manage incidents related to cybersecurity and fraud by creating a cross-functional incident response team housed at the GSOC to improve inter-Bureau communication and systems integration to enable the team to quickly and efficiently respond to incidents. The Cyber/Fraud Fusion Incident Response will provide the ability to support analysis and triage of cybersecurity and fraud incidents with the goals of increasing detection, reducing potential dwell time between the detection and containment, and reducing the overall impact of an incident to the Treasury. This project aligns with the *Enhanced Incident Response and Recovery Capabilities* initiative from the FY 2020 Budget.

<u>Recover by Maintaining Resilience and Restoration Plans +$1,000,000 / +0 FTE</u>
Goal: Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

HVA Security Enhancements, +$1,000,000
As noted in the HVA Security Enhancements initiative, the next phase of capabilities includes the remediation of assessment findings where the risks involved pose vulnerabilities to the enterprise. This will allow for the mitigation of enterprise level cyber risk discovered through the RVA/SAR assessments and/or other Enterprise Risk Management Activities and provide better visibility of Treasury's current cyber posture. This project aligns with the *Improving HVA Cybersecurity* initiative from the FY 2020 Budget.

Legislative Proposals

The Cybersecurity Enhancement Account has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
CEA	Number of Major Incidents	N/A	0	0	2	0
CEA	Number of Reported Incidents	N/A	225	152	280	150
CEA	Percentage of High and/or Critical Findings from RVAs or SARs on Tier I HVAs that are closed by the end of the FY	N/A	N/A	57%	65%	75%
CEA	% of Cross-Agency Priority (CAP) Cybersecurity Key Performance Indicators (KPIs) that Treasury meets/exceeds OMB performance targets	N/A	60%	60%	B	80%

Description of Performance

<u>Number of Major Incidents</u>: The number of major incidents, as defined in OMB M-19-02, reported by Treasury to Congress in a given fiscal year. This is a measure of how effective Treasury's collective defenses are at mitigating the most damaging security threats. The FY 2020 performance target of two major incidents reported will be met through increased training, implementation of technology, interagency collaboration, and customer feedback.

<u>Number of Reported Incidents</u>: Each fiscal year, Treasury tracks the number of cybersecurity incidents reported to the United States Computer Emergency Readiness Team (US-CERT). This measures the effectiveness of Treasury's defenses at mitigating security threats and indicates how often Treasury is being targeted by malicious actors. In FY 2019, Treasury had a greater ability to do more thorough analysis prior to declaring an incident. This drove some of the decreases in reported incidents. Natural variation in actual results also played a role in the variation from FY 2018 to FY 2019. As such, the FY 2021 target has been decreased to be in line with FY 2019 actuals.

<u>Percentage of High and/or Critical Findings from Risk and Vulnerability Assessment (RVAs) or Security Architecture Review (SARs) on Tier I High Value Assets (HVAs) that are closed by the end of the Fiscal Year (FY)</u>. This is a measure of how Treasury addresses the vulnerabilities and

potentially exploitable weaknesses of its most important systems, based on its recurring HVA review and assessment process.

Cross-Agency Priority (CAP) Cybersecurity Key Performance Indicator (KPI) Targets Met: The President's Management Agenda identifies CAP Goals to target those areas where multiple agencies must collaborate to effect change. In December 2018, OMB revised the CAP KPIs, eliminating several component measures that had been factored into the performance goals in FY 2018. The FY 2021 target of 80 percent will be met through mitigation of known vulnerabilities and deployment of additional cyber capabilities.

Treasury Capital Investments and Modernization Fund

Program Summary by Budget Activity

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2020 to FY 2021	
Budget Activity	Operating Plan	Enacted	Request	$ Change	% Change
Treasury Capital Investments and Modernization Fund (TCIMF)	$4,000	$6,118	$13,500	$7,382	121%
Subtotal, New Appropriated Resources	**$4,000**	**$6,118**	**$13,500**	**$7,382**	**121%**
IT Modernization (Transferred Resources)	$0	$0	TBD	NA	NA
Total Budgetary Resources	**$4,000**	**$6,118**	**$13,500**	**$7,382**	**121%**
Total Full-time Equivalents (FTE)	**0**	**0**	**0**	**0**	**N/A**

Summary

In this Budget, Treasury is proposing two structural changes to the account currently established as the Department-wide Systems and Capital Investments Program (DSCIP): change the name of the account to Treasury Capital Investments and Modernization Fund (TCIMF) from DSCIP, and include new transfer authority to leverage existing funding and introduce further flexibility that will help Treasury to continuously modernize information technology infrastructure across the Department. These changes will allow for Treasury bureaus to invest in IT projects that advance their mission and align to Departmental Chief Information Office priorities.

Treasury owns and operates two historic office buildings in downtown Washington, D.C. – the Main Treasury Building (MT) and the Freedman's Bank Building (FBB). In FY 2016, Treasury conducted an internal assessment of both buildings and found a range of needs that include immediate safety/health risks, capital renewal to address systematic and mechanical failure, and building modernization. In FY 2017, an external architectural and engineering firm validated an estimated $98.7 million in remaining costs from that report. In addition to validating the identified repair needs, the report identified additional repairs and cyclic needs over the next 20 years. The Department plans to continue to work through these accumulated needs over time.

The bulk of the FY 2021 request of $13.5 million addresses MT and FBB repair and restoration. The TCIMF investments support the Treasury strategic goal/objective 5.2 "Achieve Operational Excellence/Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure."

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**0**	**$6,118**
Change to Base:		
Non-Recurring Costs	0	($6,118)
FBB Domestic Water Line Repair	0	($1,500)
FBB Repair and Restoration	0	($1,500)
MT Repair and Restoration	0	($3,118)
Subtotal Changes to Base	0	($6,118)
FY 2021 Current Services	**0**	**$0**
Program Changes:		
Program Increases:	0	$13,500
Treasury Technology Business Management Tool	0	$1,534
FBB Restroom Renovation Phase 2	0	$1,500
FBB/MT Lifecycle Replacement of Building Interior	0	$4,278
MT Masonry, Windows, and Restroom Renovations	0	$6,188
FY 2021 President's Budget Request	**0**	**$13,500**

Budget Adjustments

Treasury Technology Business Management (TBM) Tool +$1,534,000 / +0 FTE

This proposal provides resources for a Treasury-wide centralized cloud-based TBM tool to include automated data extraction from the individual bureau financial systems, the modeling and allocation of cost elements to IT services and consumption by business units, and reporting through data visualization and benchmarking capabilities. This will enable Treasury to migrate to the TBM reporting structure across the agency and replace the legacy Capital Planning and Investment Control reporting tool and processes. It will also serve as a foundation for future IT budget formulation and execution processes and management of Treasury enterprise services.

FBB Restroom Renovation Phase 2 +$1,500,000 / +0 FTE

Phase 1 funding is being used to make the restrooms on the second through fourth floors code compliant. The requested Phase 2 funding will address the basement level restrooms along with the first and sixth floors. Additional future funding will be needed to address the fifth floor and complete all of the FBB restrooms. At the completion of this effort, all restrooms will be code compliant and meet the requirements of the Americans with Disabilities Act.

FBB/MT Lifecycle Replacement of Building Interior $4,278,000 / +0 FTE

The MT is past due for cyclic carpeting, painting, and plaster repair in public corridors and interior office space, and the FBB is past due for cyclic carpeting and painting in public corridors and interior office space. Sections of the MT will be repainted, re-carpeted, and plaster repaired starting with the oldest, most damaged sections and/or concurrent with planned renovations. Sections of the FBB will be repainted and re-carpeted on an ongoing basis or concurrent with planned renovations. The last comprehensive refresh for the buildings' interiors was completed between 2001 and 2006, which outpaces a typical refresh cycle of three to seven years for paint and seven to ten years for carpet. Plaster damage occurs as a result of natural settling and vibrations, water intrusion from rain or damaged piping. These funds will allow Treasury to begin a scheduled, reoccurring cycle of renewal and repair.

MT Masonry, Windows, and Restroom Renovations +$6,188,000 / +0 FTE

The funding will provide for the second phase of the MT exterior renovation. Work items include: 1) repairing failed masonry joints to protect from moisture penetration, cleaning the stone surfaces, and repairing damaged stone; and 2) repairing or replacing window frames suffering varying degrees of damages after years of weather exposure. Failure to complete this work will result in the current staining becoming more difficult to remove, requiring a higher level of cleaning, and an increase in joint failures and window frames that will expose more of the interior to moisture infiltration. Each of these is continuation from earlier work. Phase one of the masonry repair is in the FY 2020 President's Budget ($3.118 million) and phase one of the windows was funded in FY 2015 ($1.225 million).

Legislative Proposals

The budget includes a request for transfer authority for this account (see section 125 in the Treasury administrative provisions).

Description of Performance

TCIMF enables the Department to make investments in capital improvements that support the missions of Treasury bureaus and programs.

Treasury Building - Repairs and Renovations

MT and the FBB are owned by the Department and are Departmental Offices' capital investments. MT is the oldest departmental building and the third oldest federally occupied building in Washington, preceded only by the Capitol and the White House. The age and historical significance of the buildings, considered by some to be national treasures, create special conditions that do not exist in many other Federal office facilities. Continual upkeep, with close attention to historic preservation, is necessary in order to continue occupying these buildings. The FY 2021 request addresses MT and FBB repair and restoration.

Over the past decade, Treasury has made a concerted effort to improve the MT and FBB building envelope, including its moisture, air and thermal control functions. These are the features that provide for an energy efficient, comfortable, and sustainable building. A lack of these controls can result in a myriad of issues that include progressive degradation of the indoor air quality environment, extensive interior damage, waste associated with costly repairs, decreased energy efficiency, unhappy customers, and decreased worker productivity. Treasury Operations has strategically focused on restoring the health of the building envelope (shell), in an effort to correct the deteriorating building structure and infrastructure through the TCIMF fund. Components of the Main Treasury building that have been repaired, replaced, or funded/planned include new roofs (FY 2019/2021), repair and cleaning of exterior masonry (FY 2020/2022), and repairs to 40% of the windows (FY 2015/2017). The Freedman's Bank Building components that have been repaired, replaced or funded/planned include new roofs (FY 2017/2019), repair and cleaning of exterior masonry (FY 2019/2021 & FY 2020/2022), and replacement of all windows (FY 2009/2011). Funding and completion of these items represent significant progress towards the preservation of the two buildings, maintaining a safe and healthy workplace, and reducing the need for making interior repairs. The funding requested in the

FY 2021 TCIMF account would have a substantial beneficial impact on the continuing effort to harden Treasury's outer shell by finishing the repair and cleaning of the exterior masonry of the two buildings.

Treasury IT Infrastructure Modernization

In addition to the building and repairs, the proposed TCIMF fund transfer authority provides a backstop for Treasury to continue to modernize its IT Infrastructure while making the most efficient use of limited resources available to Treasury (see Treasury administrative provisions section 125 for the proposed transfer authority). The fund would help unify bureaus, including IRS, around a centralized Department vision, with each individual bureau aligning its modernization plan to the Department-wide plan. The added flexibility of the TCIMF transfer authority allows Treasury to pursue long-term, proactive investments that optimize efficiency and benefits to taxpayers. In addition to persistent major focus areas such as mandatory software and hardware upgrades, Treasury plans to use the TCIMF to become compliant with other important recent pieces of legislation. One Department-wide example would be centered around modernization efforts associated with the 21st Century IDEA Act (Public Law 115-336) passed in 2018. Treasury has developed an inventory of 77 websites, services and forms that require modernization in order to comply with Act requirements which included several bureau home pages in addition to a variety of important bureau websites. Treasury plans to utilize the TCIMF authority to prioritize key investments across the enterprise associated with the 21st Century IDEA Act, allowing the Department to take a unified approach to modernizing its digital service footprint and improving the public's digital experience. This plan aligns with Treasury's Strategic Objectives to enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure (Objective 5.2) as well as enhance the experience of interacting with Treasury by delivering high quality products and services (Objective 5.3).

Terrorism and Financial Intelligence

Program Summary by Budget Activity

Dollars in Thousands					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2020 to FY 2021**	
Budget Activity	**Operating Plan**	**Enacted**	**Request**	**$ Change**	**% Change**
Terrorism and Financial Intelligence	$159,000	$169,712	$172,751	$3,039	1.79%
Subtotal, TFI	**$159,000**	**$169,712**	**$172,751**	**$3,039**	**1.79%**
Offsetting Collections - Reimbursable	$8,000	$8,000	$8,000	$0	0.00%
Total Program Operating Level	**$167,000**	**$177,712**	**$180,751**	**$3,039**	**1.71%**
Direct FTE	440	526	575	49	9.32%
Reimbursable FTE	40	41	41	0	0.00%
Total Full-time Equivalents (FTE)	**480**	**567**	**616**	**49**	**8.64%**

Summary

The Department of the Treasury's (Treasury) strategic plan guides program and budget decisions for the Office of Terrorism and Financial Intelligence (TFI). The FY 2021 Budget Request supports two of Treasury's FY 2018-2022 Strategic Goals: Enhance National Security and Achieve Operational Excellence.

TFI requests $172.751 million, which is a $3.039 million increase from the FY 2020 Enacted level. TFI requests these additional resources to continue to invest in its people as well as infrastructure, systems, and automated tools, thereby ensuring that TFI remains agile, innovative, and strategic in responding to the most pressing U.S. national security concerns. The budget prioritizes funding for Treasury's targeted financial tools that protect the U.S. and international financial system from abuse, as well as countering the financial networks that support terrorists, weapons proliferators, organized transnational crime, rogue regimes, and other threats.

TFI's economic authorities continue to play an increasingly central role in countering some of the nation's most critical security threats. This Administration and Congress rely upon TFI to deploy non-kinetic tools at a rapid pace to proactively implement U.S. policy towards North Korea, Iran, Russia, Islamic State of Iraq and Syria (ISIS) and other terrorist organizations, Venezuela, human rights abusers and corrupt actors, narcotics traffickers, and other malign and destabilizing actors. As reliance upon TFI's authorities has grown, the corresponding growth in personnel across TFI and increased demand placed upon secure systems requires additional investment in mission support areas. TFI's infrastructure investments have been developed with careful consideration of the personnel increase request with the intent of developing and maintaining a collaboration network that facilitates our operational and policy goals.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**526**	**$169,712**
Changes to Base:		
Maintaining Current Levels (MCLs):	-	$ 3,983
Pay Annualization (2020 3.1% average pay raise)	-	$757
Pay Raise (1.0% average pay raise)	-	$738
FERS Contribution Increase	-	$800
Non-Pay	-	$1,688
Non-Recurring Costs	-	($2,539)
Efficiency Savings	-	($2,716)
Other Adjustments:	30	$0
FTE Adjustment	30	$0
Subtotal Changes to Base	30	($1,272)
FY 2021 Current Services	**556**	**$168,440**
Program Changes:		
Program Increases	19	$4,311
TFI-Wide Centralized Data Platform Infrastructure Support	-	$602
Western Hemisphere/Human Rights Sanctions	3	$657
Cyber Analysts and Data Scientists	9	$1,583
Virtual Currency Investigators	4	$812
Foreign Asset Control Staffing	3	$657
FY 2021 President's Budget Request	**575**	**$172,751**

Budget Adjustments

Maintaining Current Levels (MCLs).. +$3,983,000 / +0 FTE

Pay Annualization (3.1%) +$757,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$738,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$800,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$1,688,000 / +0 FTE

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

Non-Recurring Costs .... -$2,539,000 / -0 FTE

Non-Recur of IT Infrastructure Investments -$2,539,000 / -0 FTE

One-time costs of the FY 2020 IT Infrastructure Investment initiative will non-recur.

Efficiency Savings .... -$2,716,000 / -0 FTE

TFI Contractual Support -$2,716,000 / +0 FTE

TFI will achieve cost savings and efficiencies in contract services through improved oversight of all TFI contracts, consolidating contracts where appropriate, and partnering with other agencies and Treasury Departmental Offices (DO) components to leverage common technology or administrative support needs.

Other Adjustments.. +$0 / +30 FTE

FTE Adjustment +$0 / +30 FTE

The FY 2021 Budget reflects a +30 FTE technical adjustment from the FY 2020 Enacted Budget. This technical adjustment reflects increased efforts at TFI to hire and on-board new staff as provided for in prior year budget requests.

Program Increases .... +$4,311,000 / +19 FTE

TFI-Wide Centralized Data Platform Infrastructure Support +$602,000 / +0 FTE

To best utilize the volumes of data currently available to TFI staff and positively leverage technology to expand the efficiency of TFI's limited personnel resources, TFI is establishing a data analytics program and staff, an overarching governing body (in close coordination with CIO), and an operational enterprise tool capable of fusing TFI's disparate data streams for TFIN desktop analysis by TFI staff.

Western Hemisphere/Human Rights Sanctions +$657,000 / +3 FTE

Administration and Congressional actions during the past 18 months in the Western Hemisphere require significant sanctions implementation efforts by the Licensing, Policy, and Regulatory Affairs teams, including: designing sanctions implementation architecture proposals for Treasury and interagency leadership, implementing new regulatory frameworks through general licenses (over 30 issued in the Venezuela program alone), publishing regulations, and public guidance such as frequently asked questions, and processing an onslaught of new licensing requests to authorize activity that may be otherwise prohibited but is in U.S. foreign policy interests.

Cyber Analysts and Data Scientists +$1,583,000 / +9 FTE

The Office of Intelligence Analysis (OIA) requests five cyber intelligence research specialists and one visual analyst to meet the increased demand from Treasury senior policymakers and Domestic Finance/Office of Cybersecurity and Critical Infrastructure Protection for intelligence support and analysis to counter the intensification of cyber-enabled threats to the U.S. financial services sector (FSS) and US national security interests more broadly. The analysts would focus on support to improve the sharing of cyber threat intelligence to the FSS, provide the Office of Foreign Assets Control (OFAC) with intelligence support on targeting financial networks of malicious cyber actors, and provide tactical intelligence support to TFI cryptocurrency initiatives. OIA also requests three data scientists to analyze large tranches of data and to build assessments from that analysis. Data scientists are skilled in statistical analysis and trained specially to perform this type of work, which is critical to using Treasury's own data to answer analytic questions and inform policymakers.

Virtual Currency Investigators +$812,000 / +4 FTE

Among the new and emerging threats to the use of sanctions as a tool for national security is the rapid development of virtual currencies as a mechanism to move value across borders while skirting the formal financial system that OFAC relies on as the implementing mechanism for its authorities. Presently, OFAC has a single investigator focused on the illicit use of virtual currency, and this investigator is often pulled away from purely investigative duties in order to share virtual currency expertise across TFI, since this area is of high concern but also an uncommon area of technical competency. Meanwhile, investigators across most sanctions programs are reporting increasing exposure to the use of virtual currencies by the targets of their investigations. Additional virtual currency investigators will allow investigations involving cryptocurrency across all of OFAC's sanctions programs to be able to exploit this investigative arena.

Foreign Asset Control Staffing +$657,000 / +3 FTE
The requested Senior Enforcement Officers will provide essential investigative and legal knowledge to OFAC's enforcement process, deliberative memoranda, and final agency charging documents. These personnel will be responsible for working closely with Enforcement's investigators to coordinate the final phase of public enforcement actions through the OFAC Front Office (Director and Deputy Director) and handle all negotiations, meetings, and interactions with subject persons thereafter. These personnel will handle such matters for all U.S. economic and trade sanctions programs, and will reduce the workload and burden placed on other offices (e.g., the Office of Chief Counsel, OFAC).

Legislative Proposals

The Office of Terrorism and Financial Intelligence has no legislative proposals.

Performance Highlights

Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
New or Modifications to Existing Sanctions Programs	5	5	7	I	DISC
Number of Designation Actions	867	1431	1120	I	DISC
Analytic Intelligence Support	385	523	637	I	DISC
Review and Support of Foreign AML/CFT Laws and Regulations	49	64	81	I	DISC

DISC: Discontinued; I: Indicator

Description of Performance

New or Modifications to Existing Sanctions Programs: This indicator measures new actions or expansion of existing sanction programs, and the data is collected by OFAC. The measure reflects an increase in workload requirements as any new country programs or expansion in scope of existing programs are by and large in addition to current workload and not in lieu of already existing work, and therefore, cumulative. Conversely, ongoing program requirements are much less frequently removed. The creation or modification of sanctions programs requires a significant upfront dedication of policy, program, legal, and regulatory resources to ensure proper coordination and documentation of the changes. This measure is being discontinued because it has been split into two indicators for FY 2021. One indicator is to monitor the number of sanctions programs modified by EO or Congressional mandate, and the second is to monitor the number of new sanctions programs modified by EO or Congressional mandate.

Number of Designation Actions: This indicator measures number of actions taken to impose sanctions, and is collected by OFAC. It is important to note that for "Program-Specific Designations" may not always represent a true reflection of TFI's extensive efforts across programs or toward a particular program. From FY 2017 to FY 2018, TFI activity increased across a number of high priority programs. However, the FY 2018 numbers do not reflect the approximately 700 Iran sanctions that were implemented on November 5, 2018, in conjunction with the full snapback of sanctions following the President's withdrawal of the United States from the JCPOA. Though these sanctions technically occurred in FY 2019, the preparation for the tranche was exceedingly complex and required several lines of effort over the last several months of FY 2018.

Analytical Intelligence Support: TFI includes both formal analytical intelligence briefings as well as final analytical intelligence products that were published. The significant increase from FY 2017 to FY 2018 represents increased demand as well as a higher prioritization on production. In FY 2021 this indicator will be replaced with an expanded indicator that includes the vast array of OIA products, including number of IIRs published and the number of finished intelligence pieces published.

Review of Foreign AML/CFT Law and Regulations: This measure tracks/includes participation in Financial Action Task Force (FATF) mutual evaluations (ME), which are peer evaluations of countries' levels of effectiveness and implementation of the FATF anti-money laundering and countering the financing of terrorism (AML/CFT) Standards. The data is collected from the Office of Terrorist Financing and Financial Crimes (TFFC). Participation in MEs usually requires several extended on-site visits in country, extensive analysis of a country's AML/CFT system, and follow-up meetings to provide in-depth analyses and ratings. Additionally, the metric includes reviews and comments on reports produced by the nine FATF-style Regional Bodies; and, work assessing and reviewing countries as part of the International Cooperation Review Group, which oversees the FATF process that identifies and reviews jurisdictions with strategic AML/CFT deficiencies that may pose a risk to the international financial system and closely monitors their progress. Finally, this metric includes strategic support to certain high priority bilateral partners in an effort to enhance their AML/CFT laws, regulations, and structures. This effort may include, but is not limited to, bi-lateral and multi-lateral meetings, foreign travel, and reviewing draft legislation.

New Measures: TFI has also proposed creation of a number of new indicators and measures for FY 2021 which will be reflected in the FY 2022 Budget. Among these are regulatory documents published in the Federal Register within four months of publication of an Executive order or Congressional mandate during the fiscal year; the number of roundtables with private sector on Money Laundering/Terrorist Finance threats, vulnerabilities, and risk; the number of overseas/domestic engagements with foreign officials by TFFC officials; the timeliness of response to de-confliction requests received from law enforcement; the number of security clearances processed by OIA's Office of Security Programs (OSP); and the percent of customer satisfaction with OIA products. Please refer to Section C of the TFI Congressional Justification for further explanation on new and discontinued measures.

Committee on Foreign Investment in the United States

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Treasury CFIUS Activities (Fund)	$0	$15,000	$15,000	$0	0.0%
Other Member CFIUS Activities (Fund)	$0	$5,000	$5,000	$0	0.0%
Treasury Departmental Offices (DO SE)	$15,000	$22,341	$24,146	$1,805	8.1%
Subtotal, CFIUS	**$15,000**	**$42,341**	**$44,146**	**$1,805**	**4.3%**
Anticipated User Fees - CFIUS Fund	$0	($10,000)	($20,000)	($10,000)	100.0%
Total Program Operating Level	**$15,000**	**$32,341**	**$24,146**	**($8,195)**	**-25.3%**
Direct FTE	32	81	120	39	48.1%
Total Full-time Equivalents (FTE)	**32**	**81**	**120**	**39**	**48.1%**

Summary

The Committee on Foreign Investment in the United States (CFIUS) was established in 1975 under Executive Order 11858 to monitor the impact of foreign investment in the United States, and to coordinate and implement federal policy on such investment. CFIUS is composed of nine voting member agencies, some of which have multiple subcomponents. CFIUS' unique design leverages the skills, subject matter expertise, and integrated analysis of Committee members and other relevant agencies. CFIUS voting members include:

- Department of the Treasury
- Department of Commerce
- Department of Defense
- Department of Energy
- Department of Homeland Security
- Department of Justice
- Department of State
- Office of Science Technology and Policy
- Office of the United States Trade Representative

As both Chair and member of CFIUS, Treasury is responsible for leading CFIUS in establishing policies, issuing regulations implementing statutory authority, implementing processes and functions, and managing its daily operations. Treasury participates in every aspect of CFIUS, including reviews and investigations, policy and international relations, mitigation monitoring and enforcement, non-notified transaction analysis, legal support, and national security threat assessments. The Office of International Affairs (IA) is responsible for case management and coordination and representing the Committee to parties that file notices. The Office of General Counsel (OGC) provides legal support to IA and is responsible for certain analyses conducted on each notice filed with CFIUS.

The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) strengthens CFIUS to better address national security concerns arising from some types of investments and transactions that were previously outside of its jurisdiction. Additionally, FIRRMA modernized CFIUS' processes to better enable timely and effective reviews of covered transactions.

FIRRMA also established the CFIUS Fund (the Fund), to be administered by the chairperson (the Secretary of the Treasury), to accept appropriated funds for these expanded responsibilities and functions, and to collect filing fees.

In recent years, CFIUS' caseload has increased in volume and complexity. CFIUS reviewed 229 cases in calendar year (CY) 2018 compared to 93 in CY 2010. Transactions generally have also become more complex, which had contributed to an increasing investigation rate. CFIUS generally investigates cases that require more resource-intensive analysis and/or corrective action. In CY 2018, CFIUS investigated approximately 69 percent of cases compared to 38 percent in CY 2010. The FY 2021 budget requests resources necessary to implement FIRRMA and handle an anticipated workload of 1,000 cases per year.

The Administration requests $20 million for the Fund in upfront appropriations that will be offset by up to $20 million in offsetting collections from filing fees, which will be established in forthcoming regulations. $15 million is proposed for transfer to Treasury to fund capital investments and staff to support Committee activities. The remaining $5 million will be available for transfer to other CFIUS agencies to facilitate, for example, interagency connectivity with Treasury's information technology (IT) and case management systems, and to address emerging needs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**81**	**$22,341**
Transfer in from CFIUS Fund		**$15,000**
Subtotal, FY 2020 CFIUS funding	**81**	**$37,341**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$263
Pay Annualization (2020 3.1% average pay raise)	0	$73
Pay Raise (1.0% average pay raise)	0	$70
FERS Contribution Increase	0	$120
Non-Recurring Costs	0	($4,867)
Subtotal Changes to Base	0	($4,604)
FY 2021 Current Services	**81**	**$32,737**
Program Changes:		
Program Increases:	39	$6,409
Staffing to Support CFIUS Caseload Growth	39	$6,409
FY 2021 President's Budget Request	**120**	**$39,146**

Note: The table reflects Departmental Offices anticipated CFIUS funding; it does not reflect additional $5 million in funding for other agencies for a total of $44.146 million indicated previously in 1.1 table in the Department of the Treasury CFIUS Activities chapter of the Congressional Budget Justification.

Budget Adjustments

Offsetting User Fees -$20,000,000 / -0 FTE

Treasury and IA anticipate collection of filing fees that will be credited to the Fund as offsetting collections.

Transfer in from CFIUS Fund +$15,000,000 / +0 FTE
The CFIUS Fund anticipates to transfer $15.0 million dollars to the DO Salaries and Expenses account to provide for Treasury DO CFIUS activities.

Maintaining Current Levels (MCLs)... +$263,000 / +0 FTE
Pay Annualization (3.1%) +$73,000 / +0 FTE
Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$70,000 / +0 FTE
Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$120,000 / +0 FTE
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Recurring Costs.. -$4,867,000 / -0 FTE
Case Management System -$3,189,000 / -0 FTE
IA expects to complete the final phase of development for the CFIUS Case Management System in FY 2021. This non-recur encompasses a portion of this funding.

Secure Spaces -$1,678,000 / -0 FTE
CFIUS anticipates having completed the majority of anticipated facility buildout by FY 2021.

Program Increases.. +$6,409,000 / +39 FTE
Staffing to Support Caseload Growth +$6,409,000 / +39 FTE
Increase in CFIUS staffing to continue in light of anticipated program growth.

Legislative Proposals

CFIUS has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Committee on Foreign Investment in the United States (CFIUS)	Timely Review of CFIUS Cases	100	100	100	100	100

Description of Performance

In FY 2019 CFIUS took significant steps toward full implementation of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). In FY 2019, the Committee administered a pilot program to cover certain investments in critical technologies related to specific industries. At the end of FY 2019, Treasury published draft FIRRMA regulations to implement the remainder of the statute, for public notice and comment. In January 2020, Treasury issued final regulations to implement FIRRMA, which become effective on February 13, 2020. Treasury has also made substantial progress on various administrative aspects of implementation, including with regard to staffing, information technology systems and infrastructure, and facility build-out.

In recognition of the strategic importance of FIRRMA implementation to national security Treasury is including this as an Agency Priority Goal. Successful implementation of FIRRMA will ensure that identified national security risks arising from certain foreign investments—including from some types of investments and transactions that previously fell outside of CFIUS' jurisdiction—are addressed in an effective manner.

Timely Review of CFIUS Cases: This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. The target (100 percent) was met in CY 2019. IA's target for this measure in CY 2020 and CY 2021 is 100 percent.

Office of Inspector General

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 TO FY 2021 $ Change	% Change
Audit	$28,524	$30,524	$29,524	($1,000)	0.01%
Investigations	$8,520	$10,520	$9,811	($709)	0.01%
Subtotal, OIG	**$37,044**	**$41,044**	**$39,335**	**($1,709)**	**-11.00%**
Offsetting Collections - Reimbursables	$6,000	$9,000	$9,000	$0	0.00%
Total Program Operating Level	**$6,000**	**$9,000**	**$9,000**	**$0**	**-0.00%**
Direct FTE	154	167	180	13	7.70%
Total FTE	**154**	**167**	**180**	**0**	**0.00%**

FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals. This column reflects levels appropriated in P.L 116-93, the Appropriations Act of 2019. For further details on the execution of these resources see the 2021 Budget *Appendix* chapter for the Department of the Treasury.

Summary

The FY 2021 request for $39,335,000 for the OIG will be used to fund critical audit, investigative, and mission-support activities to meet the requirements of the Inspector General Act of 1978, as amended, and other statutes including, but not limited to: the Cybersecurity Act of 2015; Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank); Federal Information Security Modernization Act of 2014 (FISMA); Federal Information Technology Acquisition Reform Act; Government Management Reform Act; Improper Payments Elimination and Recovery Act of 2010; Digital Accountability and Transparency Act of 2014 (DATA Act); Federal Deposit Insurance Act; Small Business Jobs Act of 2010; the Government Charge Card Abuse Protection Act of 2012; and Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act). Specific mandates include (1) audits of the Department's financial statements, (2) audits and/or evaluations of the Department's information systems security program and practices as required by FISMA, (3) assessments of the Department's cyber security information sharing, (4) audits of improper payments and recoveries under IPERA, (5) risk assessments and audits of charge card programs, (6) material loss reviews of failed insured depositary institutions regulated by the Office of the Comptroller of the Currency (OCC), and (7) data quality audits of spending data submitted by the Department to USASpending.gov.

The OIG will also conduct audits of the Department's highest risk programs and operations and respond to stakeholder requests for specific work, including: (1) operating in an uncertain environment; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and and-terrorist financing enforcement; (4) efforts to promote spending transparency and to prevent and detect improper payments; and (5) information technology acquisition and project management.

Within its jurisdictional boundaries, the OIG also conducts audit of the highest risk programs and operations of the Gulf Coast Ecosystem Restoration Council (Council) established under the RESTORE Act. The highest risk programs and operations identified as the Council's management and performance challenges include: (1) Federal Statutory and Regulatory Compliance and (2) Grant and Interagency Agreement Compliance Monitoring.

The OIG will continue its investigative work to prevent, detect, and investigate complaints of fraud, waste, and abuse impacting Treasury programs and operations. This includes the detection and prevention or deterrence of employee misconduct and fraud.

Through the audit and investigative functions, the OIG supports the Department of the Treasury's FY 2018 – 2022 Strategic Plan. The goals are: Goal 1: Boost U.S. Economic Growth; Goal 2: Promote Financial Stability; Goal 3: Enhance National Security; Goal 4: Transform Government-wide Financial Stewardship; and Goal 5: Achieve Operational Excellence. In support of Treasury's Strategic Plan, the OIG established the following strategic goals:

- Promote the integrity, efficiency, and effectiveness of programs and operations across Treasury OIG's jurisdictional boundaries through audits and investigations
- Proactively support and strengthen the ability of programs across Treasury OIG's jurisdictional boundaries to identify challenges and manage risks
- Fully and currently inform stakeholders of Treasury OIG findings, recommendations, investigative results, and priorities
- Enhance, support, and sustain a workforce and strengthen internal operations to achieve the Treasury OIG mission, vision, and strategic goals.

The Budget includes language that would allow, contingent upon enactment of authorizing legislation to transfer the United States Secret Service to Treasury, the Secretary of Homeland Security to transfer amounts from the Department of Homeland Security Office of Inspector General to support the Treasury OIG's oversight of the Secret Service.

FY 2021 Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**167**	**$41,044**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$982
Pay Annualization (2020 3.1% average pay raise)	0	$237
Pay-Raise (1% average pay raise)	0	$231
FERS Contribution Increase	0	$304
Non-Pay	0	$210
Other Adjustments:	13	$0
Workforce FTE Adjustment	13	$0
Subtotal Changes to Base	13	$982
FY 2021 Current Services	**180**	**$42,026**
Program Changes:		
Program Decreases	-	($2,691)
Reduction in Contracts and Absorption of Rent Increases	-	($2,691)
FY 2021 President's Budget Request	**180**	**$39,335**

FY 2021 Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)……………………………………..+$982,000 / +0 FTE

Pay Annualization (3.1%) +$237,000 /+0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay-Raise (1.0% in FY 2021) +$231,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$304,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$210,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment.

Other Adjustments…………………………………………………………..+$0 / +13 FTE

Workforce FTE Adjustment +$0 / +13 FTE

This adjustment is required to right-size the workforce to the funded FTE level.

Program Decreases……………………………………….……………-$2,691,000 / -0 FTE

Reduction in Contracts and Absorption of Rent Increase -$2,691,000 /-0 FTE

Program decrease in contracts and to accommodate increased administrative costs, including rent.

Explanation of Budget Activities

Audit $29,524,000 from direct appropriations, $9,000,000 from reimbursable

The Office of Audit conducts audits to ensure the accountability of resources, protect information, and provide recommendations for improving the economy, efficiency, effectiveness, and integrity of programs and operations across its jurisdictional boundaries, which include those of Treasury and the Gulf Coast Ecosystem Restoration Council (Council). The requested funding for FY 2021 is necessary to perform mandated work and maintain an appropriate level of oversight of these programs and operations consistent with its responsibilities under the Inspector General Act, as amended. The OIG also responds to requests by Treasury and Council officials and the Congress for specific work. In FY 2021, the OIG will also continue to provide oversight of Treasury's government-wide role and responsibilities under the DATA Act. Reimbursable funding supports agreements for contracted financial statement audits as well as oversight of the Small Business Lending Fund program.

Investigations $9,811,000 from direct appropriations

The Office of Investigations (OI) prevents, detects, and investigates complaints of fraud, waste, and abuse. This includes the detection and prevention or deterrence of employee misconduct and fraud, or related financial crimes within or directed against Treasury. OI refers its cases to the Department of Justice, State, or local prosecutors for criminal prosecution or civil litigation, or to agency officials for corrective administrative action.

With almost $4 billion in U.S. Treasury related contracts, there is an increased risk of contract fraud across all U.S. Treasury bureaus and programs. OI initiated a program of providing integrity briefs to contract personnel notifying them of the responsibilities to report fraud, waste, and abuse within U.S. Treasury contracts and programs. OI works with the U.S. Department of Justice to prosecute False Claims Acts in federal court to recover funds through civil penalties. Additionally, OI conducts criminal investigations to prosecute contractors engaging in fraudulent activity, such as kickbacks, product substitution, bid manipulation, and many other types of contract fraud. OI continues to work allegations directly impacting the American Reinvestment and Recovery Act and the Gulf Coast Restoration Trust Fund.

OI directs investigative efforts toward those that subvert bank examination processes and/or perpetrate fraud affecting the Bank Secrecy Act oversight responsibilities of Treasury bureaus, subsequently defrauding the nation's financial infrastructure and eroding the public's trust.

In addition to the grant programs listed above, OI has seen a noted increase in fraud impacting other significant Treasury programs and operations, including leaks of Treasury information, as well as fraud impacting the Treasury payment processing service operated by the Bureau of the Fiscal Service. OI remains committed to investigating benefit, improper payment and other monetary fraud associated with the programs and operations of the Treasury Department.

Legislative Proposals

OIG has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Audit	Number of Completed Audit Products	90	91	79	82	74
Audit	Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100
Investigations	Percentage of All Cases Closed During the Fiscal Year That Were Referred for Criminal/Civil Prosecution or Treasury Administrative Action	84	98	80	80	80

Description of Performance

The Office of Audit completed 79 audit products in FY 2019 and expects to complete 82 in FY 2020 due to the increased funding. In FY 2019, OA met its mandated audit requirements and identified $18.2 million of questioned costs.

In keeping with the OIG's strategy to maintain a highly skilled and motivated workforce, the OIG plans and executes a meaningful body of work designed to help ensure the integrity, efficiency, and effectiveness of programs and operations across OIG's jurisdiction while looking for opportunities to improve them.

In FY 2019 the OIG exceeded the Investigative Performance Measure target, opened 63 new investigations, and closed 119 investigations. The OIG also referred 10 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 81 investigations for criminal prosecution and 3 investigations involving 13 entities for civil prosecution. The Office of Investigations charged and/or indicted 19 subjects. Ongoing investigations resulted in 32 subjects sentenced which resulted in fines, seizures, restitution, penalties and settlements of more than $29.5 million. The OIG received investigative referrals regarding potential criminal misconduct that occurred prior to or during bank failures, and has worked on criminal investigations with the Federal Deposit Insurance Corporation Office of Inspector General, the National Credit Union Administration Office of Inspector General regarding potential prosecution of acts which may have contributed to the bank failures. Additionally, the OIG continues to receive investigative referrals from Treasury bureaus, law enforcement agencies, and other sources regarding fraud impacting Treasury programs and operations and routinely conducts independent and joint investigations into these matters.

The Office of Investigations continues to support frequent congressional inquiries, sensitive investigative requests from the Council of the Inspectors General on Integrity and Efficiency, and annual peer reviews of other Offices of Inspector General, thus ensuring a high level of professionalism within the Inspector General community.

Special Inspector General for TARP

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	% Change
Investigations	$19,550	$18,920	$15,050	($3,870)	-20.45%
Audit	$3,450	$3,080	$2,450	($630)	-20.45%
Subtotal, Organization Title	**$23,000**	**$22,000**	**$17,500**	**($4,500)**	**-20.50%**
Unobligated Balances Brought Forward	$16,912	$14,642	$14,000	($642)	-4.40%
Total Program Operating Level	**$39,912**	**$36,642**	**$31,500**	**($4,500)**	**-14.00%**
Direct FTE	96	85	80	(5)	-5.88%
Total Full-time Equivalents (FTE)	**96**	**85**	**80**	**(5)**	**-5.88%**

Summary

The FY 2021 Budget proposes $17,500,000, a 20 percent reduction from the FY 2020 level. The proposed Budget is intended to fund the Congressionally mandated independent oversight of TARP through SIGTARP criminal investigations and audits. TARP spending continues because TARP foreclosure prevention programs, the Making Home Affordable (MHA) and the Hardest Hit Fund (HHF) programs continue. Banks, mortgage servicers, state agencies, thousands of contractors and other recipients have already received over $30 billion via these programs. SIGTARP's investigations and audits stop fraud, waste, and abuse of the $30 billion spent, and recover lost dollars for the Government and other victims. The more than $3.5 billion in future TARP spending will add to SIGTARP's existing and planned investigations and audits.

SIGTARP's activities and goals of justice, impact, innovation, and stewardship support and complement Treasury's FY 2018 – 2022 Strategic Plan goals: (1) boost U.S. economic growth by investigating anti-competitive practices; (2) promote financial stability; (3) enhance national security by investigating money laundering; (4) transform government-wide financial stewardship; and (5) achieve operational excellence. All of SIGTARP's work aligns with Treasury's strategic goal to promote financial stability given that Treasury designed all TARP programs with the goal of promoting financial stability. Fraud, waste, and abuse erodes that goal. All of SIGTARP's planned work for FY 2021 aligns with Treasury's Strategic Plan goal (4) "Transform Government-wide Financial Stewardship" by winding down sun setting programs responsibility and funding the government at the least cost over time. Fraud, waste, and abuse are costly for taxpayers. SIGTARP's efficiency and high return on investment also aligns with Treasury's strategic goal to achieve operational excellence.

Special Inspector General's Comments

Pursuant to section 6(f)(3)(E) of the *Inspector General Act of 1978*, as amended, as applied through the *Emergency Economic Stabilization Act of 2008*, I have concluded that the President's FY 2021 Budget request of $17.5 million would substantially inhibit the Special Inspector General from performing the duties of the office. I independently proposed an appropriation of $19 million (an additional $1.5 million) for FY 2021, as the level needed to support SIGTARP's Congressionally mandated mission to conduct oversight of TARP, while also reflecting an orderly and responsible step down towards TARP's sunset of March 2024. I respectfully request that Congress consider this level, which is a 14 percent reduction from the FY 2020 enacted level; a 17 percent reduction from the FY 2019 enacted level; a 44 percent reduction from the FY 2018 enacted level; and a 54 percent reduction from the FY 2017 enacted level.

The President's Budget request would substantially inhibit our oversight because it will require a larger reduction in staffing and mission support levels than I have determined is necessary to fulfill the mission. The President's Budget request is a 49 percent reduction from the FY 2018 enacted level even though the same TARP programs are open as in FY 2018 with significant activity, spending more than $1 billion each year – spending that should be accompanied by SIGTARP's oversight.

In FY 2019 alone, TARP programs had significant operations and spent more than $1.7 billion. Of this amount, Treasury paid $1.12 billion in TARP dollars to 74 financial institutions in MHA, including, for example, $290 million to Ocwen Financial, $155 million to SPS, $132 million to Wells Fargo, $101 million to JP Morgan Chase, $59 million to Bank of America, $129 million to Nationstar, $19 million to Citigroup, and $5 million to CIT Bank.

As more TARP dollars are spent in MHA and HHF, SIGTARP's investigations and audits over that spending increases. Every TARP dollar spent is another dollar potentially subject to fraud, waste and abuse, increasing the need for investigations and audits. Treasury has already paid more than $20 billion in MHA. Additionally, through FY 2024, Treasury is obligated or committed to pay $2.8 billion to banks and non-bank mortgage servicers in MHA to modify these residential mortgages. For example, Treasury is obligated or committed to pay in the future $675 million to Ocwen Financial, $359 million to Wells Fargo, $218 million to JP Morgan Chase, $152 million to Bank of America, $338 million to Select Portfolio Servicing, $340 million to Nationstar, $69 million to CitiMortgage, and $22 million to CIT Bank/One West Bank. In the Hardest Hit Fund, 19 state agencies have received more than $9 billion in TARP funds from Treasury, and have another nearly $800 million in state agency bank accounts ready to be spent through December 2021.

When left unchecked, fraud, waste, and abuse in these programs can have a devastating impact on those the program are intended to help. HAMP continues today with nearly 800,000 people in all 50 states receiving mortgage modifications to make their payments affordable and sustainable. The billions of TARP dollars that Treasury will pay financial institutions in the future are not automatic, but instead require the banks and other servicers to comply with the law and rules of the program for those homeowners – decisions and actions that require oversight and law enforcement.

There are 40 HHF programs still open to applicants, plus open programs that continue to spend TARP dollars related to existing homeowners, many of which are unemployed or underemployed, and other participants. This year, there were more TARP-funded demolitions of blighted houses than any other year, and 58 percent of all new first-time homebuyers receiving HHF down payment assistance occurred in the last year. Just this past year, more than 29,000 new borrowers came into the program. State agencies told SIGTARP that they expect an additional 8,000 demolitions in the future. After those discussions, Treasury approved an

additional 450 demolitions in Ohio. These programs have important goals for communities, goals that would be hurt by fraud, waste, and abuse.
SIGTARP has demonstrated that it is a solid investment for taxpayers, as SIGTARP's work has led to cumulative recoveries for the government and other victims of $11 billion – a 31 time cumulative return on investment (ROI) from our annual budgets.

This ranks SIGTARP as having the third highest ROI out of 18 OIGs reviewed by the Brookings Institution Center for Effective Public Management in its analysis of how cutting the budget of positive-revenue OIGs costs the government money and contributes to the federal deficit.[1]

We appreciate Congress's strong Congressional support for our budget each year. In FY 2019:

- **$900 million was recovered as a result of SIGTARP's law enforcement work, representing a 39 times annual return on investment from our $23 million budget.**
- SIGTARP investigations resulted in criminal charges against 13 defendants, four arrests, criminal convictions of 18 defendants, courts sentencing 28 defendants to prison, federal enforcement activity against three corporations/organizations, and 26 referrals to prosecutors.
- SIGTARP auditors questioned more than $848,000 in costs, including more than $411,000 that state agencies in HHF spent on travel and conference costs that violated Federal cost regulations, some of which also constituted waste. For example:
  - The North Carolina agency spent $130,000 on annual housing counselor conferences including paying $2,500 to a guest speaker who lectured on "Motivation by Chocolate." Also, before homeowners received a single dollar from HHF, housing counselors were treated to an evening reception featuring a carved beef station staffed by a uniform chef, cake bites and strawberry shortcake martinis.
  - After the Ohio agency decided to close the HHF program to new homeowner applications, it deviated from past practices to hold housing counselor conferences at zoos.
  - Two top Florida officials charged TARP more than a dozen conferences each, often at luxury hotels, beaches and other resort destinations, despite the fact that the state agency was one of the most underperforming state agencies in HHF, providing assistance to only 20 percent of applicants, the lowest of any state.
  - Officials from some state agencies attending an annual meeting with Treasury in Washington, D.C. charged TARP for luxury hotels, while other state agencies attending the same meeting stayed at hotels at or near the GSA rate. Two senior Ohio agency officials stayed at the W hotel paying $315-$423 per night, while a junior Ohio official on the same trip stayed at a hotel with the rate of $170 per night.
- SIGTARP has open investigations into financial institutions participating in MHA and receiving TARP dollars. SIGTARP has referred some of these investigations to the Department of Justice, and SIGTARP continues to work these cases with the U.S. Department of Justice (DOJ).
- SIGTARP continued to obtain convictions and sentencings of defendants who defrauded nearly 30,000 homeowners with false promises of entry into HAMP, including some who claimed affiliation with the government, and preyed on the elderly, and other vulnerable

[1] Hudak, J. Wallack, G. (2015). *Brookings Institution Center for Effective Public Management,* Website: https://www.brookings.edu/wp-content/uploads/2016/06/CEPMHudakWallackOIG.pdf.

Americans. Already, 93 of these scammers were sentenced to prison as a result of SIGTARP's investigations.

- SIGTARP's investigations resulted in the conviction and prison sentencing of the Detroit city official in charge of contracts for HHF's blight demolition program, the conviction for bribery of an official from one of the largest demolition contractors in the HHF program in Detroit, and the indictment of a land bank official in the HHF program in Ohio on one count of conspiracy to commit bribery and honest services fraud, three counts of honest services wire fraud and one count of bribery.
- SIGTARP's investigations resulted in DOJ resolving a false claim act action against the sole contractor in HHF blight demolition in Fort Wayne, Indiana for filling the demolition sites with construction debris rather than clean fill dirt, and falsely billing the HHF program as if it had used clean fill dirt.
- SIGTARP's investigations have also resulted in criminal charges and arrests this year for homeowners defrauding HHF.
- SIGTARP's audits have focused on the costly and harmful risks of asbestos and lead exposure, illegal dumping, and contaminated dirt.
- SIGTARP's recent audit warned Treasury about a lack of fraud controls that led to more than $437,000 in payments to California homeowners who lost eligibility but continued receiving TARP payments for years.

SIGTARP is grateful for the support of Congress. We will continue to deliver investigative and audit results, and a high return on investment. In every year since FY 2016, recoveries from SIGTARP's work have far exceeded our annual appropriations. Investing in SIGTARP is one of the most effective and efficient ways to protect the government. The Government will receive far more than our budget in recovered dollars lost to fraud, in addition to cost savings. Our work ensures that TARP dollars are used as Congress intended, and that the Government does not pay more for TARP than is necessary.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**85**	**$22,000**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$510
Pay Annualization (2020 3.1% average pay raise)	0	$117
Pay Raise (1.0% average pay raise)	0	$115
FERS Contribution Increase	0	$141
Non-Pay	0	$137
Subtotal Changes to Base	0	$510
FY 2021 Current Services	**85**	**$22,510**
Program Changes:		
Program Decreases	(5)	($5,010)
Staff Reduction	(5)	($344)
Efficiency Savings	0	($946)
Realignment from Annual to No-Year	0	($3,720)
FY 2021 President's Budget Request	**80**	**$17,500**

Budget Adjustments

Budget Increases and Decreases Description

Maintaining Current Levels (MCLs)……………………………………+$510,000 / +0 FTE

Pay Annualization (2020 3.1% average pay raise) +$117,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay-raise.

Pay Raise (1.0% average pay raise) +$115,000 / +0 FTE

Funds are requested for a 1.0% average pay-raise for January 2021.

FERS Contribution Increase +$141,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$137,000 / +0 FTE

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

Program Decreases………………………………………………………-$5,010,000 / -5 FTE

Staff Reduction -$344,000 / -5 FTE

Reduction in SIGTARP staff levels to 80 FTE.

Efficiency Savings -$946,000/ -0 FTE

SIGTARP will seek to reduce non-personnel costs.

Realignment from Annual to No-Year -$3,720,000/ -0 FTE

SIGTARP will fund a portion of its operations from its no-year account.
SIGTARP actively reduces costs and its footprint, while creating an appropriately sized, skilled and structured workforce.

- In the last two years, SIGTARP cut its footprint by 47 percent in cost and square footage. In FY 2018, SIGTARP eliminated 50 percent of its headquarters annual rent expenses. In FY 2019, SIGTARP eliminated 100 percent of its San Francisco annual rent expense.
- Beginning in FY 2020, SIGTARP is reducing its New York annual rent expense by 43 percent.
- SIGTARP reduced fleet-related expenses by 40 percent since FY 2014.
- In FY 2021, over $3 million of the proposed budget (23 percent) will be spent on goods and services from the government, more that 95 percent of which will be paid to Treasury.
- SIGTARP has eliminated management layers and is structuring the workforce in such a way to create maximum flexibility as the agency's sunset approaches.
- SIGTARP drives efficiencies through innovative processes and the use of technology, including through data mining.
- SIGTARP coordinates with other law enforcement agencies and Inspectors General, leveraging its unique position and expertise by forming law enforcement and other partnerships to create operational efficiencies and realize cost savings.

Legislative Proposals

PPIP Funds

The Public-Private Investment Program (PPIP) Improvement and Oversight Act of 2009 (12 U.S.C. § 5231a) provided $15 million in no-year appropriations to SIGTARP for the purpose of providing oversight to PPIP and the Term Asset-Backed Securities Loan Facility. SIGTARP does not plan PPIP or TALF activity in FY 2020 and FY 2021. SIGTARP is requesting that these PPIP funds be made available to also support SIGTARP's oversight of ongoing TARP programs. This proposed language is identical to that included in the FY 2018 enacted appropriation.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Investigations	Percentage of Cases Accepted for Consideration by Civil or Criminal Authorities Resulting in a Positive Final Outcome	81	79	77	60	35
Investigations	Percentage of Cases Presented to Civil or Criminal Authorities within Eight Months of Being Opened	80	85	75	50	25
Investigations	Percentage of Cases that are Joint Agency/Task Force Investigations	75	78	76	70	70
Audit	Number of Completed Audit Products Identifying Waist, Abuse, Mismanagement, Inefficiencies, or Referrals to Investigations Division (units)	N/A	6	4	2	2

Description of Performance

In FY 2019, SIGTARP exceeded all of its targets. As a law enforcement office with 85 percent of its resources focused on criminal investigations, SIGTARP strives to bring justice, accountability, and deterrence in the fight against TARP-related crimes, including major financial crimes and money laundering. This past year SIGTARP continued to support prosecutions of defendants that SIGTARP investigated. SIGTARP's cumulative law enforcement record includes 430 defendants charged with crimes, 300 of which courts have sentenced to prison. SIGTARP's investigation also have led to law enforcement actions against 24 corporations/organizations. SIGTARP achieved justice when, in FY 2019, 4 defendants were arrested, 13 defendants were indicted or criminally charged by information, 18 defendants were convicted, and courts sentenced to prison 28 defendants. SIGTARP's rate of conviction for cases prosecuted by the Department of Justice is 97 percent, one of the highest in federal law enforcement. This is a strong indicator of investigative quality. Other measures recognize that as SIGTARP reduces spending and staffing, it must act with efficiency, in its investigative timeline, and in leveraging other law enforcement partnerships for resources.

SIGTARP also stands as the independent watchdog for Americans, ensuring that TARP programs operate and spend responsibly. In FY 2019, SIGTARP auditors uncovered that state agencies in the Hardest Hit Fund had spent more than $411,000 on travel and conference costs that violated federal cost regulations. SIGTARP also uncovered more than $437,000 in HHF mortgage assistance to California homeowners who had lost eligibility for the program. In another evaluation, SIGTARP made recommendations to mitigate the risk of asbestos and lead exposure in the HHF blight program. SIGTARP auditors also made a referral to SIGTARP's Investigations Division.

Treasury Inspector General for Tax Administration

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	% Change
Audit	$66,260	$66,260	$66,667	$407	0.61%
Investigations	$103,990	$103,990	$104,683	$693	0.67%
Subtotal, TIGTA	**$170,250**	**$170,250**	**$171,350**	**$1,100**	**0.65%**
Offsetting Collections - Reimbursable	$798	$500	$500	$0	0.00%
Recovery from Prior Years	$2,141	$0	$0	$0	NA
Unobligated Balances Brought Forward	$5,000	$5,000	$5,000	$0	0.00%
Total Program Operating Level	**$7,939**	**$5,500**	**$5,500**	**$0**	**0.00%**
Direct FTE	736	800	800	0	0.00%
Reimbursable FTE	2	2	2	0	0.00%
Total Full-time Equivalents (FTE)	**738**	**802**	**802**	**0**	**0.00%**

Note: FY 2019 FTE & Other Resources are Actual

Summary

The Treasury Inspector General for Tax Administration's (TIGTA) Fiscal Year (FY) 2021 budget request of $171,350,000 represents an increase of one percent above its FY 2020 enacted budget. These resources will fund critical audit, investigative, and inspection and evaluation services to protect the integrity of the Nation's system of tax administration.

TIGTA's vision is to "maintain a highly skilled, proactive, and diverse Inspector General organization dedicated to working in a collaborative environment with key stakeholders to foster and promote fair tax administration." Although there are a number of critical areas in which TIGTA will provide oversight, its FY 2021 priorities include:

- Identifying opportunities to improve the administration of the Nation's tax laws, improve tax compliance, and achieve program efficiencies and cost savings;
- Overseeing the Internal Revenue Service's (IRS) efforts to implement tax law changes;
- Assessing the IRS's efforts to address tax-related identity theft;
- Mitigating security risks affecting taxpayer data, tax systems, and IRS employees;
- Protecting the integrity of the IRS by effectively investigating the international IRS impersonation scam that has impacted more than 2.5 million Americans;
- Conducting criminal investigations of individuals and groups who impersonate the IRS in order to victimize senior citizens and other vulnerable Americans;
- Conducting advanced analytics and innovative approaches to help prevent and detect the flow of dollars fraudulently obtained by criminals and dishonest IRS employees;
- Enhancing taxpayer confidence in electronic Federal tax administration through vigorous investigation and prosecution of cyber criminals engaged in attacks against, and manipulation of, IRS taxpayer service portals as well as the IRS network;
- Improving the integrity of IRS operations by detecting and deterring waste, fraud, abuse, and misconduct, including the unauthorized disclosure of confidential taxpayer information by IRS employees; and

- Conducting comprehensive audits, inspections and evaluations that provide recommendations for achieving monetary benefits, addressing erroneous and improper payments, and enhancing the service the IRS provides to taxpayers.

TIGTA conducts audits that advise the public, Congress, the Secretary of the Treasury, and IRS management of high-risk issues, problems, and deficiencies related to the administration of IRS programs and operations. TIGTA's administrative and criminal investigations ensure the integrity of IRS employees, protect the IRS and its employees, and help the IRS protect and secure taxpayer data. TIGTA's Office of Inspections and Evaluations provides responsive, timely, and cost-effective inspections and evaluations of challenging areas in IRS programs. TIGTA's oversight is essential to the efficiency and fairness of the IRS's tax administration system. TIGTA ensures that taxpayers can have confidence that the IRS collects more than $3.5 trillion in tax revenue in an effective and efficient manner.

TIGTA's primary functions of audit, investigations, inspections, and evaluations align with the following Department of the Treasury FY 2018 – FY 2022 Strategic Plan goals:
Goal 1: Boost U.S. Economic Growth;
Goal 4: Transform Government-wide Financial Stewardship; and
Goal 5: Achieve Operational Excellence.

Budget Highlights

Dollars in Thousands

Treasury Inspector General for Tax Administration	FTE	Amount
FY 2020 Enacted	**800**	**$170,250**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$4,354
Pay Annualization (2020 3.1% average pay raise)	0	$1,048
Pay Raise (1.0% average pay raise)	0	$1,022
FERS Contribution Increase	0	$1,582
Non-Pay	0	$702
Subtotal Changes to Base	0	$4,354
FY 2021 Current Services	**800**	**$174,604**
Program Decreases:		
Operating Cost Reduction	0	($3,254)
FY 2021 President's Budget Request	**800**	**$171,350**

Budget Adjustments

Maintaining Current Levels…………………………………………..+$4,354,000 / +0 FTE

<u>Pay Annualization (3.1%) +$1,048,000 / +0 FTE</u>
Funds are requested for annualization of the January 2020 3.1% average pay raise.

<u>Pay Raise (1.0% in FY 2021) +$1,022,000 / +0 FTE</u>
Funds are requested for a 1.0% average pay raise in January 2021.

<u>FERS Contribution Increase +$1,582,000 / +0 FTE</u>
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$702,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Decreases…………………………………………………...….-$3,254,000 / -0 FTE
Operating Cost Reduction -$3,254,000 / -0 FTE
TIGTA will reduce program levels in order to meet its FY 2021 budget request. Reaching this target without impacting the quality of TIGTA's programs will require balancing mission requirements and workload.

Legislative Proposals

TIGTA has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Audit	Percentage of Audit Products Delivered When Promised to Stakeholders	79	81	84	70	70
Audit	Percentage of Recommendations Made That Have Been Implemented	92	85	83	85	85
Investigations	Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action	90	89	91	81	85

Description of Performance

- For FY 2019, the Office of Audit (OA) issued 97 audit reports and other products identifying approximately $28.1 billion in potential financial benefits.
- For FY 2019, the actual Percentage of Audit Products Delivered When Promised to Stakeholders was 84 percent. TIGTA exceeded the full-year target by 16 percentage points.
- For FY 2019, the actual Percentage of Recommendations Made That Have Been Implemented was 83 percent. TIGTA did not meet the 85 percent target due in part to the IRS having to put recommendations on hold or delay implementation due to funding issues. TIGTA is working with the IRS to prioritize these unimplemented recommendations.
- For FY 2021, OA's performance targets are 70 percent of Audit Products Delivered When Promised to Stakeholders and 85 percent of Recommendations Made That Have Been Implemented.
- During FY 2019, TIGTA initiated 25 proactive investigative initiatives to detect systemic weaknesses or potential IRS program vulnerabilities. TIGTA processed 8,320 complaints, opened 2,356 investigations, and closed 2,237 investigations in FY 2019. During this period, TIGTA referred for IRS action 1,079 cases of employee misconduct and 119 cases of all types of investigations were accepted for criminal prosecution.
- For FY 2019, the Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action was 91 percent, which exceeded the full-year target of 79 percent by 12 percentage points. The Office of Investigations (OI) exceeded the

FY 2019 performance measure as a result of the hard work of experienced executives, managers, and special agents.

- For FY 2021, OI's performance target will increase to 85 percent. OI will continue to provide the IRS with the investigative coverage and information necessary to improve the integrity of IRS operations and mitigate threats against its employees, facilities, and data systems. In addition, OI will maintain the availability of highly trained personnel to address the significant vulnerabilities of taxpayer and IRS data and effectively combat the compromising of IRS computer systems in the expanding digital environment of Federal tax administration, which will contribute to maintaining the public's confidence in the safe, fair, and effective administration of the Nation's Federal tax system.

Community Development Financial Institutions Fund

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Community Development Financial Institutions Program	$160,000	$165,500	$0	($165,500)	-100.00%
Bank Enterprise Award Program	$25,000	$25,000	$0	($25,000)	-100.00%
Native American CDFI Assistance Program	$16,000	$16,000	$0	($16,000)	-100.00%
Administrative	$27,000	$28,500	$14,000	($14,500)	-50.88%
Healthy Food Financing Initiative	$22,000	$22,000	$0	($22,000)	-100.00%
Small Dollar Loan Program	$0	$5,000	$0	($5,000)	-100.00%
Subtotal, Organization Title	**$250,000**	**$262,000**	**$14,000**	**($248,000)**	**-94.66%**
User Fees	$880	$1,000	$1,200	$200	20.00%
Recovery from Prior Years	$364	$500	$500	$0	0.00%
Unobligated Balances Brought Forward	$32,542	$194,145	$8,000	($186,145)	-95.88%
Total Program Operating Level	**$283,786**	**$457,645**	**$23,700**	**($433,945)**	**-94.82%**
Direct FTE	67	76	39	(37)	-48.68%
Total Full-time Equivalents (FTE)	**67**	**76**	**39**	**(37)**	**-48.68%**

FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Summary

The FY 2021 Budget requests an appropriation of $14,000,000 for the Community Development Financial Institutions Fund (CDFI Fund) to oversee the existing portfolio of loans and grants and to administer the CDFI Fund's other programs. The CDFI Fund supports Treasury's strategic goals of Boosting U.S. Economic Growth and Transforming Government-wide Financial Stewardship.

The CDFI Bond Guarantee Program (BG Program) was originally authorized in the Small Business Jobs Act of 2010 (P.L. 111–240) for a period of four years to provide a source of long-term capital in low-income and underserved communities. The BG Program is implementing significant administrative reforms in FY 2020, including new collateral and cash requirements to increase taxpayer protections. The CDFI Fund will also pursue additional risk mitigation strategies and streamlining of administrative processes such as new liquidity premiums, escrow procedures and a designated bonding authority. The Administration requests an extension of the BG Program through December 31, 2021, and legislative changes to eliminate the relending account, as it is currently not utilized and redundant. The Administration encourages Congress to adopt these and other necessary reforms to promote further private sector participation in BG Program financing and support the growth of a self-sustaining CDFI industry.

The Budget eliminates funding for the CDFI Fund's five discretionary grant and direct loan programs: the Community Development Financial Institutions Program (CDFI Program), the Bank Enterprise Award Program (BEA Program), the Native American CDFI Assistance Program (NACA Program), Healthy Food Financing Initiative (HFFI), and the Small Dollar Loan Program (SDL Program). The CDFI industry has matured, and these institutions should have access to private capital needed to build capacity, extend credit, and provide financial services to the communities they serve.

Legislative Proposals

The CDFI Fund's BG Program supports CDFI lending and investment activity by providing a source of long-term capital in low-income and underserved communities. The Budget proposes to extend the program's authorization with an annual guarantee level not to exceed $300 million. The Administration also requests an extension of the BG Program through December 31, 2021, and legislative change to eliminate the relending account, as it is currently not utilized and redundant.

The Budget also proposes to eliminate new allocations into the Capital Magnet Fund (CMF) effective in FY 2021. This would eliminate recurrent funding of the CMF through allocations from the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac.

Fund Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Community Development Financial Institutions Program	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	81.2	73.7	75.6	60	N/A
Administration	All Award Cycle Time (Months)	6.3	5.8	6.4	6.5	6.5
Administration	ALL- Number of Affordable Housing Units Developed or Produced	27,433	34,083	61,000	21,500	21,500
New Markets Tax Credit Program	NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities	77.5	73.6	80	75	N/A

Description of Performance

For the FY 2019 CDFI Program round, the CDFI Fund awarded $132 million in Financial Assistance to 261 organizations. The CDFI Fund also awarded $18.2 million in Persistent Poverty Counties-Financial Assistance (PPC-FA) to 125 CDFIs specifically to serve Persistent Poverty Counties nationwide. In addition, the CDFI Fund awarded $22 million in HFFI-Financial Assistance to 14 CDFIs, as well as $3 million in Disability Funds-Financial Assistance awards to 16 CDFIs to help finance projects and services to assist individuals with disabilities. A total of 60 organization were also awarded more than $7.2 million in Technical Assistance.

Through the FY 2019 round of the NACA Program, the CDFI Fund awarded $12 million in Financial Assistance to 23 organizations in 11 states. In addition, 11 organizations received $1.5 million in PPC-FA awards. More than $1.9 million in Technical Assistance was also awarded to 13 organizations.

In FY 2019, the CDFI Fund awarded $3.5 billion in calendar year 2018 New Markets Tax Credit Program (NMTC Program) allocation authority to 73 organizations out of a pool of 214 applicants that requested $14.8 billion in NMTC allocations. Due to the expiration of the extension of the allocation authority at the end of calendar year 2020, no target has been set for FY 2021.

In FY 2019, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (75.6 percent) and the number of CDFI loans (78.5 percent) made to eligible distressed communities and underserved populations. No target is set for the FY 2021 measures because no appropriation is proposed for the CDFI Program for this fiscal year.

The primary HFFI performance measure is the number of healthy food retail stores created and maintained in low-income areas that have been identified through detailed census tract analysis as having limited access to healthy food options. In FY 2019, the number of HFFI Retail outlets created was 23, thereby exceeding the target of 20 new retail outlets for that year. No target is set for the FY 2021 measures because no appropriation is proposed for the HFFI Program for this fiscal year.

The All Award Cycle Time metric is an efficiency measure of the average time from the date when applications are received to the date of award announcement (calculated in months as an average across all programs). The Award Cycle Time in FY 2019 was 6.4 months, surpassing the target of seven months. This achievement reflects improved efficiency in making awards, which is largely a function of the implementation of the Awards Management Information System (AMIS).

CDFI Program, NMTC Program, and CMF award and allocation recipients reported over 61,000 affordable housing units developed or produced as a result of CDFI Fund program awards, thereby exceeding the FY 2019 target for affordable housing units. The target reflects projected outcomes for program investments from prior-year award recipients' reported eligible affordable housing projects. The FY 2021 target is set to 21,500 units to reflect reduced projected outcomes for program investments from prior-year award recipients due to fewer resources for affordable housing projects.

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
BSA Administration and Analysis	$117,800	$126,000	$126,963	$963	0.76%
Subtotal, Organization Title	**$117,800**	**$126,000**	**$126,963**	**$963**	**0.76%**
Offsetting Collections - Reimbursable	$1,771	$3,000	$3,000	$0	0.00%
Recovery from Prior Years	$34	$500	$500	$0	0.00%
Unobligated Balances Brought Forward	$37,967	$27,000	$28,000	$1,000	3.70%
Total Program Operating Level	**$157,572**	**$156,500**	**$158,463**	**$1,963**	**1.25%**
Direct FTE	271	300	345	45	15.00%
Reimbursable FTE	2	1	1	0	0.00%
Total Full-time Equivalents (FTE)	**273**	**301**	**346**	**45**	**14.95%**

Summary

The mission of FinCEN is to safeguard the financial system from illicit use, combat money laundering, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. The FY 2021 President's Budget requests additional resources totaling $963,000 and provides $2,300,000 for two critical program areas and program decreases totaling $2,864,000. Specifically, FinCEN will enhance its national security capacity, which includes continuous expansion of its efforts to combat cybercrime and cryptocurrency threats and strengthening the inspection and training efforts to ensure the proper stewardship and on-going protection of sensitive national security information.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**300**	**$126,000**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$2,827
Pay Annualization (2020 3.1% average pay raise)	0	$380
Pay Raise (1.0% average pay raise)	0	$390
FERS Contribution Increase	0	$524
Non-Pay	0	$1,533
Non-Recurring Costs	0	($1,300)
TBML Risk Assessment	0	($1,300)
Other Adjustments:	37	$0
Technical FTE Adjustment	37	$0
Subtotal Changes to Base	37	$1,527
FY 2021 Current Services	**337**	**$127,527**
Program Changes:		
Program Decreases	0	($2,864)
Programmatic Contract and Equipment Reductions	0	($2,864)
Program Increases:	8	$2,300
Bolstering BSA Data Protection	5	$1,481
Building Out FinCEN's Virtual Currency and Cyber Threat Mitigation Program	3	$819
FY 2021 President's Budget Request	**345**	**$126,963**

Budget Adjustments

Maintaining Current Levels (MCLs)…………………………………… +$2,827,000 / +0 FTE

Pay Annualization (3.1%) +$380,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$390,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$524,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$1,533,000 / +0 FTE

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

Non-Recurring Costs……………………………………………………… -$1,300,000 / -0 FTE

TBML Risk Assessment -$1,300,000 / -0 FTE

Completion of Trade-Based Money Laundering (TBML) risk assessment.

Other Adjustments………………………………………………………….. +$0 / +37 FTE

Technical FTE Adjustment +$0 / +37 FTE

This adjustment reflects FTEs in FinCEN's multi-year hiring plan, which is beginning implementation in FY 2020.

Program Decreases……………………………………………………… -$2,864,000 / -0 FTE

Programmatic Contract and Equipment Reductions -$2,864,000 / -0 FTE

This reduction will be taken through evaluation of increases or changes in proposed acquisitions of contractual services and equipment. FinCEN will evaluate contracts during the renewal process to absorb this reduction.

Program Increases……………………………………………………… +2,300,000 / +8 FTE

Bolstering BSA Data Protection +$1,481,000 / +5 FTE

This funding will allow FinCEN to support an enhancement in Bank Secrecy Act (BSA) data inspections and training efforts. In order to bolster the ability to protect BSA data collected, FinCEN will strengthen its inspections program to include internal, external, and bulk data usage; enhance its proactive engagement for preventative measures; and increase education and training efforts for the over 460 federal, state, and local agencies across the country with whom FinCEN maintains data access Memoranda of Understanding (MOUs) and their over 12,700 authorized users.

Safeguarding the BSA database from misuse is a critical obligation, and with additional funding, FinCEN will move to a primarily on-site inspection posture to enhance our visibility into individual agencies' compliance with the obligations set forth in their MOUs.

In addition to expanding FinCEN's capabilities to inspect data access activities, there is also a need to increase the training and outreach initiatives. FinCEN expects BSA data access MOUs to steadily increase annually. Furthermore, FinCEN receives on average 120 access requests per year. As we anticipate an increase in MOUs in the future commensurate with historical growth patterns, there is a need for more training resources to cover BSA data security and proper use of BSA data for the corresponding increase in users. In order for FinCEN to keep up with the increasing needs of our stakeholders, we must be readily available to conduct substantive outreach and provide comprehensive financial analysis training. Additional funding will also increase FinCEN's ability to provide on-going, substantive training and outreach to our law enforcement partners on myriad issues of national security importance in an effort to increase their awareness and enhance their traditional methods of utilizing the BSA to investigate illicit finance. As investigators become more adept at manipulating BSA data, more sophisticated cases of criminal wrongdoing will be brought to justice. Additionally, more meaningful feedback provided to regulated institutions that are subject to BSA reporting requirements ultimately lends to better reporting by the institutions themselves .

Lastly, increased access to BSA data creates increased risk of improper use of the data, including unauthorized disclosures. Training addresses this knowledge gap for stakeholders and assists them in effectively manipulating the BSA data to properly support their investigations. These additional resources will allow FinCEN to ensure all of its users are fulfilling their responsibility to properly use and protect BSA data.

<u>Building Out FinCEN's Virtual Currency and Cyber Threat Mitigation Program +$819,000 / +3 FTE</u>

These funds will allow for international capacity building to ensure that accessibility of critical information exists for investigations that include an international component. The utilization of software tools will allow FinCEN to double the number of virtual currencies analyses, corroborate findings, and increase big data analytics capability, allowing for automated analytics and visualization of financial and cyber data. The program enhancement strengthens direct support for law enforcement cases to 130 cases per year, the development of 37 strategic intelligence products, and the provision of 50 training sessions per year.

The FY 2021 funds will also allow FinCEN to respond to an increasing number of law enforcement requests for operational support regarding domestic and global cyber-enabled financial crimes, including efforts into the use of virtual currency to facilitate such crimes. This will enable FinCEN to conduct intelligence and law-enforcement driven responses to international and domestic financial threat incidents. The enhancement will also assist FinCEN's ongoing efforts to recover funds stolen by cyber means in fraud and virtual currency exchange thefts. Based on metrics developed by law enforcement partners, FinCEN estimates that it will be able to recover approximately 60 percent of funds stolen domestically and maintain its current international recovery rate at 50 percent.

Lastly, the funding will directly support FinCEN's coordination with other international jurisdictions as they advance their efforts to establish their own capabilities to address virtual currency and cyber threats through training and capacity building, analytical development, and information sharing initiatives.

Legislative Proposals

FinCen has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
BSA Administration and Analysis	Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	86%	85%	92%	88%	89%
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	87%	86%	89%	84%	85%

Description of Performance

The continued increase in valuable BSA data demands the continued expansion of analysis capability and supporting technology to utilize this data to its full capacity. The increases in BSA data and the demand for this data informed the requested program changes.

FinCEN conducts annual surveys of the BSA database and information sharing systems' users on the utility and value of FinCEN's information, analysis, and systems. The results provide valuable feedback on FinCEN's performance safeguarding the financial system from illicit use, combatting money laundering, and promoting national security.

FinCEN monitors the percentage of domestic law enforcement and regulators who assert queried BSA data led to detection and deterrence of illicit activity. The survey looks at the value of FinCEN data, such as whether the data provided unknown information; supplemented or expanded known information; verified information, helped identify new leads; opened a new investigation or examination; supported an existing investigation or examination; or, provided information for an investigative or examination report. In FY 2019, FinCEN surpassed its target of 86 percent with 92 percent asserting that the queried BSA data led to the detection and deterrence of illicit activity. FinCEN achieved this performance by increasing its FinCEN Portal and Query training efforts. FinCEN will continue to increase its training efforts to provide the FinCEN Portal and FinCEN Query user community with the information they need to successfully enhance their investigative efforts. In FY 2020, the target is set at 88 percent and in FY 2021 at 89 percent.

FinCEN also tracks the percentage of users satisfied with FinCEN information sharing systems. This measure is based on survey responses and represents user satisfaction with the BSA E-Filing System, FinCEN Query, and the Egmont Secure Web. FinCEN collects and maintains BSA reports filed by financial institutions and other filers. In turn, FinCEN provides authorized users (including Treasury and the Under Secretary for Terrorism and Financial Intelligence) access to a query system containing 14 years of BSA data. FinCEN also provides foreign Financial Intelligence Units (FIUs) in the Egmont Group with a secure system for exchanging financial intelligence to combat money laundering and terrorist financing. This measure is meaningful because the information sharing system allows authorized persons to more readily access BSA information and better enable them to conduct investigations more efficiently and effectively. In FY 2019, FinCEN exceeded its target of 84 percent with 89 percent of the users satisfied with the information sharing systems. FinCEN attributes this performance to the increased satisfaction with the value of BSA information in FinCEN Query, as well as improved system stability. FinCEN is currently undergoing a technical refresh of the FinCEN Portal and FinCEN Query applications, which will be implemented in mid FY 2020. As such, FinCEN will keep the target at 84 percent due to the learning curve associated with these changes. FinCEN expects the target to slightly increase to 85 percent in FY 2021.

Alcohol and Tobacco Tax and Trade Bureau

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan 1/	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Collect the Revenue	$58,856	$57,513	$62,086	$4,573	7.95%
Protect the Public	$60,744	$62,087	$63,751	$1,664	2.68%
Subtotal, TTB	**$119,600**	**$119,600**	**$125,837**	**$6,237**	**5%**
Unobligated Balances Brought Forward 2/	$5,079	$4,601	$3,908	($693)	-15.05%
Transfers In/Out 3/	$597	$0	$0	$0	NA
Offsetting Collections - Reimbursable 4/	$6,239	$7,437	$7,437	$0	0.00%
Total Program Operating Level	**$131,515**	**$131,638**	**$137,182**	**$5,544**	**4%**
Direct FTE	485	502	508	6	1.20%
Reimbursable FTE	10	10	10	0	0.00%
Total Full-time Equivalents (FTE)	**495**	**512**	**518**	**6**	**1.17%**

1/ FY 2019 Resources by Budget Activity reflect levels appropriated in P.L. 116-6, the Consolidated Appropriations Act of 2019. FY 2019 FTE and Other Resources are actual obligations. For further details on the execution of these resources see the 2021 Budget Appendix chapter for the Department of the Treasury.

2/ Includes carryover of prior two-year set aside funding for trade practice enforcement and recoveries of 50 percent in unobligated balances from prior one-year funding.

3/ Transfer from TEOAF Secretary's Enforcement Fund.

4/ Includes reimbursements from the Treasury Executive Office of Asset Forfeiture (TEOAF) Mandatory Fund and Community Development Financial Institutions Fund (CDFI), and offsetting collections from Puerto Rico Cover-Over Program.

Summary

The Alcohol and Tobacco Tax and Trade Bureau (TTB) serves as the nation's primary Federal authority in the taxation and regulation of the alcohol and tobacco industries. TTB is responsible for the administration and enforcement of the Internal Revenue Code provisions for excise taxes on alcohol, tobacco, firearms, and ammunition, and the Federal Alcohol Administration Act, which provides for the regulation of the alcohol beverage industry to protect U.S. consumers and ensures a fair and competitive marketplace for U.S. businesses.

In FY 2021, TTB will continue to focus on enforcing compliance with alcohol, tobacco, firearms, and ammunition laws and regulations in the interest of collecting all appropriate excise taxes and promoting a marketplace for alcohol beverages that complies with Federal production, labeling, advertising, and marketing standards. The FY 2021 President's Budget request enables TTB to improve service levels for permitting and alcohol beverage labeling as well as tax administration and enforcement outcomes through investments in information technology (IT) modernization. Leveraging technology, a key tenet of the President's Management Agenda, TTB will prioritize plans to simplify and streamline the filing and processing of TTB tax returns and required reports to improve voluntary compliance and support enhanced analytics to detect underreporting and fraud. These modernization efforts are critical to protect Federal revenue and preserve a level playing field for industry as TTB continues to prioritize its enforcement of the Craft Beverage Modernization and Tax Reform provisions of P.L. 115-97, recently extended through December 31, 2020. In the first two years, Federal revenues have declined, with the full impact not yet known. Enforcement will continue to pose significant challenges and, with regards to imported products, will require TTB to continue its extensive coordination with U.S. Customs and Border Protection.

Further, to improve tax enforcement outcomes and promote a more efficient Federal government, the Administration is proposing the consolidation of Federal alcohol and tobacco tax enforcement authorities within the Department of the Treasury, including transferring jurisdiction for the Contraband Cigarette Trafficking Act (CCTA) from the Department of Justice's (DOJ) Bureau of Alcohol, Tobacco, Firearms, and Explosives to TTB. The FY 2021 request supports an initial investment of $1.5 million in start-up costs for TTB to initiate the transfer and begin to implement this enforcement program. Upon transfer of CCTA authority, and once fully resourced, TTB expects that its enforcement model will provide positive returns in terms of increased revenues and reduced criminal activity. This investment will require tradeoffs across TTB's enforcement programs. At the FY 2021 funding level, TTB will rebalance enforcement priorities to sustain an enforcement presence to deter prohibited trade practice activities while establishing a CCTA enforcement program.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	**502**	**$119,600**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$2,748
Pay Annualization (2020 3.1% average pay raise)	0	$590
Pay-Raise (1.0% average pay raise)	0	$575
FERS Contribution Increase	0	$714
Non-Pay	0	$869
Other Adjustments:	6	$900
Annualization of FY 2020 Hiring	6	$900
Subtotal Changes to Base	6	$3,648
FY 2021 Current Services	**508**	**$123,248**
Program Changes:		
Program Decreases	(6)	($1,500)
Enforcement to Maintain a Level Playing Field	(6)	($1,500)
Program Increases	6	$4,089
MyTTB IT System Modernization	0	$2,589
Consolidation of Federal Alcohol & Tobacco Tax Jurisdiction	6	$1,500
FY 2021 President's Budget Request	**508**	**$125,837**

Budget Adjustments

Adjustments to Request

Maintaining Current Level (MCLs)……………………………………..+$2,748,000 / +0 FTE

Pay Annualization (3.1%) +$590,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$575,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$714,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$869,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Other Adjustments………………………………………………………+$900,000 / +6 FTE
Annualization of FY 2020 Hiring +900,000 / +6 FTE
This adjustment reflects the annualization of new hires brought onboard during the second half of FY 2020.

Program Decreases…………………………………………………...-$1,500,000 / -6 FTE
Enforcement to Maintain a Level Playing Field -$1,500,000 / -6 FTE
TTB will reduce its investigators and support staff dedicated to the Trade Practice Enforcement program. TTB enforcement addresses unlawful trade practices in the marketplace and ensures a level playing field for U.S. alcohol manufacturers and distributors. With two-year set aside funding provided in fiscal years 2017-2020, TTB added staffing to increase its capacity for trade practice investigations from approximately one each year to approximately 50 active cases annually. At the FY 2021 funding level, TTB will maintain fewer active cases and continue its process of evaluating and prioritizing the highest risk revenue and trade practice cases as part of its annual enforcement planning process.

Program Increases…………………………………………………...+$4,089,000 / +6 FTE
MyTTB IT System Modernization +$2,589,000 / +0 FTE
TTB will continue to invest in IT system modernization to transform the online experience for TTB industry members. The desired end-state, known as MyTTB, will provide an integrated and personalized online system to help industry members navigate the process of doing business with TTB. This initiative would transform the industry member experience with TTB incrementally, developing and delivering functional modules in phases to provide a seamless and consistent experience across all permitting, tax, and labeling interactions with TTB. MyTTB would also facilitate improved data integration across TTB programs and systems, enabling TTB to better detect noncompliance and fraud, validate submission data, automate workflows, and increase data-driven decision making.

Consolidation of Federal Alcohol & Tobacco Tax Jurisdiction +$1,500,000 / +6 FTE
TTB requests start-up funding to support the Administration's proposal to consolidate Federal alcohol and tobacco tax jurisdiction within the Department of the Treasury and TTB. This initial investment will enable TTB to begin hiring the necessary additional enforcement personnel to conduct the complex, multi-state investigations associated with contraband cigarette smuggling. The requested funding level supports 6 FTE, which will allow TTB to begin hiring auditors, investigators, and other program staff. Further, TTB will hire criminal enforcement agents under an expansion of its existing interagency agreement with the IRS. This initial investment would also enable TTB to initiate any needed rulemaking and guidance, as well as support initial research into system requirements and data analytics to improve enforcement targeting. During this transition period, and at the proposed staffing level, TTB will also expand its outreach to state law enforcement partners and work closely with DOJ on the transfer and continuation of existing cases.

Legislative Proposals

The Administration proposes to transfer primary jurisdiction over Federal tobacco and alcohol anti-smuggling laws from the Department of Justice and the Bureau of Alcohol, Tobacco, Firearms and Explosives to the Department of the Treasury and TTB. Under the proposal, TTB would be responsible for the administration and enforcement of the Jenkins Act of 1949 (as amended by the Prevent All Cigarette Trafficking Act of 2009), 15 U.S.C. Chapter 10A, the Contraband Cigarette Trafficking Act of 1978, 18 U.S.C. Chapter 114, and the criminal statutes involving Liquor Trafficking, 18 U.S.C. Chapter 59. Specific statutory language to effect the transfer and facilitate Federal enforcement against tobacco smuggling has been developed in consultation with the Secretary of the Treasury and with the Attorney General.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Collect the Revenue	Amount of Revenue Collected Per Program Dollar	406	369	339	N/A	N/A
Collect the Revenue	Percent of Voluntary Compliance from Large Taxpayers in Filing Tax Returns/Payments Timely (by filing) 1/	85	85	DISC	DISC	DISC
Collect the Revenue	Percent of Voluntary Compliance from Large Taxpayers in Filing Tax Returns/Payments Timely (by taxpayer) 1/	60	69	69	95	95
Collect the Revenue	Percent of Voluntary Compliance from Large Taxpayers in Filing Operational Reports Timely (by taxpayer) 1/	66	74	76	95	95
Collect the Revenue	Percent of Electronically Filed Tax Returns - Pay.gov 2/	35	37	41	50	60
Collect the Revenue	Percent of Electronically Filed Operational Reports - Pay.gov	40	42	46	50	60
Protect the Public	Percentage of Permit Applications Processed within Service Standards (75 days)	48	71	58	85	85
Protect the Public	Initial Error Rate for Permit Applications 3/	83	80	71	25	25
Protect the Public	Percent of Electronically Filed Permit Applications 4/	85	87	89	90	90
Protect the Public	Customer Satisfaction Rate with eGov Systems - Permits Online	68	77	68	80	80
Protect the Public	Percentage of Alcohol Beverage Label and Formula Applications Processed within Service Standards (15 days) 5/	62	84	48	85	85
Protect the Public	Initial Error Rate for Label and Formula Applications	43	40	37	25	25
Protect the Public	Percent of Electronically Filed Label and Formula Applications	98	98	99	95	95
Protect the Public	Customer Satisfaction Rate with eGov Systems - COLAs Online	82	81	77	80	80
Protect the Public	Customer Satisfaction Rate with eGov Systems - Formulas Online 6/	70	79	70	80	80

Key: DISC - Discontinued
1/ TTB developed new measures to evaluate and monitor taxpayer compliance for FY 2019, which will calculate compliance rates on a taxpayer basis, rather than a per filing basis; TTB also formally added a measure of the compliance rate for operational reports.
2/ Minor adjustments to prior year data based on data quality review.
3/ Result for FY 2019 likely lower than reported due to a data quality issue in Q4 based on the incorrect application of "'corrections'" status on certain permit applications.
4/ Revised actuals for prior years due to data quality review and cleanup of data source.
5/ Service standards are set annually based on TTB analysis of submission volume, error rates, and resource levels. For FY 2018, TTB established new service standards of 15 days for both labels and formulas based on a significant spike in submissions. In FY 2017, the service standard was 10 days for both labels and formulas. Between FY 2014 - 2016, the service standard was 30 days for labels and 45 days for formulas.
6/ Revised actual for FY 2018 due to error in calculation; results represent beverage alcohol formula filers only (nonbeverage alcohol formula filers are excluded).

Description of Performance

During FY 2019, TTB met or exceeded the performance targets for 1 of its 13 performance measures, which includes two new measures of timely tax filing compliance to support data-driven decision making in support of TTB's mission. The bureau will continue to monitor its annual business plan and use performance information to improve the effectiveness of its programs. TTB's strategies to achieve its performance targets in the years ahead include a combination of improving internal processes, modernizing IT systems, simplifying and streamlining application requirements, and enhancing guidance to industry members.

TTB's Collect the Revenue budget activity includes all tax processing, verification, enforcement, and outreach efforts related to administering the Federal excise tax on alcohol, tobacco, firearms, and ammunition products. In ensuring a level playing field for those engaged in the trade of these regulated commodities, TTB also takes appropriate enforcement action to detect and address diversion activity and ensure all products sold in the marketplace are properly taxpaid. In FY 2019, TTB collected excise taxes totaling nearly $20 billion, comprised of $11 billion for tobacco products, $8 billion for alcohol beverage products, and $567 million for firearms and ammunition. This budget activity supports Treasury's Strategic Goal 1 (Boost U.S. Economic Growth) and Strategic Objective 1.1 (Tax Law Implementation) to administer tax laws to better enable all taxpayers to meet their obligations while protecting the integrity of the tax system.

The investments in the Collect the Revenue activity resulted in the following performance highlights and accomplishments during FY 2019:

- TTB collected nearly $20 billion in excise taxes and other revenues from a tax base of nearly 32,000 taxpayers in the alcohol, tobacco, firearms, and ammunitions industries. In FY 2019, TTB returned $339 for every dollar invested in its tax collection activity.
- TTB's two measures of electronically filed tax returns and operational reports indicate that less than half of TTB tax submissions are submitted to TTB via Pay.gov, the current online system for electronic submissions. High rates of paper filings make compliance monitoring and fraud detection more difficult and costly. The IT system investment requested for FY 2021 will drive increased electronic tax filing rates, which will support more accurate, timely, and complete submissions as well as improved access to data for TTB tax verification and analysis.
- In FY 2019, under two new measures of compliance rates in timely filing tax returns and operational reports, TTB achieved a compliance rate of 69 percent for returns and 76 percent for reports from its large taxpayers (i.e., those that pay more than $50,000 in annual taxes), which fell below the performance target of 95 percent. Increasing voluntary compliance by taxpayers in recent years has been a challenge, as existing technology, processes, and requirements have not kept pace with continued industry growth and expansion. In the last five years, the number of TTB taxpayers has increased 60 percent, and increasingly includes more recent permittees who may be less familiar with TTB's statutory and regulatory requirements. Non-compliance undermines the level playing field, which is especially critical for small producers who comprise the majority of TTB taxpayers. The FY 2021 request supports the IT system and analytics enhancements that would enable TTB to more efficiently detect and address these issues.

TTB's Protect the Public budget activity funds the programs that ensure the integrity of the products and industry members in the marketplace; promote compliance with Federal laws and regulations by nearly 100,000 businesses that TTB regulates; facilitate fair and lawful domestic and international trade in the alcohol and tobacco commodities; and provide full and accurate alcohol beverage product information to the public as a means to prevent consumer deception. These activities support Treasury's Strategic Goal 1 (Boost U.S. Economic Growth) and Strategic Objective 1.3 (Trusted Currency and Services) to deliver trusted currency and services that enable citizens and businesses to participate in the economy as well as Strategic Objective 1.4 (Free and Fair Trade) to advance a free and fair trade environment for U.S. businesses.

The investments in the Protect the Public activity resulted in the following performance highlights and accomplishments during FY 2019:

- TTB received approximately 199,000 label applications and 20,000 formula applications, which reflects the ongoing expansion of the alcohol beverage industry. Federal law prohibits the import or domestic bottling of an alcohol beverage without an approved label, making this service integral to U.S. businesses. TTB continues to face performance challenges due to increased submission volume, which increased approximately 20 percent for label applications and 40 percent for formula applications in the last two years. Despite concerted recovery efforts following the partial government shutdown, TTB fell short of its FY 2019 performance target to process 85 percent of label and formula applications within its 15-day service standard, although TTB nearly achieved the target for formula applications at 84 percent. TTB also achieved a 99 percent electronic filing rate for alcohol beverage label and formula applications.
- TTB received approximately 7,800 applications for a Federal permit or registration, and qualified approximately 6,500 new businesses, predominantly small businesses. A TTB permit or registration is required before a business can lawfully operate in the alcohol and tobacco industries, and TTB ensures a fair and lawful marketplace by screening permit applicants to ensure only qualified persons engage in operations. TTB and Treasury established a two-year Agency Priority Goal (APG) for FY 2018-2019 to improve the timeliness and consistency of service levels by reducing average processing times for new permit applications by 20 percent and achieving its service standard for 85 percent of applicants. TTB met one of its two APG targets by the end of FY 2019, reducing average approval times by 20 percent from 96 days in FY 2017 to 75 days in FY 2019, although TTB fell short of its second target to achieve the 75-day service standard for 85 percent of permit applicants. During the partial government shutdown, with industry continuing to file for Federal permit approval, the application backlog continued to increase and age. As a result, for FY 2019, TTB issued 58 percent of permit applications within its 75-day service standard. Through focused recovery efforts, TTB made progress in the second half of the fiscal year and is positioned to achieve this priority goal target in FY 2020. TTB also achieved an 89 percent electronic filing rate for permit applications.
- TTB made significant progress in reducing the error rate on initial permit, label, and formula applications, a critical strategy to maintaining timely service, although performance remains well above the targeted rate of 25 percent, at 71 percent for permit applications and 37 percent for label and formula applications. Improvements in FY 2019 were driven by system enhancements and online guidance. Performance in permitting is expected to continue to improve following planned enhancements to the Permits Online system and completion of planned rulemaking to implement broader changes to TTB permit applications. TTB will also continue to pursue system-based validations and user guidance to reduce label and formula

application errors. System enhancements to date have resulted in high rates of customer satisfaction with TTB's eGov systems, although service delays following the partial government shutdown contributed to system satisfaction rates trending away from the 80 percent target in FY 2019.

Bureau of the Fiscal Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Accounting and Reporting	$95,175	$98,937	$102,877	$3,940	3.98%
Collections	$42,166	$37,948	$41,077	$3,129	8.25%
Payments	$117,581	$123,015	$121,519	($1,496)	-1.22%
Retail Securities Services	$59,381	$58,403	$61,231	$2,828	4.84%
Wholesale Securities Services	$23,977	$21,977	$23,496	$1,519	6.91%
Matured Unredeemed Debt 1/	$0	$25,000	$10,000	($15,000)	-60.00%
Subtotal, Bureau of Fiscal Service	**$338,280**	**$365,280**	**$360,200**	**($5,080)**	**-1.39%**
Reimbursable	$384,771	$400,000	$402,000	$2,000	0.50%
Unobligated Balances Brought Forward	$71,815	$91,922	$99,922	$8,000	8.70%
Total Program Operating Level	**$794,866**	**$857,202**	**$862,122**	**$4,920**	**0.57%**
Direct FTE	1,495	1,557	1,582	25	1.61%
Reimbursable FTE	377	412	412	0	0.00%
Total Full-time Equivalents (FTE)	**1,872**	**1,969**	**1,994**	**25**	**1.27%**

Note: 1/ FY 2020 Enacted includes $25 million, available until expended, appropriated by P.L. 116-93, Consolidated Appropriations Act, 2020. FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Summary

The FY 2021 request for the Bureau of the Fiscal Service (Fiscal Service) is $360.2 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; supports Treasury's leadership in transforming Federal financial management to become more efficient, more accurate and deliver better service to citizens; and aligns closely with Treasury's strategic goal to transform government-wide financial stewardship by improving the accuracy and availability of financial information and implementing new, innovative financial practices. Included in the budget are the Fiscal Service's efforts to streamline the government's audit processes and reduce intra-governmental accounting differences that stand in the way of a clean audit opinion on the Financial Report of the U.S. Government; ambitious goals for all-electronic transactions between the bureau, Federal agencies and the public to improve efficiency, security and enable the application of higher levels of automation, such as robotics and artificial intelligence. Supporting the President's Management Agenda, Fiscal Service is working within the Federal community to gain the long-term designation for the Sharing Quality Services CAP Goal's core financial management Quality Service Management Office. This office would be ultimately responsible for operating the Federal marketplace for quality core financial service offerings available to Federal agencies.

Treasury's strategic goal to achieve operational excellence by strengthening the resiliency of our infrastructure and enhancing the customer value and experience is also supported by this budget. Included is an initiative to strengthen the bureau's cybersecurity posture by enhancing our ability to identify threats to the national critical infrastructure, counter them, and quickly reconstitute operations if necessary; and our initiative to help Americans identify and recover their savings bonds that have matured, but remain unredeemed. Additionally, Fiscal Service leads Treasury's

Agency Priority Goal to improve the public's experience by increasing electronic payments and reducing paper checks.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted 1/	**1,557**	**$365,280**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$7,698
Pay Annualization (2020 3.1% average pay raise)	0	$1,666
Pay Raise (1.0% average pay raise)	0	$1,625
FERS Contribution Increase	0	$1,901
Non-Pay	0	$2,506
Non-Recurring Costs	0	($32,796)
Reduce Contractual Services	0	($7,796)
Matured Unredeemed Debt /1	0	($25,000)
Other Adjustments:	13	$1,805
Annualization of Hires	13	$1,805
Subtotal Changes to Base	13	($23,293)
FY 2021 Current Services	**1,570**	**$341,987**
Program Changes:		
Program Increases:	12	$18,213
Quality Service Management Office	7	$5,000
Cybersecurity	0	$3,213
Matured Unredeemed Debt	5	$10,000
FY 2021 President's Budget Request	**1,582**	**$360,200**

Note: 1/ FY 2020 Enacted includes $25 million, available until expended, appropriated by P.L. 116-93, Consolidated Appropriations Act, 2020

Budget Adjustments

Maintaining Current Levels (MCLs).. +$7,698,000 / +0 FTE

Pay Annualization (3.1 percent) +$1,666,000 / +0 FTE
Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0 percent in 2021) +$1,625,000 / +0 FTE
Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$1,901,000 / +0 FTE
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$2,506,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Non-Recurring Costs………………...-$32,796,000 / -0 FTE
Reduce Contractual Services -$7,796,000 / -0 FTE
Reductions or realignments of Fiscal Service operations due to efficiencies identified in contracting support and to support the bureau's hiring plans.

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 2019, the MUD balance had reached $25.7 billion. The Consolidated Appropriations Act, 2020, (P.L. 116-93) 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 2020 appropriation from the FY 2021 base. Continued MUD efforts in FY 2021 are included in the Program Increases section.

Other Adjustments………………...+$1,805,000 / +13 FTE
Annualization of Hires +$1,805,000 / +13 FTE
Funds are requested for annualization of salary and benefits for hires that occur during FY 2020. These hires support the bureau's hiring priorities to reach targeted staffing levels.

Program Increases...+$18,213,000 / +12 FTE
Quality Service Management Office (QSMO) +$5,000,000 / +7 FTE
This funding supports the President's Management Agenda (PMA), and the Sharing Quality Services Cross-Agency Priority (CAP) Goal 5. The PMA, Sharing Quality Services CAP Goal 5 strives to achieve operational and performance cost savings across administrative services. In FY 2019, OMB pre-designated Department of the Treasury as the QSMO for Financial Management (FM). Fiscal Service is leveraging existing Treasury authorities and in-house expertise to create and implement a readiness assessment process for agencies and legacy financial management shared service providers. As guiding principles, Fiscal Service will operate with a focus on customer experience, promote the strategic value of data and deliver progress using agile processes.

Cybersecurity +$3,213,000 / +0 FTE
This request provides continued support of a phased approach to transition National Financial Critical Infrastructure (NFCI) systems currently hosted and developed with outdated technology to new, more modern solutions that will support the security, resiliency, and agility efforts. Specifically, additional funding is requested to expedite the transition of the Trusted Internet Connection to co-located data centers, which provides secure connectivity for data and information. Additional funding will also support enhanced data encryption and other remediation efforts identified through the bureau's on-going Cyber Clean initiative. These efforts are critical to allowing Fiscal Service to accelerate cloud adoption, which will provide for enhanced security as well as improved availability, reliability, and resiliency of information services.

Matured Unredeemed Debt +$10,000,000 / +5 FTE
Funds are requested to continue efforts to encourage bond owners to cash their matured, unredeemed savings bonds. Encouraging bond holders to cash their savings bonds does present

challenges. In December 2019, Fiscal Service implemented its Treasury Hunt® search tool, which is an online tool that makes searching the status of Treasury bonds simpler by allowing individuals to discover if they have savings bonds issued in 1974 or later that have matured and are no longer earning interest. While 85 percent of the MUD balance is from bonds issued in 1974 and later, the quality of many of the paper records make it difficult to determine bond holder information. These documents are not machine-readable, thus making it difficult to index and search. In December 2019, Fiscal Service hosted a series of industry days to learn more about the options to digitize and index these records and where to prioritize efforts. Funding is requested to continue to help bond owners redeem their bonds and improve Treasury's ability to provide more searchable records through:

- Process improvements for cashing savings bonds, including digital options, with a focus on Matured Unredeemed Debt
- Improved ease of use and accessibility of new online search tools, ultimately resulting in expanded customer awareness of Matured Unredeemed Debt
- Expanded outreach to states and bondholders about Matured Unredeemed Debt
- Continuing efforts to digitize and index savings bond records

Legislative Proposals

1. Give the Do Not Pay (DNP) Business Center the direct authority to acquire (designate) publicly available data sources to include in DNP for the prevention, identification, and recovery of improper payments. *Total increase in improper payments identified by Treasury: $35 million over 10 years.*

This proposal gives the Secretary of the Treasury (Secretary) the authority to acquire or designate publicly available data sources for DNP to aid in the analysis of agency business practices affecting the issuance of improper payments as well as the ability for agencies to verify information regarding potentially ineligible payees.

2. Allow Treasury to access the Death Master File for improper payment purposes. *Total increase in improper payments identified by Treasury: $25.3 million over 10 years.*

This proposal authorizes the Secretary to access the full (restricted) file of death information that the Social Security Administration (SSA) maintains, which includes State-reported death data, for purposes of administering the Do Not Pay (DNP) Business Center and preventing, identifying, and recovering improper payments for Federal agencies. Treasury and SSA would collaborate to determine the most efficient means of exercising this authority.

3. Give the Do Not Pay Business Center (DNP) increased authority to expand its user base to include other Federally funded government entities, such as Federally funded state administered programs. *Total increase in improper payments identified by Treasury: $21 billion over 10 years.*

This proposal gives the Secretary of the Treasury (Secretary), in coordination with OMB, the authority to work with other federally funded government entities to identify, prevent, and recover their improper payments.

4. Expand Treasury's authority to access the National Directory of New Hires (NDNH) to include prevention, identification, and recovery of improper payments. *Total increase in improper payments identified by Treasury: $3.24 billion over 10 years.*

The Social Security Act specifies which agencies may receive information from the database and the limited purposes for which disclosures are permitted. Under the current law, the Secretary of the Treasury has access to information in the NDNH for debt collection purposes. This proposal expands the Secretary's access to information in the NDNH to include the purposes of preventing, identifying, and recovering improper payments for Federal agencies. Treasury and the Department of Health and Human Services will continue to work together to determine Do Not Pay's appropriate role in carrying out this authority.

5. Expand the Treasury Offset Program to increase debt collections. *Estimated Recoveries: Tax debt collections: Between $960 million and $1.24 billion over 10 years.*

The State Reciprocal Program (SRP), a component of the Treasury Offset Program (TOP), permits states to collect their debts through the offset of federal non-tax payments in exchange for permitting TOP to collect federal non-tax debts through the offset of state payments. This joint Internal Revenue Service-Bureau of the Fiscal Service proposal expands the SRP by authorizing the continuous levy of state payments to collect Federal tax debts.

6. Fund the Federal Payment Levy Program via collections. *Estimated costs: $220 million in Fiscal Service costs to operate the Tax Levy Program in TOP over 10 years. Fiscal Service is currently being reimbursed for this cost from IRS appropriated funding.*

This proposal improves the way the Fiscal Service collects its reimbursement from IRS to cover Fiscal Service's costs in developing and operating the Federal Payment Levy Program (FPLP), which utilizes the Treasury Offset Program (TOP) to process levies of Federal payments to collect delinquent tax debts.

7. Increase collections of delinquent state income tax debt. *Estimated recoveries: $2.3 billion in state taxes over 10 years. These funds would go to the states. This proposal is revenue neutral for Federal scoring purposes.*

This proposal amends section 6402(e) of the Internal Revenue Code to allow the Fiscal Service to offset Federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides.

8. Reduce costs for states collecting delinquent income tax obligations. *Estimated savings: $140.8 million for states over 10 years. This proposal is revenue neutral for Federal scoring purposes.*

This proposal amends Internal Revenue Code section 6402(e) to allow the Fiscal Service to amend its regulations to permit states to send notices for state income tax obligations by first class mail, saving states certified mail costs and standardizing notice procedures across debt types.

9. Increase and streamline recovery of unclaimed assets owed to the United States by authorizing Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery. *Estimated recoveries: $62 million over 10 years.*

This proposal amends 31 U.S.C. § 3711 to authorize Treasury to use its resources to recover unclaimed assets of the United States. While unclaimed Federal assets are generally not considered to be delinquent debts, Treasury's debt collection operations personnel have the skills and training to recover these assets.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Accounting and Reporting	Percentage of Government-wide Accounting Reports Issued Timely (%)	100	100	99.6	99.5	99.5
Collections	Percentage of Total Federal Government Receipts Settled Electronically (%)	98.3	98	98.4	98	98
Payments	Percentage of Treasury Payments Made Electronically (%)	95.1	95.4	95.6	95.8	96.1
Payments	Count of Improper Payments Identified or Stopped (# in Thousands)	21.394	20.336	22.415	20.5	21.5
Payments	Dollar Amount of Improper Payments Identified or Stopped ($ Millions)	36.58	35.53	41.1	35.3	37
Retail Securities Services	Percentage of Retail Customer Service Transactions That Are Unassisted (%)	N/A	N/A	69	70	71
Wholesale Securities Services	Percentage of Auction Results Released Accurately (%)	98.9	98.9	98.8	100	100
Wholesale Securities Services	Percent of Auctions Successfully Completed by the Scheduled Close Date (%)	N/A	N/A	100	100	100
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools ($ Billions)	7.61	7.44	9.65	8.88	8.81
Debt Collection	All Delinquent Debt Collected as a Percentage of all Delinquent Debt Referred (%)	N/A	N/A	14.3	14.9	14.9
Debt Collection	Percentage of the Active Delinquent Debt Portfolio Collected (%)	N/A	N/A	6.8	7	7

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 2019, Fiscal Service timely issued government-wide accounting reports 99.6 percent of the time. Fiscal Service will meet its FY 2020 and FY 2021 performance measure 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 2019, Fiscal Service exceeded its target by electronically settling 98.4 percent of all Federal Government receipts on the strength of the current architecture, process flows, and settlement mechanisms. Fiscal Service expects to electronically settle 98 percent of revenue collected in FY 2020 by continuing to promote the use of electronic systems in the collections process and assisting agencies in converting collections from paper to electronic media.

Payments: Fiscal Service continues to increase the electronic payment rate each year. In FY 2019, the electronic payment rate rose to 95.6 percent, with the number of electronic payments increasing by 21 million, and paper check volume decreasing by 1.9 million. Tax refund payments continue to total more than half of the Treasury-disbursed check volume. The processing of electronic invoices also realized a large increase of more than 37,000 over the FY 2018 volume of 487,898.

For FY 2020 and FY 2021 and in support of the Agency Priority Goal, Fiscal Service established targets to increase the electronic payments percentage to 95.8 percent and 96.1 percent, respectively. To achieve our targets, Fiscal Service plans to promote and increase EFT payments with emphasis on tax refunds, vendor payments, and benefit payments; and exploring, developing, and deploying innovative, customer-driven electronic payment solutions.

Retail Securities Services: To measure our success with improving customer self-sufficiency, in FY 2019 RSS began monitoring *Percentage of Retail Securities Transactions that are Unassisted.* For FY 2020 and FY 2021, Fiscal Service established targets of 70 percent and 71 percent, respectively. This performance measure aligns with Fiscal Service goals and objectives to improve customer value by increasing the quality and self-sufficiency. Fiscal Service will meet the FY 2020 and FY 2021 targets through its modernization efforts.

Wholesale Securities Services: Fiscal Service conducted 325 auctions and awarded $11.7 trillion in Treasury marketable securities to institutions and individual investors in FY 2019. This was an increase of 55 auctions over FY 2018, due mainly to the issuance of the new 8-week bill.

In FY 2019, Fiscal Service held 100 percent of auctions by the scheduled close date. In addition, auction results were released accurately 98.8 percent of the time, which was slightly below the target of 100 percent due to technical issues that have been resolved. The target will continue to be 100 percent in FY 2020 and FY 2021.

Debt Collection: FY 2019 marked the highest delinquent debt collections ever for Fiscal Service. This was due to a change in the referral process for the Department of Education, including a large backlog and new, more regular, referrals. While Fiscal Service anticipates collections will remain high, diminishing total collections for the next several years is expected as the Department of Education backlog of debt is collected.

FY 2020 and FY 2021 delinquent debt collection projections of $8.88 billion and $8.81 billion respectively, although reduced from FY 2019, remain higher that prior year actuals. Collection targets will be achieved through initiatives to optimize collections, including lowering our cost-to-collect, engaging the debtor experience through self-service and online debt management, segmenting the debt portfolio, and growing the offset program with new agencies, payments, and technologies.

United States Secret Service

Program Summary

Dollars in Thousands

	2019 Enacted		2020 Enacted		2021 President's Budget		2020 - 2021 Total Changes	
	FTE	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**
Operations and Support	7,359	$2,148,528	7,647	$2,336,401	7,796	$2,310,296	149	($26,105)
Procurement, Construction, and Improvements	-	$97,131	-	$66,989	-	$38,305	-	($28,684)
Research and Development	-	$2,500	-	$12,455	-	$11,937	-	($518)
Net Discretionary	**7,359**	**$2,248,159**	**7,647**	**$2,415,845**	**7,796**	**$2,360,538**	**149**	**($55,307)**
Gross Discretionary	**7,359**	**$2,248,159**	**7,647**	**$2,415,845**	**7,796**	**$2,360,538**	149	**($55,307)**
Contribution for Annuity Accounts	-	$265,000	-	$265,000	-	$265,000	-	-
Total Mandatory/Fees	**-**	**$265,000**	**-**	**$265,000**	**-**	**$265,000**	**-**	**-**
Total Budget Authority	**7,359**	**$2,513,159**	**7,647**	**$2,680,845**	**7,796**	**$2,625,538**	**149**	**($55,307)**
Less: Rescissions to Prior Year Balances	-	$5,166	-	$695	-		-	-
Total	**7,359**	**$2,507,993**	**7,647**	**$2,680,150**	**7,796**	**$2,625,538**	**149**	**($55,307)**

Summary

The U.S. Secret Service carries out a unique, integrated mission of protection and investigations. Secret Service's mission is to ensure the safety of the President, the Vice President, their families, the White House, the Vice President's Residence, national and visiting world leaders, former United States Presidents and their spouses, and events of national significance. Secret Service also protects the integrity of our currency and investigates crimes against our national financial system committed by criminals around the world and in cyberspace.

The Budget proposes to return the Secret Service to Treasury to create new efficiencies in the investigation of these crimes and prepare the Nation to face the threats of tomorrow.

Senior Leadership: James M. Murray

Established: 1865

Major Divisions: Office of Protective Operations; Office of Investigations; Office of Technical Development and Mission Support;; Office of Training; Office of the Chief Information Officer; Office of the Chief Counsel; and Office of the Director

New Budget Authority: $2,625,538,000

Discretionary Request: $2,360,538,000

Mandatory Request: $265,000,000

Employees (FTE): 7,796

Responsibilities

As one of the Nation's oldest federal law enforcement agencies, Secret Service performs a one-of-a-kind role in the United States Government. Secret Service: (1) protects the President, the Vice President, their immediate families, visiting heads of state and government, and other designated individuals; (2) coordinates the security at designated National Special Security Events (NSSE); (3) investigates threats against the President, the Vice President, and other designated individuals; (4) enforces laws related to counterfeiting of obligations and securities of the United States, and financial crimes, including identity theft and computer fraud; and (5) protects the White House Complex, the Vice-President's Residence, foreign diplomatic missions, and other designated buildings. To accomplish this mission, Secret Service undertakes operations in the areas of protection, protective intelligence, and criminal investigations.

To achieve its mission, Secret Service relies on the recruitment, specialized training, and retention of highly capable individuals to serve as Special Agents (SAs), Uniformed Division (UD) Officers, and administrative, professional, and technical (APT) support personnel.

The mission is enhanced through the deployment of state-of-the-art protective countermeasures, joint training with mission partners, and relationships with State and local law enforcement to successfully execute protective security operations that prevent, deter, mitigate, and decisively respond to a myriad of threats.

Service to the Public

Secret Service investigations continue to safeguard the financial systems of the United States, which include enforcing counterfeiting laws and protecting communities across the country from the damages inflicted by financial crimes and cybercrimes. Similar to the agency's approach to protection, Secret Service's investigative methodology is proactive and integrates advanced technologies with partners across the public and private sectors in specialized task forces throughout the country and around the world. Computer experts, forensic specialists, and intelligence analysts provide rapid responses and critical information to support infrastructure protection and criminal investigations. Through the National Computer Forensics Institute (NCFI), Secret Service provided training, equipment, and software to State and local law enforcement. In Fiscal Year (FY) 2019, this training enabled partners to conduct over 68,000 computer forensics exams, including over 13,000 exams related to missing or exploited children, 4,400 exams in murder cases, more than 8,300 exams involving drug related offenses, and over 2,000 exams in fraud/embezzlement/computer crime investigations.

FY 2019 Accomplishments

- Coordinated comprehensive security plans for three NSSEs: the State of the Union address, the United Nations General Assembly, and the State Funeral of Former President George H.W. Bush.
- Conducted protective advances for over 6,495 visits and traveled overseas with protectees during 395 foreign visits.
- Screened more than 2.5M people at 605 protective venues – a 39 percent increase in screenings over FY 2018.
- Conducted 288 Critical Systems Protection (CSP) advances at protectee venues ensuring failsafe security controls on networks, information systems, and critical infrastructure.
- Seized $368.0M in counterfeit U.S. currency domestically and overseas prior to entering circulation as a result of investigations with domestic and international partners, an 81 percent increase from FY 2018 ($203.3M).

- Closed 1,718 Cyber Financial Crime cases, an increase of 160 percent from FY 2018. Also realized an increase of 18 percent in Cyber Financial Crime cases opened. Cyber Financial Potential Losses Prevented increased by 36 percent ($5.2B to $7.1B) compared to the previous fiscal year.
- Trained 1,948 local law enforcement investigators, prosecutors, and judges in cybercrime investigations, data recovery techniques, and legal standards regarding digital evidence for courtroom proceedings through over 125,000 hours of training conducted at NCFI.
- Reached 20,265 peers (225 percent increase from FY 2018) with 111 National Threat Assessment Center (NTAC) briefs (76 percent increase from FY 2018). NTAC trained 844 agency personnel in 56 sessions.

Budget Adjustments

Staffing Growth +$20.5M / + 61 FTE
The FY 2021 President's Budget includes an additional $20.5 million to provide for the continued growth of SA, UD Officer, and APT levels, ensuring employees receive necessary training and achieve work-life balance. This funding keeps pace with growing mission requirements.

2020 Presidential Campaign +$64.7M / +0 FTE
The FY 2021 President's Budget funds the 2020 Presidential Campaign through the Inauguration, including the protection of major candidates, nominees, and their spouses, which are designated NSSEs.National Special Security Events.

Operational Mission Support (OMS) +$100.3M / +160 FTE
The Secret Service utilizes the OMS funds to protect the President and Vice President at the White House Complex, the Vice President's Residence, and temporary sites from emerging explosive, chemical, biological, radiological, and cyber threats. These capabilities include advanced protective countermeasures designed to address both established and evolving threats, and which must continually be refreshed.

Fully Armored Vehicle (FAV) Research & DevelopmentDevelpment +9.4M / +0 FTE
Funding invests $9.4 million for Research and Development for a new base platform for Secret Service's primary protection vehicle, Generation 2 (Gen2) FAV.

Internal Revenue Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Operating Plan[1]	FY 2020 Enacted[2]	FY 2021 Request	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Taxpayer Services	$2,556,554	$2,535,554	$2,562,554	$27,000	1.06%
Pre-filing Taxpayer Assistance and Education	621,907	656,829	667,018	10,189	1.55%
Filing and Account Services	1,934,647	1,878,725	1,895,536	16,811	0.89%
Enforcement	$4,677,600	$4,909,500	$5,071,260	$161,760	3.29%
Investigations	595,686	654,285	675,533	21,248	3.25%
Exam and Collections	3,907,290	4,091,953	4,225,886	133,933	3.27%
Regulatory	174,624	163,262	169,841	6,579	4.03%
Operations Support	$3,918,400	$3,885,000	$4,104,689	$219,689	5.65%
Infrastructure	891,140	881,654	895,071	13,417	1.52%
Shared Services and Support	900,287	1,012,155	1,063,984	51,829	5.12%
Information Services	2,126,973	1,991,191	2,145,634	154,443	7.76%
Business Systems Modernization	$150,000	$180,000	$300,000	$120,000	66.67%
Subtotal Internal Revenue Service	**$11,302,554**	**$11,510,054**	**$12,038,503**	**$528,449**	**4.59%**
Reimbursables	124,559	170,726	179,262	8,536	5.00%
Offsetting Collections – Non-Reimbursables	9,749	31,781	33,370	1,589	5.00%
User Fees	319,023	530,230	549,930	19,700	3.72%
Recovery from Prior Years	7,515	11,386	11,339	(47)	-0.41%
Recoveries from Paid Obligations		3,681	3,681		
Unobligated Balances from Prior Years	356,057	168,743	116,142	(52,601)	-31.17%
Transfers In/Out	111				
Total Program Operating Level	**$12,119,568**	**$12,426,601**	**$12,932,227**	**$505,626**	**4.07%**
Direct FTE	72,731	74,544	73,361	(1,183)	-1.59%
Reimbursable FTE	642	978	1,027	49	5.01%
User Fee FTE	96	75	1,520	1,445	1926.67%
Unobligated Balances from Prior Years	727	15	15		
Total FTE	**74,196**	**75,612**	**75,923**	**311**	**0.39%**

[1]FY 2019 Operating Plan amount includes a $194.4 million interappropriation transfer from Enforcement to Operations Support to cover anticipated operations and maintenance requirements in FY 2019. FY 2019 amount also includes $77 million for the Section 112 Administrative Provision to implement requirements under the Tax Cuts and Jobs Act (Public Law 115-97). FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals.
[2]FY 2020 Enacted Amount includes a proposed $76.5 million interappropriation transfer from Enforcement to Operations Support to cover anticipated operations and maintenance requirements in FY 2020. FY 2020 Enacted Amount also includes $24 million transfer from Enforcement to Taxpayer Services. FY 2021 Request does not include the $400 million Program Integrity Cap Adjustment.

Summary

The IRS FY 2021 budget request is $12.039 billion, $528.449 million (4.6 percent) more than the FY 2020 enacted level of $11.510 billion.

The budget includes a program increase of $220 million for the modernization plan and implementation of the Taxpayer First Act. The modernization request includes $300 million total for the Integrated Modernization Business Plan to continue developing new web applications, payment features, electronic notices, secure online customer service assistance, and replacements for legacy systems. The Taxpayer First Act request includes $106 million to implement several new requirements which will enhance customer service, taxpayer information protections, and online service platforms. The budget funds costs associated with two pay raises and an increase in employee retirement contributions. The budget proposes several important legislative changes, including a program integrity cap adjustment of $400 million in FY 2021, that when combined with future investments, will generate $64 billion in net savings over 10 years and provide the Department of the Treasury with additional authority to improve tax administration.

The IRS Strategic Plan FY 2018 – FY 2022 guides resource decisions, programs, and operations. The plan aligns with the goals and objectives in Treasury's strategic plan by administering tax laws to help taxpayers meet their obligations, while protecting the integrity of the tax system and achieving operational excellence.

In FY 2019, the IRS delivered a successful filing season that opened on January 28, 2019. During the 2019 filing season, the IRS:

- Received about 155 million individual tax returns and issued more than 109 million refunds totaling $300 billion with an average individual refund of $2,800. Almost 91 percent of these individual returns were filed electronically;
- Achieved a 66.9 percent filing season level of service (LOS), the relative success rate of taxpayers calling the toll-free line for assistance, an increase of 1.9 percent over the target of 65 percent;
- Answered more than 21.5 million calls;
- Served 1.3 million taxpayers, more than 798,000 face-to-face assistor contacts, and more than 483,000 taxpayers, who had issues resolved over the phone when calling for an appointment;
- Received 422 million visitors to the IRS.gov website with 317 million taxpayers checking the *Where's My Refund?* tool for the status of their refund. This represents a 9 percent increase in the use of IRS.gov and a 20 percent increase in *Where's My Refund?* compared to last filing season; and
- Received about 32 million business returns, and approximately 29 million were filed electronically, an increase of 5.8 percent from 2018.

IRS Budget Highlights

Dollars in Thousands

Bureau: Internal Revenue Service	TAXPAYER SERVICES		ENFORCEMENT		OPERATIONS SUPPORT		BSM		TOTAL	
Summary of FY 2021 Request	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
FY 2020 Enacted (Pre-IAT)	$2,511,554	26,390	$5,010,000	35,388	$3,808,500	11,970	$180,000	426	$11,510,054	74,174
Planned Interappropriation Transfer	24,000	370	(100,500)		76,500					370
FY 2020 Enacted	$2,535,554	26,760	$4,909,500	35,388	$3,885,000	11,970	$180,000	426	$11,510,054	74,544
Changes to Base:										
Maintaining Current Levels (MCLs)	$107,929		$207,089		$130,866		$6,201		$452,085	
Pay Annualization (3.1% average pay raise)	18,078		35,236		13,896		547		67,757	
Pay Raise (1.0% average pay raise)	17,631		34,364		13,552		533		66,080	
FERS Contribution Increase	26,523		52,345		20,143		989		100,000	
Non-Pay	4,058		7,258		41,840		2,188		55,344	
Additional Required Labor Costs	41,639		77,886		41,435		1,944		162,904	
Efficiencies/Savings	($80,929)	(1,082)	($56,589)	(454)	($6,277)				($143,795)	(1,536)
Increase e-File Savings	(4,607)	(85)			(77)				(4,684)	(85)
Space Optimization					(6,200)				(6,200)	
Personnel Savings	(76,322)	(997)	(56,589)	(454)					(132,911)	(1,451)
Subtotal FY 2021 Changes to Base	$27,000	(1,082)	$150,500	(454)	$124,589		$6,201		$308,290	(1,536)
FY 2021 Current Services	$2,562,554	25,678	$5,060,000	34,934	$4,009,589	11,970	$186,201	426	$11,818,344	73,008
Program Increases:										
Integrated Modernization Business Plan							113,799	91	113,799	91
Implementing the Taxpayer First Act			11,260	92	95,100	170			106,360	262
Subtotal FY 2021 Program Increases			$11,260	92	$95,100	170	$113,799	91	$220,159	353
Total FY 2021 Request (Before Cap)	$2,562,554	25,678	$5,071,260	35,026	$4,104,689	12,140	$300,000	517	$12,038,503	73,361
Dollar/FTE Change FY 2021 Request over FY 2020 Enacted	$27,000	(1,082)	$161,760	(362)	$219,689	170	$120,000	91	$528,449	(1,183)
Percent Change FY 2021 Request over FY 2020 Enacted	1.06%	-4.04%	3.29%	-1.02%	5.65%	1.42%	66.67%	21.36%	4.59%	-1.59%
Cap Adjustment Program Increases										
Increase Audit Coverage			123,440	1,325	49,740	8			173,180	1,333
Increase Collection Coverage			119,737	1,334	50,769	8			170,506	1,342
Expand Coverage in the Tax-Exempt Sector			12,102	109	3,664				15,766	109
Expand Cyber and Virtual Currency Compliance Efforts			24,704	101	15,844				40,548	101
Subtotal FY 2021 Cap Adjustment Investments			$279,983	2,869	$120,017	16			$400,000	2,885
Total FY 2021 Request Including Cap Adjustment	$2,562,554	25,678	$5,351,243	37,895	$4,224,706	12,156	$300,000	517	$12,438,503	76,246
Dollar/FTE Change FY 2021 Request Including cap over FY 2020 Enacted	$27,000	(1,082)	$441,743	2,507	$339,706	186	$120,000	91	$928,449	1,702
Percent Change FY 2021 Request Including cap over FY 2020 Enacted	1.06%	-4.04%	9.00%	7.08%	8.74%	1.55%	66.67%	21.36%	8.07%	2.28%

Budget Adjustments

Base Adjustment……………………………………………………………….+$0 / +370 FTE

The FY 2020 enacted level of $11.510 billion assumes a $100.5 million interappropriation transfer from Enforcement to Taxpayer Services ($24.0 million) and Operations Support ($76.5 million) that will be included in the IRS FY 2020 Operating Plan. A total of 370 FTE will be added to Taxpayer Services to support delivery of a 60 percent LOS and an estimated 65 percent LOS for the filing season (January through April) on the Accounts Management phone lines in FY 2020.

Maintaining Current Levels (MCLs)…………………………….… +$452,085,000 / +0 FTE

<u>Pay Annualization (3.1%) +$67,757,000 / +0 FTE</u>

Funds are requested for annualization of the January 2020 3.1% average pay raise.

<u>Pay Raise (1.0%) +$66,080,000 / +0 FTE</u>

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$100,000,000 / +0 FTE
Funds are requested for the 1.3 percent increase to the Federal Employee Retirement System (FERS) contribution rates effective FY 2021, for a total employer contribution of 17.3 percent of base salaries. This amount is in addition to the 2.4 percent increase absorbed in FY 2020.

Non-Pay +$55,344,000 / +0 FTE
Funds are requested for inflationary increases in non-labor expenses such as travel, contracts, rent, supplies, and equipment. This amount is based on an Office of Management and Budget (OMB) Circular A-11 inflation factor of 2 percent.

Additional Required Labor Costs +$162,904,000 / +0 FTE
Funds are requested to pay for increases in labor resulting from employees moving through career ladders, above journey level promotions, manager payband increases, and within-grade increases ($117.9 million). These funds will also pay for an increase in employee performance awards spending per OMB Circular A-11.

Efficiencies/Savings…………………………..…….………. -$143,795,000 / -1,536 FTE
Increase e-File Savings -$4,684,000 / -85 FTE
The IRS projects a total of 1,300,100 fewer returns filed on paper (623,000 individual and 676,500 business returns). As a result, the IRS will need 85 fewer FTE in submission processing, generating a savings of $4.7 million.

Space Optimization -$6,200,000 / -0 FTE
The IRS will reduce expenditures on rent and improve usage of office space across the country. Since 2013, the IRS released 3.7 million square feet, closing 115 buildings and reducing total rent costs by about 11 percent. For FY 2020, the IRS anticipates the release of 500,000 square feet with an estimated $10 million in annualized rent savings. The IRS will continue to consolidate space in FY 2021, projecting a release of 243,000 square feet for an estimated $6.2 million in annualized rent savings.

Personnel Savings -$132,911,000 / -1,451 FTE
Although the budget request increases staffing resources to support strategic priorities, the IRS must manage its personnel costs through limited attrition replacement and seasonal workforce adjustments across many operational areas. These adjustments are necessary to fund the $452 million in inflationary and labor cost increases for existing personnel, including annualization of the 2020 pay raise, the proposed 2021 pay raise, employee promotions, and employee retirement contributions. To achieve these savings, the IRS plans to:

- Fill critical vacancies only;
- Streamline the workforce by reducing administrative, analyst, and other support positions; and
- Realign mission critical occupations by hiring employees who have the background and skills to support the IRS in meeting its strategic goals, objectives, and priorities.

Program Increases………………………….…….……………... +$220,159,000 / +353 FTE
IRS Integrated Modernization Business Plan +$113,799,000 / +91 FTE
Modernization is an IRS priority and a key driver of the President's Management Agenda. The plan will enable the IRS to provide consistently superior service to taxpayers and deliver long-term budget efficiencies as the IRS modernizes capabilities currently provided via legacy applications. Highlights of the investment include:

- $25 million for web applications to provide taxpayers and tax professionals a digital service channel to establish and manage taxpayer/tax professional authority relationships;
- $10 million for digital notices available through a secure online account for taxpayers who prefer that channel over mailed correspondence;
- $15 million for the live assistance program to expand customer callback capabilities on IRS phone lines;
- $100 million for the Customer Account Data Engine 2 project to continue replacing legacy code established almost 60 years ago;
- $64 million for Enterprise Case Management to establish a common cloud infrastructure, automate business functions, and enable seamless case transfers; and
- $46 million to modernize IRS cybersecurity defenses.

Implementing the Taxpayer First Act +$106,360,000 / +262 FTE
The Taxpayer First Act will usher in dramatic changes in how the IRS engages with taxpayers. The Taxpayer First Act's provisions will improve the experience of taxpayers as they interact with the IRS and increase the IRS's ability to secure taxpayer information, protect taxpayer identities, develop additional online capabilities for taxpayers, and develop comprehensive training for IRS employees. The IRS needs additional resources to implement the Taxpayer First Act's provisions. Highlights of the investment include:

- $30 million to create a new website that allows taxpayers to prepare, file, and distribute Form 1099 information returns;
- $14 million to facilitate electronic filing of statements and returns in the Form 990 series or Form 8872 (Political Organization Report of Contributions and Expenditures); and
- $9 million to provide increased staffing for the office of appeals to share case files with taxpayers prior to conference and for the IRS whistleblower office to provide periodic updates on referral status.

Legislative Proposals

The FY 2021 budget request includes tax administration legislative proposals.

Provide the IRS with greater flexibility to address correctable errors: The budget would expand the IRS authority to correct errors on taxpayer returns. Current statute only allows the IRS to correct errors on returns in certain limited instances, such as basic math errors or the failure to include the appropriate social security number or taxpayer identification number. This proposal would expand the instances in which the IRS could correct a taxpayer's return including cases where: (1) the information provided by the taxpayer does not match the information contained in Government databases or Form W-2, or from other third party databases as the Secretary determines by regulation; (2) the taxpayer exceeded the lifetime limit for claiming a deduction or credit; or (3) the taxpayer failed to include with his or her return certain documentation that is required to be included on or attached to the return. This proposal would make it easier for IRS to correct clear taxpayer errors, directly improving tax compliance, reducing EITC and other improper payments, and freeing IRS resources for other enforcement activities.

Increase Oversight of Paid Tax Return Preparers: Paid tax return preparers have an important role in tax administration because they assist taxpayers in complying with their obligations under the tax laws. Incompetent and dishonest tax return preparers increase collection costs, reduce revenues, disadvantage taxpayers by potentially subjecting them to penalties and interest because of incorrect returns, and undermine confidence in the tax system. To promote high quality services from paid tax return preparers, the proposal would explicitly provide that the Secretary of the Treasury has the authority to regulate all paid tax return preparers.

Improve clarity in worker classification and information reporting requirements: The budget proposes to: (1) establish a new safe harbor that allows a service recipient to classify a service provider as an independent contractor and requires withholding of individual income taxes to this independent contractor at a rate of five percent on the first $20,000 of payments; and (2) raises the reporting threshold for payments to all independent contractors from $600 to $1,000 and reduces the reporting threshold for third-party settlement organizations from $20,000 and 200 transactions per payee to $1,000 without regard to the number of transactions. In addition, Form 1099-K would be required to be filed with the IRS by January 31 of the year following the year for which the information is being reported. The proposal increases clarity in the tax code, reduces costly litigation, and improves tax compliance.

Fund the Federal Payment Levy Program via Collections: This proposal would allow the Fiscal Service to retain a portion of the funds collected under the Bureau's Federal Payment Levy Program (FPLP) which processes and collects delinquent tax debts through the Treasury Offset Program (TOP). TOP currently recoups its costs from retained amounts from collected amounts for all its programs except for the FPLP, but under current law, the IRS must pay these costs through annual reimbursement agreements under the Economy Act. This proposal would make the FPLP consistent with other TOP programs. Delinquent taxpayers will not be impacted by the proposal because they will receive credit for the full amount collected. This proposal creates efficiencies because it allows the Fiscal Service to recover its FPLP costs from the IRS in the same manner as other TOP programs.

Require a social security number (SSN) that is valid for work to claim child tax credit (CTC), earned income tax credit (EITC), and credit for other dependents (ODTC): The Administration proposes requiring an SSN that is valid for work to claim the EITC, CTC (both the refundable and non-refundable portion), and/or the ODTC for the taxable year. For all credits, this requirement would apply to taxpayers (including both the primary and secondary filer on a joint return) and all qualifying children or dependents. Under current law, taxpayers who do not have an SSN that is valid for work may claim the CTC if the qualifying child for whom the credit is claimed has a valid SSN. Furthermore, the ODTC, created by the Tax Cuts and Jobs Act, allows taxpayers whose dependents do not meet the requirements of the CTC, including the SSN requirement, to claim this non-refundable credit. This proposal would ensure that only individuals who are authorized to work in the United States could claim these credits by extending the SSN requirement for qualifying children to parents on the tax form for the CTC and instituting an SSN requirement for the ODTC. While this SSN requirement is already current law for the EITC, this proposal also would close an administrative gap to strengthen enforcement of the provision.

Program Integrity Cap Adjustment: In addition to the base appropriations request of $12 billion request, the budget proposes a $400 million discretionary program integrity cap adjustment in FY 2021 to fund new and continuing investments in expanding and improving the effectiveness and efficiency of the IRS's overall tax enforcement program. The Budget proposes $280 million for the Enforcement account and $120 million for the Operations Support account. Additional adjustments are provided in future years to fund new initiatives and inflation. These investments will generate $79 billion in new revenue over 10 years and will cost $15 billion, for net revenue of $64 billion over 10 years. This return on investment (ROI) is likely understated because it does not reflect the effect that enhanced enforcement has on deterring non-compliance. More information on the cap adjustment is available in Section 4.1 of the Appendix and in the Budget Process Chapter of the Analytical Perspective volume of the FY 2021 President's Budget.

Performance Highlights

Budget Activity	Performance Measures	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Filing and Account Services	Customer Service Representative Level of Service (LOS)	77.1%	75.9%	65.4%	63.0%	60.0%	60.0%
Exam and Collections	Examination Coverage - Individual	0.6%	0.6%	0.45%	0.50%	0.48%	0.55%
Investigations	Criminal Investigations Completed	3,089	3,051	2,797	2,800	2,700	2,700
Investigations	Conviction Rate	91.5%	91.7%	91.2%	92.0%	92.0%	92.0%
Information Services	Percentage of Aged Hardware[1]	52.3%	45.5%	31.0%	43.8%	30.0%	30.0%

[1]This is a new budget level metric; the measure definition changed in FY 2018; and, prior-year numbers are reported consistent with the new definition.

Description of Performance

In FY 2019, the IRS continued to provide quality service to taxpayers and to enforce the laws with integrity and fairness. The IRS continued to deliver improvements in key areas, including international, tax exempt, refund fraud, and identity theft.

Taxpayer Services

The IRS strives to deliver high quality and timely service to taxpayers and stakeholders and help them understand and meet their tax obligations. The IRS:

- Achieved an 88.8 percent individual e-file rate and a 57.8 percent business e-file rate;
- Delivered a fiscal year telephone LOS of 65.4 percent;
- Answered more than 21.5 million calls; and
- Answered 94.3 percent of account questions over the telephone correctly.

The IRS continues to improve and expand its outreach and educational services through partnerships with state taxing authorities, volunteer groups, and other organizations. Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites provide free tax assistance for the elderly, disabled, and limited English proficient individuals and families.

The Customer Service Representative (CSR) Level of Service (LOS) measures the relative success rate of taxpayers wanting to speak with a CSR on telephone lines answered by Accounts Management (78 percent of all telephone traffic). In FY 2019, the CSR LOS exceeded the target of 63 percent, reaching 65.4 percent. While the target was met, the LOS dropped 10.5 percentage points from FY 2018 due, in part, to the lapse in appropriations. The LOS target is set at 60 percent for FY 2020 with filing season LOS projected to reach 65 percent. The FY 2021 target is 60 percent with filing season projected to be 65 percent.

Enforcement
In FY 2019, the IRS collected $57.5 billion through enforcement programs, a return on investment (ROI) of about $5 to $1. This number is likely understated, since the ROI estimate does not include the revenue effect of the indirect deterrence value of IRS enforcement programs.

The IRS Criminal Investigation (CI) organization program investigates potential criminal violations of the Internal Revenue Code and related financial crimes, such as money laundering, currency violations, tax-related identity theft fraud, and terrorist financing that adversely affect tax administration. In FY 2019, CI completed 2,797 criminal investigations, achieved 1,735 convictions with a rate of 91.2 percent, and achieved a Department of Justice case acceptance rate of 93.0 percent and a U.S. Attorney case acceptance rate of 88.5 percent, which compares favorably with other federal law enforcement agencies.

The Examination program provides taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness. In FY 2019, Individual Exam Coverage was 0.45 percent, below the target of 0.50 percent. This measure tracks the number of individual audits closed in a given fiscal year but does not reflect in real time ongoing open audit activities or exam effectiveness. There were about 212,000 fewer individual audits completed in FY 2019, a 24 percent decrease compared to FY 2018. In FY 2019, Business Examination Coverage was 1.6 percent, below the target of 2.2 percent. Results for these measures were influenced by attrition, the lapse in appropriations, and training requirements for new employees.

Operations Support
The Percentage of Aged Hardware measure shows the quantity of IT hardware in operation past its useful life as a percentage of total hardware in use. The IRS made considerable progress reducing the percentage of aged hardware from 45.5 percent at the end of FY 2018 to 31 percent at the end of FY 2019. For FY 2020 and FY 2021, the IRS will set the target of 30 percent.

Business Systems Modernization

IRS modernization efforts continued in FY 2019. Some key accomplishments were:

- WebApps - ID Verify Tool: This tool provides an online option for taxpayers whose return has been selected as a potential identity theft return by the IRS's Taxpayer Protection Program. With the ID Verify Tool, taxpayers can provide additional identity verification information online rather than on the phone or in person. From February through August 29, 2019, over 131,000 taxpayers successfully logged in and more than 111,000 (85 percent) of unique users were able to resolve their account online.
- Live Assistance – Callback - External Application - Balance Due: This feature gives taxpayers on the IRS Toll-Free Balance Due line a callback option when calling to discuss or pay a balance due rather than having to wait on the phone for an IRS CSR. When offered, approximately 77 percent of taxpayers chose to receive a call back and over 90 percent of callbacks successfully reconnected the taxpayer with an IRS CSR.
- Live Assistance - Callback - Internal Application - IRS IT Help Desk: This new feature saves staff time by providing a callback option for IRS employees calling the internal help desk for IT assistance with their workplace technology.

Office of Financial Stability

Program Summary

Dollars in Billions

	Cumulative Obligated (as of 11/30/2019)	Cumulative Disbursed (as of 11/30/2019)	Cumulative Outstanding (as of 11/30/2019)	Total Cumulative Income (as of 11/30/2019)	Total Cash Back (as of 11/30/2019)	Total Estimated Life Costs (as of 11/30/2019)
Bank Support Programs	250.5	245.1	0.0	35.7	275.6	(24.3)
Credit Market Programs	19.1	19.1	0.0	4.5	23.6	(3.3)
AIG Investment Program (AIG)	67.8	67.8	0.0	1.0	55.3	* 15.2
Automotive Industry Financing Program	79.7	79.7	0.0	7.4	70.6	12.1
Treasury Housing Programs	33.1	30.3			0.0	32.2
Total	**450.2**	**442.0**	**0.1**	**48.6**	**425.1**	**31.9**
Additional AIG Common Shares Held by Treasury	0.0	0.0	0.0	17.6	17.6	* (17.6)
Total for Programs and Shares	**450.2**	**442.0**	**0.1**	**66.2**	**442.7**	**14.3**

*If all Treasury AIG Investments are combined, Treasury currently estimates a net gain of nearly $2.4 billion on those shares.

Administrative Account Summary

Dollars in thousands

	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated	FY 2020 to FY 2021 Change	FY 2020 to FY 2021 % Change
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Obligations					
Tarp Administrative Account	57,743	47,240	42,154	(5,086)	-10.77%
Total Obligations	**$57,743**	**$47,240**	**$42,154**	**($5,086)**	**-10.77%**
FTE	22	16	14	-2	-12.50%

Summary and Explanation of Programs

A central part of the response to the 2008 financial crisis was the implementation of the Troubled Asset Relief Program (TARP), which was established in the fall of 2008 under the Emergency Economic Stabilization Act of 2008 (EESA) (P.L. 110-343) within the Office of Domestic Finance at the U.S. Department of the Treasury (Treasury). TARP was created to restore the liquidity and stability of the financial system, and it is administered by the Office of Financial Stability (OFS). Since late 2010, OFS has made significant progress in winding down TARP investment programs and in recovering OFS's outstanding investments. OFS's continued wind-down efforts align with Treasury's Strategic Goal to transform government-wide financial stewardship.

OFS continues to operate a housing program to help homeowners prevent avoidable foreclosures. However, in 2016, OFS began the wind-down of the largest TARP housing program, the Marking Home Affordable Program, pursuant to the Consolidated Appropriations Act, 2016. As of November 30, 2019, OFS has recovered more than 96 percent of the $442.0 billion in total program funds disbursed under TARP, as well as an additional $17.6 billion from Treasury's equity in AIG. When all of Treasury's AIG investments are included, the amount recovered is greater than the funds disbursed by nearly $0.7 billion.

In FY 2021, OFS plans to obligate just over $42 million and use no more than 14 Full-Time Equivalent (FTE) employees, a reduction of over 10 percent and 12 percent respectively, from the current FY 2020 estimates, to fund the management of the TARP housing programs and the continuing disposition of OFS's remaining investments.

Legislative Proposals

Treasury is seeking certain legislative changes related to OFS and TARP to reduce the frequency and necessity of several statutory reporting requirements that were established when TARP was created. OFS continues to wind-down operations and is focused on reducing costs by eliminating duplicative internal operations and increasing its reliance on shared services provided by Departmental Offices (DO) and Fiscal Services. As OFS continues to wind-down, it will become increasingly more efficient to be audited as part of the Treasury-wide financial statement audit under Treasury's Office of the Inspector General (OIG). OFS, like several other Treasury Offices, is substantially cross-serviced by other organizations within Treasury, including the Bureau of the Fiscal Service, the Departmental Offices (DO) Office of Budget and Travel, and the Office of the Deputy Chief Financial Officer. All of these offices are under the purview of the Treasury–wide financial statement audit. As an example, GAO spends a significant amount of resources and time testing OFS's administrative contracts with DO that are audited by Treasury's OIG. Additionally, GAO spends significant time testing the OFS financial reporting process, which is also under scope of the Treasury-wide financial statement audit. OFS estimates that enacting the following legislative proposals would result in $2-4 million in annual savings in contracting costs and GAO reimbursements, and would reduce OFS's workload by two FTEs. The remaining statutory requirements will continue to provide sufficient transparency during the wind-down of TARP.

Replace OFS's stand-alone financial statements audit performed by GAO: Repeal OFS's stand-alone financial statements and the stand-alone financial statements audit performed by GAO (12 USC 5226(b) and (c) (2). Treasury's OIG will audit the financial operations and internal controls of OFS as part of the Treasury-wide audit. Therefore, OFS would be subject to the same audit rigor as DO. This update would be a more efficient use of taxpayer funds and more accurately reflect current materiality and activity of OFS. Additionally, move the following authorities in EESA related to OFS oversight (5226, 5227, and 5233) under the purview of Treasury's OIG.

Sunset the Financial Stability Oversight Board (FinSOB): This interagency group meets monthly and reports quarterly. The group reviews OFS's program formulation and monitors program performance. The need for the board's oversight and reporting has diminished as no new OFS programs are being implemented, all major investments have been disposed, and the housing programs are in wind-down.

Change frequency of the Section 105(a) report ("Congressional Monthly"): This performance report remains generally static from month to month. With most programs having closed, less frequent (quarterly) reporting is warranted.

Eliminate the Administrative Activity Report ("Obligation Report"): This quarterly report provides data on administrative obligations object type and is required under the annual Treasury appropriations bill. OFS has been prudent in the use of administrative funds and has been reducing obligations by approximately 20 percent per year over the last five years.

Description of Performance

Bank Support Programs

Capital Purchase Program (CPP)

OFS created CPP, its largest program, in October 2008. OFS provided a total of $204.9 billion in capital to 707 institutions in 48 states. During FY 2019, OFS continued to wind down remaining CPP investments. As of November 30, 2019, CPP has generated $226.8 billion in recoveries for taxpayers, with two institutions remaining in the program, for a total of $17 million in investments outstanding.

Community Development Capital Initiative (CDCI)

OFS created CDCI on February 3, 2010, to provide investments of capital to certified Community Development Financial Institutions (CDFI) banks, thrifts, and credit unions. OFS invested $570 million in 84 CDFIs, of which 28 institutions converted $363 million (including warrants) from CPP to CDCI. As of November 30, 2019, CDCI has generated $587 million in recoveries for taxpayers with four institutions remaining in the program, for a total of $22 million in investments outstanding.

Housing Programs

OFS established several TARP housing programs, assisting millions of homeowners and introducing reforms for the mortgage servicing industry to facilitate mortgage modifications.

Making Home Affordable Program (MHA)

In 2009, OFS launched MHA to help homeowners prevent avoidable foreclosures and strengthen the housing market. The cornerstone of MHA is the Home Affordable Modification Program (HAMP), which provides eligible homeowners the opportunity to reduce their monthly mortgage payments. In accordance with provisions of the Act, MHA terminated on December 31, 2016, except with respect to certain applications made before such date. MHA servicers were required to design policies and procedures to reasonably ensure that all MHA transactions were completed by December 1, 2017. As of November 30, 2019, OFS had disbursed $20.8 billion out of a possible $23.5 billion under MHA.

Housing Finance Agency (HFA) Hardest Hit (HHF) Fund

Established in 2010 to provide aid to homeowners in states hit hardest by the economic and housing market downturn. The $7.6 billion initiative encompassed 18 states and the District of Columbia (D.C.). In December 2015, the Act granted Treasury authority to make an additional $2.0 billion in commitments through the HHF. As of November 30, 2019, OFS had disbursed $9.4 billion out of a possible $9.6 billion under HHF.

Federal Housing Administration (FHA) - Short Refinance Program

OFS continues to support the FHA Short Refinance Program, which was intended to assist borrowers with negative equity. The program has seen limited participation. As such, OFS has incrementally reduced the LOC Facility supporting this program from an initial $8.0 billion to $27 million in FY 2017, which matches OFS's maximum liability for loans covered by the program as of December 31, 2016, when the program ended for new refinances. As of November 30, 2018, the revised lifetime cost estimate for the program was $14 million for outstanding refinanced loans.

Other Programs

Automotive Industry Financing Program (AIFP)

OFS fully wound down AIFP during FY 2015, selling its remaining stake in Ally Financial. OFS disbursed $79.7 billion in loans and equity investments to the automotive industry through the AIFP. As of November 30, 2019, OFS has collected $70.6 billion through sales, repayments, dividends, interest, recoveries, and other income. Recoveries from the bankruptcy liquidation of Old Chrysler and Old GM remain possible.

All other TARP programs closed prior to FY 2016, including the Targeted Investment Program, Asset Guarantee Program, Public-Private Investment Program, Term Asset-Backed Securities Loan Facility, Small Business Administration 7(a) Securities Purchase Program, and American International Group, Inc. Investment Program.

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 to FY 2021 % Change
Data Center	$5,849	$3,499	$3,575	2.17%
Technology Center	$28,278	$34,450	$35,986	4.46%
Research and Analysis Center	$8,238	$14,111	$14,290	1.27%
Operations and Support Services	$17,496	$23,211	$21,420	-7.72%
Total Cost of Operations	**$59,861**	**$75,271**	**$75,271**	**0.00%**
Full-time Equivalents (FTE)	105	128	145	13.28%

Summary

The OFR was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to assist the Financial Stability Oversight Council (FSOC) and Congress through research, analytic tools, and data-related support on issues related to financial stability. The OFR’s efforts, focused through consultation with the FSOC, the Department of the Treasury, and other important stakeholders, drives towards a vision of a transparent, accountable, and resilient financial system.

The Office of Financial Research (OFR or Office) is estimating a fiscal year (FY) 2021 funding level of $75.271 million, which is flat with its FY 2020 estimated funding level. The request supports OFR priorities without the need for increased funding. The shifts in the FY 2021 Budget from Operations and Support towards Technology Center, Data Center, and Research and Analysis Center (RAC) will allow the OFR to focus on its legislative mandate under the Dodd-Frank Act. The budget reflects an FTE level of 145, which aligns with the workforce plan that formed the basis for OFR’s recent Reduction in Force (RIF) and seeks to ensure appropriate structure for maximum efficiency.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Estimate	**128**	**$75,271**
Changes to Base:		
Program Increases:	17	$2,155
Increased Staffing	17	$2,155
Non-Recurring Costs	0	($2,155)
Subtotal Changes to Base	17	$0
FY 2021 Current Services	**145**	**$75,271**
Program Changes:		
Subtotal Changes to Base	0	$0
FY 2021 Estimate	**145**	**$75,271**

Budget Adjustments

Program Increases ....+$2,155,000 / +17 FTE

Increased Staffing +$2,155,000 / +17 FTE

In the wake of higher than anticipated attrition rates after the RIF conducted in FY 2019, 17 FTEs are returned in the FY 2021 request relative to FY 2020. OFR will continue to fill positions that OFR identified pre-RIF as critical to the OFR's future state and will fill critical vacancies created by attrition.

Non-Recurring Costs ....-$2,155,000 / -0 FTE

Non-Recurring Costs -$2,155,000 / -0 FTE

One-time costs related to post-RIF contractor staffing and space reconfiguration, as well as certain technology support costs, will non-recur.

Legislative Proposals

The Budget proposes to impose appropriate Congressional oversight of OFR functions by subjecting its activities to the annual appropriations process beginning in FY 2022.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Data Center	Number of LEIs Issued Cumulatively in the United States and Internationally	587,941	1,300,832	1,487,695	I	I
Data Center	Number of Times That Financial Data Standards are Incorporated in Rules and Regulations	4	1	1	I	I

Key: I – Indicator

Description of Performance

During FY 2019, the number of Legal Entity Identifiers (LEIs) issued continued its upward trend, increasing by approximately 14 percent from the prior year. The Data Center will continue its strategy of engagement with financial data standards-setting organizations. In addition, for FY 2019, the OFR was directly responsible for incorporating a financial data standard into a rule or regulation: the OFR passed a final rule to collect repurchase agreements (repo) data that includes the reporting of LEIs.

In addition to its LEI work, the OFR is continuing its work on a phased-in collection of data pursuant to a final rule regarding U.S. centrally-cleared repos, which represents the OFR's first daily data collection. The Technology Center will continue to operationalize the daily collection processes, including validation and transformation of the collected data to support business uses. This budget request provides for the needed capacity and capabilities to support this critical daily collection.

The OFR is also focusing on engaging with FSOC and others to drive its research agenda and to help identify the tools needed for risk monitoring. The Research and Analysis Center will also work on enhancing its existing monitoring tools. Throughout FY 2020 and FY 2021, the Research and Analysis Center will continue its direct work for the FSOC Secretariat, providing support for its annual report to Congress in the form of research, analysis, and other resources.

The Center will contribute to the FSOC's transition to an activities-based approach for the non-bank designation process and will continue to respond to specific requests for research and analysis as needed. In 2020, the OFR has introduced two new measures which reflect its focus on meeting the FSOC's research and analysis needs and its priority around risk monitoring tools: 1) the percent of monitors updated or expanded during the reporting period and 2) timeliness of responses to FSOC research and analysis requests.

Financial Stability Oversight Council

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 to FY 2021 % Change
FSOC	$5,246	$6,036	$6,138	1.69%
FDIC	$4,301	$2,993	$4,301	43.70%
Total Cost of Operations	**$9,547**	**$9,029**	**$10,439**	**15.62%**
Full-time Equivalents (FTE)	14	18	18	0.00%

Summary

The Financial Stability Oversight Council (FSOC or Council) is chaired by the Secretary of the Treasury and consists of 10 voting members and five nonvoting members who serve in an advisory capacity. The Council brings together the expertise of the federal financial regulators, an insurance expert appointed by the President, and state regulators. The Council's three statutory purposes are to identify risks to the financial stability of the United States, promote market discipline, and to respond to emerging threats to the stability of the U.S. financial system. The Council has a statutory duty to facilitate information sharing and coordination among the member agencies regarding domestic financial services policy development, rulemaking, examinations, reporting requirements, and enforcement actions.

The FSOC is estimating a fiscal year (FY) 2021 funding level of $10.439 million, which is an increase of $1.410 million from the FY 2020 estimated funding level. This request includes $6.138 million for the FSOC Secretariat and the Office of the Independent Member with Insurance Expertise, and $4.301 million to reimburse the Federal Deposit Insurance Corporation (FDIC) for certain expenses as required by law. This is a projected increase of $1.308 million in FDIC reimbursable activity when compared to FY 2019. On December 4, 2019, the Council approved new interpretive guidance regarding FSOC's nonbank financial company determinations. The guidance implements an activities-based approach for identifying and addressing potential risks to financial stability and enhances the analytical rigor and transparency of the Council's process for designating nonbank financial companies.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Estimate	**18**	**$9,029**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$102
Pay Annualization (2020 3.1% average pay raise)	0	$18
Pay-Raise (1.0% average pay raise)	0	$35
FERS Contribution Increase		$17
Non-Pay	0	$32
Subtotal Changes to Base	0	$102
FY 2021 Current Services	**18**	**$9,131**
Program Changes:		
Program Increases:	0	$1,308
FDIC Cost Adjustment	0	$1,308
Subtotal Changes to Base	0	$1,308
FY 2021 Estimate	**18**	**$10,439**

Budget Adjustments

Maintaining Current Levels (MCLs) ....+$102,000 / +0 FTE

Pay Annualization (3.1%) +$18,000 / +0 FTE

Funds are required for annualization of the 3.1% average pay raise January 2020.

Pay Raise (1.0% in 2021) +$35,000 / +0 FTE

Funds are required for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$17,000 / +0 FTE

Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$32,000 / +0 FTE

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

Program Increases ....+$1,308,000 / +0 FTE

FDIC Cost Adjustment +$1,308,000 / +0 FTE

Cost increase for FDIC reimbursable expenses based on indications from FDIC that reimbursable activities will increase during fiscal year 2020.

Legislative Proposals

The FY 2021 Budget proposes to impose appropriate Congressional oversight of Council functions by subjecting its activities to the annual appropriations process beginning in FY 2022.

Description of Performance

While there are no measures specified for managing Council performance, over the last year, the Council continued to identify and monitor potential risks to U.S. financial stability; fulfilled its statutory requirements, including transmission of its ninth annual report to Congress; and served as a forum for coordination among member agencies. On December 4, 2019, the Council issued final guidance regarding nonbank financial company designations. The guidance implements an activities-based approach for identifying and addressing potential risks to financial stability, and enhances the analytical rigor and transparency of the Council's process for designating nonbank financial companies.

The Council has a statutory duty to facilitate information sharing and coordination among the member agencies regarding domestic financial services policy development, rulemaking, examinations, reporting requirements, and enforcement actions.

Over the next year, the Council will continue to: monitor the financial system for emerging risks; facilitate interagency cooperation to identify and analyze emerging threats; and facilitate information sharing and interagency coordination with respect to various regulatory initiatives.

By law, the Council is required to convene no less than quarterly, but the Council has convened on a more frequent basis to share information on key financial developments, coordinate regulatory implementation, and monitor progress on recommendations from the Council's annual reports. In FY 2019, the Council convened five times. The Council will continue to remain focused on identifying near-term threats and addressing structural vulnerabilities in the financial system. Transparency into Council work has routinely been provided through an annual report to Congress, periodic Congressional testimony on Council activities and emerging threats to financial stability, and regular communications with the public about Council activities and decisions.

Treasury Forfeiture Fund

Program Summary by Budget Activity

Dollars in Thousands

Treasury Forfeiture Fund Budgetary Resources	FY 2019 Actual		FY 2020 Estimate		FY 2021 Estimate		FY 2020 to FY 2021 % Change	
Revenue/Offsetting Collections	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Interest	0	$70,395	0	$50,000	0	$50,000	0.00%	0.00%
Restored Prior Year Sequestration Reduction	0	$84,405	0	$54,340	0	$35,229	0.00%	-35.00%
Restored Prior Year Sequestration of Restored Rescission	0	$65,208	0	$0	0	$0	0.00%	0.00%
Forfeited Revenue	0	$806,049	0	$547,096	0	$547,096	0.00%	0.00%
Recovery from Prior Years Obligation	0	$35,427	0	$15,000	0	$15,000	0.00%	0.00%
Unobligated Balances from Prior Years	0	$825,172	0	$609,632	0	$769,239	0.00%	26.00%
Total Revenue/Offsetting Collections		**$1,886,656**		**$1,276,068**		**$1,416,564**	**0.00%**	**11.00%**
Expenses/Obligations								
Mandatory Obligations [1]	27	$394,628	27	$436,600	27	$445,332	0.00%	2.00%
Secretary's Enforcement	0	$24,614	0	$35,000	0	$35,700	0.00%	2.00%
Strategic Support [2]	0	$603,442	0	TBD	0	TBD	0.00%	0.00%
Total Expenses/Obligations	**27**	**$1,022,684**	**27**	**$471,600**	**27**	**$481,032**	0.00%	2.00%
Rescissions/Cancellations								
Sequestration Reduction [3]		($54,340)		($35,229)		TBD	0.00%	0.00%
Permanent Cancellation		($200,000)		$0		$0	0.00%	0.00%
Total Rescission/Cancellations		**($254,340)**		**($35,229)**		**$0**	**0.00%**	**-100%**
Net Results		**$609,632**		**$769,239**		**$935,532**	**0.00%**	**22.00%**
Contingent Liabilities		**$473,316**		**$385,000**		**$385,000**	NA	0.00%

1/ The Treasury Forfeiture Fund is staffed by Departmental Offices employees and positions are funded via reimbursable agreement. The FTE are shown here for clarity, but are also reflected in the Departmental Offices chapter in the reimbursable FTE total.
2/ For FY 2020 and FY 2021, Treasury will revise Strategic Support based on enacted appropriations and may submit a plan to Congress if funding is available, once more is known about collections and expenses.
3/ Treasury will compute the FY 2021 sequestration reduction once the OMB Report to Congress on the Joint Committee Sequestration for Fiscal Year 2021 is released.

Summary

The Treasury Executive Office for Asset Forfeiture (TEOAF) administers the Treasury Forfeiture Fund (the Fund), which is the receipt account for deposit of non-tax forfeitures made pursuant to laws enforced or administered by participating Treasury and Department of Homeland Security agencies. The Fund was established in 1992 as the successor to what was then the Customs Forfeiture Fund. The enabling legislation for the Fund (Title 31 U.S.C. 9705) defines the purposes for which Treasury forfeiture revenue may be used.

Explanation of TEOAF Spending Categories

Mandatory Obligations ($445,332,000 from revenue/offsetting collections)

Mandatory Obligations are incurred to meet the operating costs of the Fund, including expenses of storing and maintaining seized and forfeited assets, valid liens and mortgages, investigative expenses incurred in pursuing a seizure, information and inventory systems, remissions, victim restoration, and certain costs of local police agencies incurred in joint law enforcement operations. Following seizure, equitable shares may be paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.

Secretary's Enforcement Fund ($35,700,000 from revenue/offsetting collections)
Secretary's Enforcement Fund (SEF) represents revenue from equitable shares received from Department of Justice (DOJ) or U.S. Postal Service (USPS) forfeitures. These shares are proportional to Treasury's participation in the overall investigative effort that led to a DOJ or USPS forfeiture. SEF revenue is available for federal law enforcement related purposes of any law enforcement organization participating in the Fund.

Strategic Support (TBD from revenue/offsetting collections)
Strategic Support authority, established by Congress in 31 U.S.C. 9705(g)(4)(B), allows TEOAF to fund priority federal law enforcement initiatives with remaining unobligated balances at the close of the fiscal year, after an amount is reserved for the next fiscal year's operations.

Contingent Liabilities ($385,000,000 revenue/offsetting collections)
Contingent liabilities represent the known future equitable sharing, remission, refund, and mitigation payments. TEOAF tracks future remission payments to third parties as contingent liabilities. However, these amounts are not recorded as obligations from the Fund until the Department of Justice grants the petition for remission. The third parties are predominantly victims of crimes that triggered the forfeiture (e.g., Ponzi scheme or kleptocracy victims). Amounts recorded are significant because remission payments from multiple years are recorded and carried forward. The amounts change constantly as payments are made and amounts for new remission cases are added. TEOAF considers the amounts recorded as contingent liabilities as unavailable and believes that consideration of contingent liabilities provides a more accurate representation of the financial position of the Fund.

Legislative Proposals

TEOAF has no legislative proposal.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Asset Forfeiture Fund	Percent of Forfeited Cash Proceeds Resulting from High-Impact Cases	80	94.19	90.8	80	80

Description of Performance

The TEOAF continues to measure the performance of the participating law enforcement bureaus through the percent of forfeited cash proceeds resulting from high impact cases, which are cases resulting in a cash forfeiture deposit equal to or greater than $100,000.

The high-impact cases are the ones that pursue major criminal targets and their financial networks, and therefore are central to the mission of disrupting and dismantling criminal enterprises. At the same time, these cases are heavily dependent on TEOAF's funding due to their high operational costs and reliance on sophisticated technologies and analytical tools that are not adequately covered by the funds appropriated for operations. The dominant share of high-impact forfeitures reflects TEOAF's effectiveness in supporting such major investigations.

While the specific numbers shown in the chart fluctuate due to the unusually big forfeitures, the consistently dominant (80 percent or more) share of major forfeiture year after year demonstrates TEOAF's consistent commitment to supporting high-impact cases. Member law enforcement bureaus participating in the Fund have met or exceeded the performance target since FY 2014.

For FY 2020 and FY 2021, the target will remain at 80 percent. The Fund maintains a target of 80 percent as an appropriate measure of the effectiveness of the Fund support of the participating law enforcement agencies efforts to meet TEOAF's mission to disrupt and dismantle criminal enterprises.

Bureau of Engraving and Printing

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 to FY 2021 % Change
Manufacturing	$955,212	$819,701	$887,400	8.26%
Total Cost of Operations	**$955,212**	**$819,701**	**$887,400**	**8.26%**
FTE	**1,727**	**1,804**	**1,863**	**3.27%**

Summary

The mission of the Bureau of Engraving and Printing (BEP) is to develop and produce United States currency notes trusted worldwide. BEP supports Treasury's Strategic Goal 1 (Boost U.S. Economic Growth) and Strategic Goal 5 (Achieve Operational Excellence).

BEP's FY 2021 budget funds the following projects:

Replacement Production Facility: In FY 2019, BEP received legislative authority to acquire land and fund construction of a more efficient production facility to replace BEP's current aging Washington, D.C. facility. In addition, a provision of the 2019 Farm Bill authorizes the transfer of a US Department of Agriculture (USDA) land parcel in Beltsville, Maryland to the Department of the Treasury to be the site for BEP's replacement production facility. BEP has been conducting suitability assessment of the site with the support from the U.S. Army Corps of Engineers. The formal transfer from USDA to Treasury is anticipated in early 2020. A replacement facility will save an estimated $579 million over 10 years, as compared to the cost of the renovation of the existing facility. In addition, BEP will be able to reduce its annual operating costs by at least $38 million. In FY 2020, the budget includes about $5 million for remaining site evaluation tasks and relocation of several onsite USDA facilities that must be removed prior to the initiation of onsite BEP construction activities. Also anticipated in FY 2021 is the initiation of early site development construction activities estimated at $30 million to include site grading, roadway improvements and utility system relocation to support the BEP development.

Western Currency Facility Expansion: Producing the next family of updated notes requires that BEP purchase and install new production equipment to support the new designs. The expansion will provide the space and infrastructure necessary to successfully meet the production requirements of the next family of U.S. currency banknotes that focus on the integration of strong, new security features. Unforeseen weather-related delays caused the project to fall 4 to 6 months behind schedule. The expansion work is expected to be completed in FY 2021 with contract close out occurring in FY 2022. The FY 2021 projected cost for the WCF is $5 million.

Banknote Design and Development: In FY 2021, BEP will continue working with the Federal Government's Advanced Counterfeit Deterrent (ACD) Steering Committee to research and develop improved security features for the next family of updated notes. The ACD Committee is an inter-agency group established to monitor and explore existing and emerging technologies to deter the counterfeiting of U.S. currency. It includes representatives from BEP, the Department of the Treasury, the U.S. Secret Service, and the Federal Reserve Board (FRB). The updated notes will focus on innovative banknote security and anti-counterfeit technology that will enhance and ensure the security and integrity of U.S. currency. While many factors are taken into consideration when updating currency, the primary purpose for updating notes is to improve the security of U.S. banknotes and ensure they maintain their position as being trusted worldwide.

Retooling: BEP is conducting a multi-year effort to retool its manufacturing processes with state-of-the-art intaglio printing presses, electronic inspection systems, and finishing equipment. To ensure that BEP will meet the annual currency order, the FRB and BEP developed and established short, medium, and long-term strategic equipment replacement plans for the U.S. Currency Program. Successful implementation of advanced technology improves productivity, reduces environmental impact, and enhances counterfeit deterrence of U.S. currency notes.

Human Capital/Talent Management: BEP will continue its designated talent management initiatives, while filling personnel gaps in needed STEM and cybersecurity skill sets. Throughout FY 2021, BEP will continue to develop, execute, and communicate the results of Employee Engagement Plans and the annual Federal Employee Viewpoint Survey (FEVS) results.

Budget Highlights

Dollars in Thousands

	FTE	Materials	Operating & Capital	Total
FY 2020 Original Estimate	**1,863**	**$244,051**	**$642,836**	**$886,887**
Program Changes				
Program Decreases:	(59)	($50,000)	($53,236)	($103,236)
Currency Program decrease (7.0B to 5.2B)	0	($50,000)	$0	($50,000)
Washington D.C. Replacement Facility	0	$0	($44,950)	($44,950)
Hiring Lag	(59)	$0	($8,286)	($8,286)
Program Increases:	0	0	$36,050	$36,050
R&D (New Note Features)	0	$0	$19,000	$19,000
Support Services Contract	0	$0	$3,500	$3,500
Pay Raise (3.1% average pay raise)	0	$0	$7,700	$7,700
WCF Expansion	0	$0	$5,850	$5,850
Subtotal Program Changes	(59)	(50,000)	($17,186)	($67,186)
FY 2020 Revised Estimate	**1,804**	**$194,051**	**$625,650**	**$819,701**
Changes to Base				
Maintaining Current Levels (MCLs)	0	$0	$14,686	$14,686
Pay Annualization (2020 3.1% average pay raise)	0	$0	$1,998	$1,998
Pay Raise (1.0% average pay raise)	0	$0	$1,948	$1,948
FERS Contribution Increase	0	$0	$3,383	$3,383
Non-Pay	0	$0	$7,357	$7,357
Efficiency Savings	0	$0	($5,000)	($5,000)
Overtime Reduction	0	$0	($5,000)	($5,000)
Subtotal Changes to Base	0	$0	$9,686	$9,686
FY 2021 Current Services	**1,804**	**$194,051**	**$635,336**	**$829,387**
Program Changes				
Program Decreases:	0	$0	($51,400)	($51,400)
Retooling	0	$0	($33,000)	($33,000)
New Equipment Initiatives	0	$0	($15,000)	($15,000)
WCF Expansion	0	$0	($3,400)	($3,400)
Program Increases:	59	$53,237	$56,176	$109,413
Washington D.C. Replacement Facility	0	$0	$24,890	$24,890
Hot Foil Equipment (WCF)	0	$0	$24,000	$24,000
Estimated Currency Program increase (6.8B)	0	$53,237	$0	$53,237
Complete Hiring Plan	59	$0	$7,286	$7,286
Subtotal Program Changes	59	$53,237	$4,776	$58,013
FY 2021 Estimate	**1,863**	**$247,288**	**$640,112**	**$887,400**

Budget Adjustments

Adjustments to Estimates

Program Decreases………………………………………………...... -$103,236,000 / -59 FTE

Currency Note Program -$50,000,000 / -0 FTE

This decrease reflects the FY 2020 order of notes from the FRB. The order decreased from 7.0 billion notes in FY 2019 to 5.2 billion notes in FY 2020.

Washington D.C. Replacement Facility -$44,950,000 /-0 FTE

In FY 2019, BEP received legislative authority to acquire land and build a more efficient facility in the Washington, D.C. area. As a result of the new authority, BEP will not undertake the previously planned renovation to the existing facility in D.C.

Hiring Lag -$8,286,000/ -59 FTE

This adjustment is to reflect the impact of the hiring lag.

Program Increases…………………………………………………… +$36,050,000 / +0 FTE

Research and Development +$19,000,000/ +0 FTE

To continue the research and development of the new security features for the new family of notes.

Support Service Contracts +$3,500,000/ +0 FTE

To mitigate the risks associated with the growing hiring backlog, the funding would be used to acquire support services to provide business continuity.

Pay Raise (3.1% in 2020) +$7,700,000/ +0 FTE

Funds are required for the 3.1% average pay raise in January 2020.

WCF Expansion +$5,850,000/ +0 FTE

The funding would be used for unforeseen construction issues.

FY 2021 Maintaining Current Levels (MCLs)………………………. +$14,686,000 / +0 FTE

Pay Annualization (3.1%) +$1,998,000 / +0 FTE:

Funds are required for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$1,948,000 / +0 FTE:

Funds are required for the proposed 1.0% average pay raise in January 2021.

FERS Contribution Increase +$3,383,000 / +0 FTE:

Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$7,357,000 / +0 FTE

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

FY 2021 Efficiency Savings…………………………………………...… -$5,000,000 / -0 FTE
Overtime Reduction -$5,000,000 / -0 FTE
The new production technologies would yield more efficiencies resulting in less overtime.

Program Decreases…………………………………………………… -$51,400,000 / -0 FTE
Retooling -$33,000,000 / -0 FTE
The FY 2020 estimate is $33 million higher than the FY 2021 anticipated requirements.

New Equipment Initiatives -$15,000,000 / -0 FTE
Requested funding supports the acquisition of new technology/equipment to be used in the testing of new design features.

WCF Expansion -$3,400,000/ -0 FTE
The FY 2020 estimate is $3.4 million higher than the FY 2021 anticipated requirements.

Program Increases………………………………………………… +$109,413,000 / +59 FTE
Washington D.C. Replacement Facility +$24,890,000 / +0 FTE
Funds are requested to reflect the increase from FY 2020 to FY 2021 to support the pre-construction activities.

New Security Feature Equipment (WCF) +$24,000,000 / +0 FTE
Currency Redesign efforts require investment in new application equipment which is to be installed in WCF in FY2021 and subsequently installed at the replacement DC Facility.

Currency Note Program +$53,237,000 / +0 FTE
Early indications suggest that the yearly currency order placed by the Federal Reserve Board will return to average order levels in FY 2021.

Complete Hiring Plan +$7,286,000 / +59 FTE
BEP has been experiencing a hiring lag the last several years. BEP anticipates reducing the backlog of hiring actions in FY 2021 and plans are to execute and complete proposed hiring actions and on board FTEs.

Legislative Proposals

As proposed previously, BEP requests the authority to print security documents such as birth, marriage, and death certificates for state governments. Many states are unable to find an American printing firm to produce the documents. These states are turning to foreign companies or lowering their security standards.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Manufacturing	Currency Notes Delivered Returned Due to Defects (Parts per Million)	N/A	0.0031ppm	0.09ppm	<1ppm	<1ppm
Manufacturing	Improved FEVS Satisfaction	68%	70%	68%	65%	65%
Manufacturing	Lost Time Accident Rate per 100 Employees	1.6	0.9	1.05	1.8	1.8
Manufacturing	Manufacturing Costs For Currency (Dollar Costs Per Thousand Notes Produced)	$43.58	$47.41	$51.01	$56.00	$56.00
Manufacturing	Yearly Currency Order (percent of order completed versus planned)	N/A	N/A	100%	100%	100%

Description of Performance

($887,400,000 from reimbursable sources)
The BEP has one budget activity: Manufacturing. This budget activity supports all of BEP's strategic goals as well as supporting Treasury's Strategic Goals Boosting U.S. Economic Growth and Achieving Operational Excellence.

Description of Performance:
Currency Notes Returned Due to Defects (parts per million (ppm)) is an indicator of BEP's ability to provide a quality product. The target for this performance metric is <1 ppm. BEP was able to exceed the established target in FY 2019 due to improved quality assurance processes with an actual result of 0.09 ppm notes returned due to a defect. BEP's target for this performance metric will be held constant at <1 ppm for FY 2020 and FY 2021.

The Federal Employees Viewpoint Survey (FEVS) allows employees to share their opinion on what matters most to them. Based on the results of the survey, BEP can target areas for improvement or additional employee engagement. The measure uses the Department's standard FEVS Employee Engagement Index with a target of 65 percent. In FY 2020 and 2021, BEP will continue to strive for improvements in overall employee satisfaction.

The Lost Time Accident Rate per 100 employees measures the BEP's ability to reduce injuries and illnesses in the workplace. BEP's FY 2019 Lost Time Accident rate was at 1.05 cases per 100 employees, 42 percent lower than the target of 1.80 cases per 100 employees. This performance resulted from increased focus on following safe work practices, avoiding hazards, and being a Director's priority. For FY 2021, BEP remains committed to maintaining and improving the safety of its employees. BEP will continue to perform analysis to determine the root causes of any injury and to identify best practices in safety. BEP's target will be held at 1.80 cases per 100 employees for FY 2020 and FY 2021.

Manufacturing Costs for Currency (dollar cost per 1,000 notes produced) is an indicator of manufacturing efficiency and effectiveness of program management. The measure is based on contracted price factors, productivity improvements, and the mix of denominations ordered. Actual performance against standard costs depends on BEP's ability to meet spoilage, efficiency, and capacity utilization goals. In FY 2019, the cost of manufacturing was lower than anticipated due to operational efficiencies. The FY 2019 cost was $51.01 per 1,000 notes produced, compared to a target of $51.66. BEP's target for this performance metric in FY 2020 and FY

2021 is set at $56.00 per 1,000 notes produced. Per unit cost for currency is projected to increase because of significant reduction to the currency order for 2020 and higher labor rates and material price increases.

The Yearly Currency Order measures BEP's success in delivering the total number of currency notes ordered by the Federal Reserve Board annually. In FY 2019, BEP met its target of delivering 100 percent of the currency notes ordered. In FY 2020 and FY 2021, BEP will continue to target delivering 100 percent of the FRB's currency order.

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 to FY 2021 % Change
Manufacturing	$1,555,462	$2,537,795	$2,547,197	0.37%
Total Cost of Operations	**$1,555,462**	**$2,537,795**	**$2,547,197**	**0.37%**
Full-time Equivalents (FTE)	1,536	1,671	1,705	2.03%

Summary

In Fiscal Year (FY) 2021, the Mint's total estimated budgetary requirements for operations, metal, and capital investments are $2.55 billion. This budget will support the production of 14 billion circulating coins, as well as the production of bullion and other numismatic products sufficient to meet customer demand. The Mint has one budget activity: manufacturing, which encompasses the bureau's two major programs, circulating coinage and numismatic products (including bullion coins, collector coins, and national medals).

To maintain its reputation as one of the finest mints in the world, the Mint is committed to operating according to the core values of service, quality, and integrity. The Mint has three strategic goals to help fulfill its mission and values: 1) Advancing our circulating mission through innovation and technology; 2) Fostering a safe, flexible, diverse and engaged workforce; 3) Introducing diverse products to new customers and revitalizing the Mint customer base through the use of industry-proven marketing approaches. The Mint is currently updating their goals and expects to release a new plan in FY 2020. The goals in the plan align with Treasury Strategic Goal 1: Boost U.S. Economic Growth and Goal 5: Achieve Operational Excellence.

Mint operations are funded through the Mint Public Enterprise Fund (PEF), 31 U.S.C. § 5136. The Mint generates revenue through the sale of circulating coins to the Federal Reserve Banks (FRB), numismatic products to the public, and bullion coins to authorized purchasers. All circulating and numismatic operating expenses, along with capital investments incurred for the Mint's operations and programs, are paid out of the PEF. By law, all funds in the PEF are available without fiscal year limitation. Revenues determined to be in excess of the amount required by the PEF are transferred to the United States Treasury General Fund. The Mint's key priorities for FY 2021 include:

- Circulating - Efficiently and effectively mint and issue approximately 14.0 billion circulating coins in FY 2021 to meet the needs of commerce.
- Numismatic Program Bullion Products - Mint and issue bullion coins to meet customer demand efficiently and effectively.
- Other Numismatic Products - Produce and distribute numismatic products in sufficient quantities, through appropriate channels, to make them accessible, available, and affordable to people who choose to purchase them. Design, strike, and prepare for presentation Congressional Gold Medals.

Budget Highlights

Dollars in Thousands

	FTE	Materials	Operating & Capital	Total
FY 2020 Original Estimate	**1,705**	**$2,270,000**	**$458,168**	**$2,728,168**
Program Changes				
Program Decreases:	(34)	($190,000)	($7,669)	($197,669)
Metal Due to Forecasted Decrease in Circulating Coin Metal Prices	0	($30,000)	$0	($30,000)
Metal Due to Forecasted Decrease in Bullion Production	0	($160,000)	$0	($160,000)
FTE Reduction	(34)	$0	($4,097)	($4,097)
Operating Efficiencies	0	$0	($3,572)	($3,572)
Program Increases:	0	$0	$7,296	$7,296
FedRAMP Remediation Activities	0	$0	$4,000	$4,000
Pay Raise (3.1% average pay raise)	0	$0	$3,296	$3,296
Subtotal Program Changes	(34)	($190,000)	($373)	($190,373)
FY 2020 Revised Estimate	**1,671**	**$2,080,000**	**$457,795**	**$2,537,795**
Changes to Base				
Maintaining Current Levels (MCLs)	0	$0	$10,856	$10,856
Pay Annualization (2020 3.1% average pay raise)	0	$0	$1,629	$1,629
Pay Raise (1.0% average pay raise)	0	$0	$1,588	$1,588
FERS Contribution Increase	0	$0	$2,686	$2,686
Non-Pay	0	$0	$4,953	$4,953
Workforce and Succession Planning	34	$0	$4,901	$4,901
Efficiency Savings	0	$0	(6,355)	($6,355)
Cyber Security	0	$0	($1,500)	($1,500)
Operating Efficiencies	0	$0	($4,855)	($4,855)
Subtotal Changes to Base	34	$0	$9,402	$9,402
FY 2021 Estimate	**1,705**	**$2,080,000**	**$467,197**	**$2,547,197**

FY 2021 Budget Adjustments

Adjustment to Estimate

Program Decreases……………………………………………………-$197,669,000 / -34 FTE

Metals Due to Forecasted Increase in Circulating Coin Metal Prices -$30,000,000 / -0 FTE

FY 2020 forecasted circulating coin production will remain constant at 14.0 billion coins for the year. However, metal prices are forecasted to decrease. The net result is an overall decrease to circulating coin program costs.

Metals Due to Forecasted Decrease in Bullion/Numismatic Production -$160,000,000 / -0 FTE

FY 2020 forecasted demand for the bullion coin program decreased by 7 percent, causing a decrease of $200M in bullion coin program costs. Conversely, numismatic program sales are forecasted to increase by 6 percent, causing a nominal increase of $40M in metal costs. The net result of the numismatic and bullion program is an overall decrease in program costs.

FTE Reduction -$4,097,000 / -34 FTE

Salary savings will be realized through natural attrition across all directorates.

Operating Efficiencies -$3,572,000 / -0 FTE
The Mint will reduce its operating budget by continuing to monitor costs and implement various savings strategies.

Program Increases………………………………………………………. +$7,296,000 / +0 FTE
FedRAMP Remediation Activities +$4,000,000 / +0 FTE
The Federal Risk Authorization Management Program (FedRAMP) certification is mandatory for cloud providers who wish to provide services to the Federal government. PFS (Priority Fulfillment Services), the service provider for the Mint's OMS II system, has identified system gaps that are non-compliant with FedRAMP requirements. In an effort to address these gaps, funding is needed to provide remediation solutions to bring PFS and the Mint's OMS II system into compliance.

Pay Raise (3.1% in 2020) +$3,296,000 / +0 FTE:
Funds are required for a 3.1% average pay raise in January 2020.

Maintaining Current Levels (MCLs).. +$10,856,000 / +0 FTE
Pay Annualization (3.1%) +$1,629,000 / +0 FTE:
Funds are required for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +$1,588,000 / +0 FTE:
Funds are required for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$2,686,000 / +0 FTE
Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$4,953,000 / +0 FTE
Funds are required for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Workforce and Succession Planning………………………………….. +$4,901,000 / +34 FTE
Workforce and Succession Planning +$4,901,000 / +34 FTE
The Mint has implemented initiatives to increase its FTE level. These initiatives include using intern programs to transfer knowledge and reduce risks from retirement eligible workforce, fill key vacancies more timely, and using flexible hiring authorities to shorten the lengthy hiring process where appropriate.

Efficiency Savings .... -$6,355,000 / -0 FTE
Cyber Security -$1,500,000 / -0 FTE
The cyber security program will reduce contract spending by insourcing some security assessment and authorization (SA&A) and audit management functions. Areas of focus include supporting FedRAMP activities in the OMS II program, and conducting risk assessments for industrial control systems.

Operating Efficiencies -$4,855,000 / -0 FTE
The Mint will continue to fund the operating and capital budgets at levels comparable to prior years, and reduce costs through continuous monitoring and implementing cost savings strategies as appropriate. These strategies include prioritizing Mint activities to ensure that operating costs are maintained.

Legislative Proposals

Capital Legislative Increase
The Mint's investments in capital are a critical part of regular manufacturing operations. To continue effective coin production, equipment replacements and facility maintenance is mandatory. Over time, the legislative limit on the Mint's capital budget has proven insufficient. Rather than upgrading and replacing worn and obsolete equipment as needed, under the current funding limit, capital projects must be prioritized and funded based on budget availability. This process has caused many needed projects to be postponed to out-years. Continuing to defer replacement of equipment presses, for example, creates the risk of additional downtime due to unexpected failures. This could substantially impact production schedules. Deferred replacement of presses also creates a cost risk associated with contracting the manufacturer to make emergency repairs. As such, the Mint's need for capital investments becomes more critical each year. The current limitation of $30 million for circulating and protection capital is below the amount needed to meet capital investment requirements.

The bureau has identified an urgent need to increase its legislative limit by $20 million. This will raise the current limit from $30 million to $50 million beginning in FY 2021. The increased capital limit will allow the Mint to execute a comprehensive capital investment strategy that focuses on safety, equipment replacements, protection, and facility improvements (see additional details in Section III).

Alternative Metal Composition
This proposal would give the Secretary the authority to prescribe the compositions of the 5-cent, dime, and quarter-dollar coins, provided that the new metal compositions do not affect the Electromagnetic Signature (EMS), the color, and weight of the coins. By authorizing the Secretary the flexibility and agility to implement small changes to the copper-nickel circulating coin metal compositions, the Mint could realize incremental material savings with little or no impact to the vending industry and general public.

New Proposal: Circulating Commemorative Coin Redesign
Estimated revenue: Approximately $8 billion over the life of the program, depending on program specifics

Circulating commemorative coin programs are very popular and generate significant revenue for the United States Mint and ultimately the general fund of the Treasury. To better advance the hobby of collecting coins and medals, the Mint requires authority for circulating commemorative programs that are shorter term in nature; are based on subject matter that will drive the program through sustainable, recognizable, and relatable themes; and that can appeal to a broad range of Americans and attract new collectors, especially youth.

The proposed Circulating Commemorative Coin Redesign Act (CCCRA) proposes new circulating and numismatic programs. In particular, the CCCRA would introduce a new quarter and half dollar program following the current America the Beautiful (AtB) Quarters Program, which will end in 2021. Because the AtB Quarters Program is scheduled to be discontinued in 2021, authorizing new circulating commemorative coin programs will contribute to the longevity and long-term growth of the Mint, serve the public interest, and deliver increased revenue to the Mint and the Department of the Treasury General Fund that otherwise may not be realized.

The Mint is proposing a new series of themes for circulating coins as a compelling way to engage young collectors and grow the Mint's circulating and numismatic revenue. The themes proposed are quarter dollars and half dollars that represent historical milestones.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Manufacturing	Customer Satisfaction Index (%)	91.7	93.6	93.6	90.0	90.0
Manufacturing	Numismatic Sales Units (Million Units)	3.9	3.3	4.3	3.8	3.0
Manufacturing	Safety Incident Recordable Rate	1.96	1.90	1.45	2.32	2.25
Manufacturing	Seigniorage per Dollar Issued ($)	0.45	0.37	0.40	0.36	0.36

Description of Performance

Customer Satisfaction Index (CSI)

The Mint conducts a quarterly survey of a random sample of active numismatic customers. The survey is intended to capture customer satisfaction with the Mint's service performance as a coin products supplier and with the quality of specific products. The CSI metric is a quantitative score summarizing the survey's results into one consolidated value. This metric gauges performance results in the effort to achieve the Mint's internal strategic plan goal, "Improve mission critical activities and governance," and the Mint's internal strategic objective linked to this goal, "Drive a customer-centric organization." This also aligns with the Treasury Department strategic objective linked to this goal, "5.3 Customer Value and Experience."

In FY 2019, the CSI was 93.6 percent, exceeding its 90.0 percent target. The Mint was able to exceed its target by providing high-quality products, adding innovative features, and improving the Mint's customer loyalty program. The Mint anticipates that the CSI will remain steady and, thus, has set the target at 90.0 percent for FY 2020 and FY 2021.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results achieving the Mint's internal strategic plan goal, "Improve mission critical activities and governance" and the Mint's internal strategic objective linked to this goal, "Drive a customer-centric organization." This also aligns with the Treasury Department strategic objective linked to this goal, "5.3 Customer Value and Experience."

Numismatics product sales for FY 2019 totaled 4.3 million units, exceeding the 3.9 million target. The Mint's numismatic unit sales grew substantially in FY 2019, driven by the popular Apollo 11 program, but the environment for numismatic sales overall remains challenging. The performance target for numismatic sales units is 3.8 million for FY 2020 and 3.0 million for FY 2021. Targets are representative of the programs for that year. Therefore, targets vary year over year. To meet these targets, the Mint will continue to provide high-quality products and maintain outstanding customer service, and deepen engagement with coin collectors.

Safety Incident Recordable Rate

The safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Safety and Health Administration recording criteria per 100 full-time workers. It measures the occurrence of work-related incidents involving death, lost-time and restricted work, loss of consciousness, or medical treatment. The safety incident recordable rate indicates performance results in the effort to achieve the Mint's internal strategic plan goal, "Foster a safe, flexible, diverse, and engaged workforce," and the corresponding Mint internal strategic objective linked to this goal, "Continue to cultivate a safe working environment." These also align with the Treasury Strategic Goal "5.1 Workforce Management."

In FY 2019, the total recordable case rate reached 1.45, well below the Mint's 2.39 FY 2019 target, and significantly below the most recent industry average rate of 4.9 for comparable private sector manufacturing operations. During FY 2019, the Mint continued implementing and updating risk management guidelines to prioritize resources and mitigate risks in advance of injuries or catastrophic events at each plant. Mint facility leadership and employees continue to interact on a daily basis on the importance of safety. The performance targets for the safety incident recordable rate are 2.32 for FY 2020 and 2.25 for FY 2021.

Seigniorage per Dollar Issued

Seigniorage per Dollar Issued is the financial return on circulating operations, calculated as seigniorage divided by the total face value of circulating coins shipped to the FRBs. Seigniorage is the difference between the face value and cost of producing circulating coinage. It measures the cost effectiveness of minting and issuing the United States' circulating coinage. It also measures performance results in achieving the Mint's internal strategic plan goal, "Improve mission critical activities and governance," as well as the Mint's internal strategic objective linked to the goal, "Improve mission critical activities and governance." This also aligns with the Treasury Strategic Goal "1.3 Trusted Currency and Services." At the end of FY 2019, Seigniorage per Dollar Issued was $0.40, above the FY 2019 performance target of $0.36. The FY 2019 increase is a result of lower metal costs for all denominations. The Seigniorage per Dollar Issued performance targets are set at $0.36 for both FY 2020 and FY 2021.

Office of the Comptroller of the Currency

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 to FY 2021 % Change
Supervise	$939,193	$984,401	$984,401	0.00%
Regulate	$93,323	$97,815	$97,815	0.00%
Charter	$20,212	$21,185	$21,185	0.00%
Total Cost of Operations	**$1,052,728**	**$1,103,401**	**$1,103,401**	**0.00%**
Full-time Equivalents (FTE)	3,687	3,589	3,589	0.00%

Summary

The Office of the Comptroller of the Currency (OCC) was created by Congress in 1863 to charter national banks; oversee a nationwide system of banking institutions; and ensure national banks are safe and sound, competitive and profitable, and capable of serving in the best possible manner the banking needs of their customers.

As of September 30, 2019, the OCC supervised 840 national bank charters, 57 federal branches and agencies, and 303 federal savings associations. In total, the OCC supervises approximately $12.8 trillion in financial institution assets.

The OCC has established three goals to affirm its mission: 1) The OCC fosters a safe, sound, and fair federal banking system that is a source of economic strength and opportunity that meets the evolving needs of consumers, businesses, and communities; 2) OCC employees are engaged, prepared, and empowered to meet its mission; 3) The OCC operates efficiently and effectively. To achieve its goals and objectives, the OCC organizes its programs under three activities: 1) Supervise, 2) Regulate, and 3) Charter. Effective supervision and a comprehensive regulatory framework are the key tools that the OCC uses to ensure that national banks and federal savings associations operate in a safe and sound manner and that they provide fair access to financial services and fair treatment of their customers. A robust chartering program allows new entrants into the financial services sector while ensuring that they have the necessary capital, managerial, and risk management processes to conduct activities in a safe and sound manner.

The OCC's priorities focus on strengthening the resiliency of the institutions subject to its jurisdiction through its supervisory and regulatory programs and activities. A stronger and more resilient banking system directly supports four out of five Department of the Treasury's FY 2018-2022 strategic goals: Boost U.S. Economic Growth; Promote Financial Stability; Enhance National Security; and Achieve Operational Excellence.

The OCC's nationwide staff of bank examiners conducts on-site reviews of banks and provides sustained supervision of these institutions' operations. Examiners analyze asset quality, capital adequacy, earnings, liquidity, and sensitivity to market risk for all banks, and assess compliance with federal consumer protection laws and regulations. Examiners also evaluate management's ability to identify and control risk, and assess banks' performance in meeting the credit needs of the communities in which they operate, pursuant to the Community Reinvestment Act (CRA).

In supervising banks, the OCC has power to:

- Approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure;
- Take supervisory and enforcement actions against banks that do not comply with laws and regulations or that otherwise engage in unsafe or unsound practices;
- Remove and prohibit officers and directors, negotiate agreements—both formal (i.e., public) and informal (i.e., non-public)—to change banking practices, and issue cease-and-desist orders as well as Civil Money Penalties (CMP); and
- Issue rules and regulations, legal interpretations, supervisory guidance, and corporate decisions governing investments, lending, and other practices.

Operations are funded primarily (approximately 97 percent) from semiannual assessments levied on national banks and federal savings associations. Revenue from investments in Treasury securities and other income comprise the remaining three percent of the OCC's funding. The OCC does not receive congressional appropriations to fund any portion of its operations.

Legislative Proposals

OCC has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Charter	Percentage of Licensing Applications and Notices Completed within Established Timeframes	96.0	97.0	99.0	95.0	95.0
Supervise	Rehabilitated National Banks And Federal Savings Associations As A Percentage Of Problem National Banks One Year Ago (CAMEL 3,4, or 5)	40.0	44.0	15.0	40.0	40.0
Supervise	Percentage of National Banks and Federal Savings Associations With Consumer Compliance Rating of 1 or 2	97.0	98.0	98.0	94.0	94.0
Supervise	Total OCC Costs Relative To Every $100,000 in Bank And Federal Savings Associations Assets Regulated ($)	9.49	9.12	8.07	8.10	8.10
Supervise	Percentage of National Banks and Federal Savings Associations That Are Categorized As Well Capitalized	97.0	95.0	98.0	95.0	95.0
Supervise	Percentage of National Banks and Federal Savings Associations with Composite CAMELS Rating 1 or 2	94.0	96.0	96.0	90.0	90.0

Description of Performance

The OCC charters, regulates and supervises all national banks and federal savings associations, as well as supervises federal branches and agencies of foreign banks. The primary goal of the

OCC's Supervise Program is to ensure that these institutions operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers and fair access to credit and financial products. The OCC also monitors risks and threats to the stability of the federal banking system through its regular examinations of the institutions it supervises and other monitoring.

The overall objective of the OCC's Supervise Program supports facilitating commerce through the goal of ensuring the safety and soundness of the federal banking system. Through its Supervise Program the OCC supports facilitating commerce through the goal of ensuring the safety and soundness of the federal banking system. The OCC has taken a number of steps to improve the cybersecurity of the nation's financial sector critical infrastructure including organizing webinars for community bankers. The agency continues to update examiner handbooks, procedures, and training materials to ensure that, as threats evolve, all national banks and federal savings associations can identify cyber risks and strengthen their risk management and control systems. The OCC is an active member of the Financial Services Information Sharing and Analysis Center, which provides greater real-time insight into a broad range of potential threats to the industry and the ability to assist, when appropriate, in a coordinated response with other government agencies. Finally, the OCC supports protecting the integrity of the financial system through its examinations of compliance with Bank Secrecy Act/Anti-Money Laundering (BSA/AML), in accordance with Federal Financial Institutions Examination Council (FFIEC) procedures and through the initiation of enforcement actions for non-compliance with BSA/AML laws and regulations under OCC's general bank supervisory authority and delegated authority from Treasury's Financial Crimes Enforcement Network (FinCEN), which has regulatory authority for BSA/AML.

The composite CAMELS (Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk) rating reflects the overall condition of a bank. Bank regulatory agencies use the Uniform Financial Institutions Rating System, CAMELS, to provide a general framework for evaluating all significant financial, operational, and compliance factors inherent in a bank. The rating scale is 1 through 5 of which 1 is the highest rating granted. CAMELS ratings are assigned at the completion of every supervisory cycle or when there is a significant event leading to a change in CAMELS. Through September 30, 2019, 98 percent of national banks and federal savings associations earned composite CAMELS rating of either 1 or 2.

To ensure fair access to financial services and fair treatment of bank customers, the OCC evaluates a bank's compliance with consumer laws and regulations. Bank regulatory agencies use the Uniform Financial Institutions Rating System, Interagency Consumer Compliance Rating, to provide a general framework for assimilating and evaluating significant consumer compliance factors inherent in a bank. Each financial institution is assigned a consumer compliance rating based on an evaluation of its present compliance with consumer protection and civil rights statutes and regulations and the adequacy of its operating systems designed to ensure continuing compliance. Ratings are on a scale of 1 through 5 in increasing order of supervisory concern. National banks and federal savings associations continue to show strong compliance with consumer protection regulations with 68 percent earning a consumer compliance rating of either 1 or 2 through September 30, 2019.

The OCC's timely and effective approval of corporate applications contributes to the nation's economy by enabling national banks and federal savings associations to complete various corporate transactions and introduce new financial products and services. Delays in providing prompt decisions on applications and notices can deprive a bank of a competitive or business opportunity, create business uncertainties, or diminish financial results. Time frames have been established for completing each type of application and notice. The OCC completed 99 percent of applications and notices within the time standard through September 30, 2019.

The OCC's early identification and intervention with problem financial institutions can lead to a successful rehabilitation. As of September 30, 2019, 15 percent of national banks and federal savings associations with composite CAMELS ratings of 3, 4, or 5 one year ago have improved their ratings to either 1 or 2 this year. The OCC continues to focus on the early identification and rehabilitation of problem institutions. The low percentage is an indicator of a shrinking population base of problem banks. Two years ago, there were about 80 problem banks, last year 60 problem banks and currently less than 50 problem banks.

The OCC continuously takes steps through its Supervise and Regulate programs to make national banks and federal savings associations more resilient to financial stresses and to identify and obtain corrective action at an earlier stage, when problems can be addressed most successfully. These efforts include heightened capital and liquidity standards and increased emphasis on the need for stress testing, designed to provide financial institutions with stronger capital buffers to withstand unforeseen events. These are multi-year efforts that will continue in FY 2020 and beyond.

The OCC monitors the efficient use of its resources by measuring Total OCC Costs Relative to Every $100,000 in Bank Assets Regulated. This measure reflects the efficiency of its operations while meeting the increasing supervisory demands of a growing and more complex financial system. This measure supports the OCC's strategic goal of efficient use of agency resources. The OCC's ability to control its costs while ensuring the safety and soundness of national banks and federal savings associations benefits all national bank and federal savings association customers. The OCC will continue its efforts to ensure that resources are used prudently and that programs are carried out in a cost-effective manner ensuring that the OCC operates as efficiently and effectively as possible.

Treasury Franchise Fund

Program Summary by Budget Activity

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2020 to FY 2021	
Budget Activity	Actuals	Estimate	Estimate	$ Change	% Change
Treasury Shared Services Programs	$240,925	$274,017	$299,891	$25,874	9.44%
Centralized Treasury Administrative Services	$136,565	$166,591	$162,262	($4,329)	-2.60%
Administrative Support Services	$170,184	$176,521	$190,172	$13,651	7.73%
Information Technology Services	$179,631	$212,481	$216,996	$4,515	2.12%
Subtotal, Treasury Franchise Fund	**$727,305**	**$829,610**	**$869,321**	**$39,711**	**4.79%**
Offsetting Collections - Reimbursable	$732,879	$829,610	$869,321	$39,711	4.79%
Recovery from Prior Years	$8,002	$24,123	$24,016	($107)	-0.44%
Unobligated Balances Brought Forward	$196,219	$209,795	$233,918	$24,123	11.50%
Total Program Operating Level	**$937,100**	**$1,063,528**	**$1,127,255**	**$63,727**	**5.99%**
Reimbursable FTE	1807	2042	2112	70	3.43%
Total Full-time Equivalents (FTE)	**1,807**	**2,042**	**2,112**	**70**	**3.43%**

Summary

The TFF providers include Departmental Offices' Treasury Shared Services Programs (TSSP), Departmental Offices' Centralized Treasury Administrative Services (CTAS), and the Bureau of the Fiscal Service's Administrative Resource Center (ARC). TFF providers offer financial management, procurement, travel, human resources, information technology, and other administrative services to Federal customers on a fully cost recoverable, fee-for-service basis.

The TFF FY 2021 Congressional Budget Justification reflects revised estimates for FY 2020 along with funding requests for FY 2021. The revised estimates in FY 2020 include an increase operations and maintenance costs for ARC Administration (Admin) for administrative support services to support an expansion in the customer base. The FY 2020 revised estimates also include an increase for the expansion of ARC Information Technology (IT) services to the support technology modernization implementation of an on premise cloud environment, and increased investment in cybersecurity measures that will protect the National Critical Financial Infrastructure.

The TFF FY 2021 Budget submission will support the efforts in cybersecurity with transferred operations and maintenance from the Cybersecurity Enhancement Account (CEA) program. FY 2021 initiatives in TSSP will increase efforts to support a strategic path-forward for a Treasury Enterprise-wide cloud solution, key systems modernizations and program support aimed at reducing redundant efforts by the bureaus.

The FY 2021 budget submission will also support an increase in ARC Admin for operations and maintenance costs to address expected customer growth. ARC Admin will continue to increase the efficiency and quality of services.

Budget Highlights

Treasury Franchise Fund	FTE	Amount
FY 2020 Original Estimate	**2,023**	**$801,114**
Adjustments to FY 2020	**19**	**$28,496**
Increased Customer Base (ARC Admin/IT)	19	$28,496
FY 2020 Revised Estimate	**2,042**	**$829,610**
Changes to Base:		
Adjustment to Base		
Continuous Diagnostic and Mitigation (CDM) Licenses Phase I and II		($10,000)
Maintaining Current Levels (MCLs):		$17,696
Pay Annualization (2020 3.1% average pay raise)		$1,956
Pay Raise (1.0% average pay raise)		$1,907
FERS Contribution Increase		$2,288
Non-Pay		$11,545
Subtotal Changes to Base	0	$7,696
Total FY 2021 Current Services	**2,042**	**$837,306**
Program Changes:		
Program Increases:	74	$39,810
Cybersecurity Enhancement Account (CEA) Operations and Maintenance (TSSP)	0	1,222
Treasury Enterprise-wide Cloud Infrastructure (TSSP)	3	3,153
Systems Modernization and Program Support (TSSP)	2	$5,909
Realignment of CTAS Programs to TSSP (TSSP)	4	$7,795
Customer Growth (ARC Admin)	65	$9,631
Continuous Diagnostic and Mitigation (CDM) Licenses Phase I and II	0	$12,100
Program Decreases:	(4)	($7,795)
Realignment of CTAS Programs to TSSP (CTAS)	(4)	($7,795)
Subtotal Changes to Base	70	$32,015
FY 2021 Estimate	**2,112**	**$869,321**

Budget Adjustments

FY 2020 Adjustments ……………………………………….……… +$28,496,000/ +19 FTE

Increased Customer Base (ARC Admin/IT) +$28,496,000 / +19 FTE
Increased customer base for ARC Administrative support with five agencies resulting in program increases of $5,986,000 for operations and maintenance costs, and provides cost sharing and avoidance opportunities for both new and current agencies. Additional increases of $22,510,000 for ARC IT will support technology modernization, implementation of an on premise cloud environment, and increased investment in cybersecurity measures that will protect the National Critical Financial Infrastructure.

FY 2021 Changes to Base……....……………………………………….-$10,000,000/ -0 FTE

Continuous Diagnostic and Mitigation (CDM) Licenses (TSSP) -$10,000,000 /-0 FTE
In accordance with Office of Management and Budget (OMB) Memorandum 20-04, this reduction from the base budget will enable the TFF to show a specific line item increase in FY 2021 for the estimated costs for the Continuous Diagnostic and Mitigation (CDM) licenses.

Maintaining Current Levels (MCLs) ....+$17,696,000 / +0 FTE
Pay Annualization (2020 3.1% average pay raise) +$1,956,000 / +0 FTE
Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% average pay raise) +$1,907,000 / +0 FTE
Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +$2,288,000 / +0 FTE
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +$11,545,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Increases ....+$39,810,000 / +74 FTE
Cybersecurity Enhancement Account (CEA) Operations and Maintenance (O&M) (TSSP) +$1,222,000 / +0 FTE
Treasury requires an increase to TSSP by $1,222,000 to transition additional operations and maintenance costs from CEA to TSSP. The FY 2021 increase will support the operations and maintenance costs for the Fiscal Service Trusted Internet Connection (TIC).

Treasury Enterprise-wide Cloud Infrastructure (TSSP) +$3,153,000 / +3 FTE
Treasury requires an increase to TSSP by $3,153,000 to support the expansion of the Workplace Community Cloud (WC2) to consolidate Treasury-wide cloud services into an enterprise-wide solution.

Systems Modernization and Program Support (TSSP) +$5,909,000 / +2 FTE
Treasury requires an additional $5,909,000 to fund capital expenditures for platform upgrades, technical refreshes and expanded support for new system capabilities such as the Freedom of Information Act (FOIA) system replacement, Single-Sign and robust dashboard reporting tools. The additional staff will provide support for the implementation of the Secretary's strategic priorities and the President's Management Agenda.

Realignment of Centralized Treasury Administrative Services (CTAS) to Treasury Shared Services Programs (TSSP) +$7,795,000 / +4 FTE
The Treasury Secured Data Network (TSDN) and Communication Security (COMSEC) programs will be realigned from CTAS to TSSP. The shift has a net neutral effect on FTEs and budgetary resources for the TFF.

Customer Growth (ARC Admin) +$9,631,000 / +65 FTE
Increase reflects operations and maintenance costs, and provides cost sharing and avoidance opportunities for both the new and current agencies supported by ARC.

Continuous Diagnostic and Mitigation (CDM) Licenses (TSSP) +$12,100,000 / +0 FTE

The FY 2021 estimated costs for the Continuous Diagnostic and Mitigation (CDM) licenses is $12,100,000 for both Phase I ($5,700,000) and Phase II ($6,400,000). These licenses are provided by the Department of Homeland Security with the costs allocated to the Treasury bureaus through the TSSP. The CDM Program enhances the overall security posture of the Federal Government by providing Federal agencies with capabilities to monitor vulnerabilities and threats to their networks in near real-time.

Program Decreases ....-$7,795,000 / -4 FTE

<u>Realignment of Centralized Treasury Administrative Services (CTAS) to Treasury Shared Services Programs (TSSP) -$7,795,000 / -4 FTE</u>

The TFF will realign the Treasury Secured Data Network (TSDN) and Communication Security (COMSEC) programs from CTAS to TSSP. The shift has a net neutral effect on FTEs and budgetary resources for the TFF.

Legislative Proposals

The TFF does not have legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Treasury Shared Services	Average Cost per FTE	N/A	N/A	1463.5	1460.0	1580.3
Treasury Shared Services	Annual Effective Spend Rate	N/A	N/A	97.1	96	96
Treasury Shared Services	Customer Satisfaction	N/A	N/A	75	80	80
Centralized Treasury Administrative Services	Annual Effective Spend Rate	N/A	N/A	97.8	96	96
Centralized Treasury Administrative Services	Customer Satisfaction	N/A	N/A	75	80	80
Administrative Support Services	Customer Unmodified Audit Opinions [%]	NA	100	100	100	100
Administrative Support Services	Percentage of shared services service level agreement performance metrics met or exceeded [%]	NA	NA	89	94	94
Administrative Support Services	Customer Satisfaction with ARC Admin Services [%]	NA	NA	TBD	80	80
Information Technology Services	Fiscal IT Hosting – Percentage of Time Service is Operational (Uptime Excluding Planned Maintenance)	99.2	99.8	99.9	99.0	99.0
Information Technology Services	Number of engagements in strategic sourcing, to include new IT customers, new scope of work for existing customers, or new FITARA compliant contracts available beyond Fiscal Service [#]	2	1	1	2	2

Key: TBD- To Be Determined

Note: Results from customer sastisfation survey are expected to be completed by end of Q2 in FY2020.

Description of Performance

The TSSP annual effective spend rate relates to the financial management and oversight of the program. It gives insight into the how much of the resources collected from customers are being obligated for service delivery in the fiscal year. In FY 2019, 97 percent of the funds collected from customers for the shared services was obligated which was above the 96 percent target rate set for the fiscal year.

In FY 2019, the TSSP survey results yielded a 75 percent overall customer satisfaction rating for services provided through the TSSP. Planned efforts to achieve this higher rating for customer satisfaction going forward will focus on identifying more opportunities for customer engagement and improved customer feedback mechanisms.

The CTAS FY 2019 annual effective spend rate was 98 percent, which was above the set target rate of 96 percent. The customer satisfaction rate was baselined in FY 2019. Results from a survey released in FY 2020 garnered a 75 percent satisfaction rating for the overall program.

In FY 2019, ARC Admin met the unmodified audit opinion and customer satisfaction measures but fell short of the target for the percentage of service level agreement performance metrics met or exceeded. The shortfall was largely due to challenges managing workloads through periods of significant staff turnover. ARC continues to work with customer agencies to understand the changes thereby enabling them to align resources to support the demand

In FY 2019, ARC IT exceeded the hosting performance measure target but did not achieve the target for number of engagements in strategic sourcing and achieve increased service levels. The following bullets highlight the IT performance in FY 2019:

- Fiscal IT Hosting – In FY 2019, IT Services consistently exceeded the 99.0 percent infrastructure uptime target with a rating of 99.9 percent**.** Service value is achieved through cost effective hosting services and responsive, value-added support and customer service.
- Number of engagements for strategic sourcing – This metric is defined as new work (Hosting, Security Services, Software Engineering, etc.) outside of the current scope for existing customers or establishment of a contract vehicle for Treasury or Government wide use. IT did not on-board new work or sponsor a crosscutting contract in FY 2019 due to increased priority to other key initiatives including IT modernization planning. ARC IT is currently on track to meet this target in FY 2020.

International Programs

Program Summary by Budget Activity

Dollars in Thousands

Dollars in Thousands	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget	FY 2020 Enacted to FY 2021 PB	
				$ Change	% Change
Multilateral Development Banks	**$1,348,122**	**$1,522,205**	**$1,481,244**	**($40,961)**	**-2.7%**
Int'l Bank for Reconstruction and Development (IBRD)	$0	$206,500	$206,500	$0	0.0%
Int'l Development Association (IDA)	$1,097,010	$1,097,010	$1,001,400	($95,610)	-8.7%
African Development Fund (AfDF)	$171,300	$171,300	$171,300	$0	0.0%
African Development Bank (AfDB)	$32,417	$0	$54,649	$54,649	NA
Asian Development Fund (AsDF)	$47,395	$47,395	$47,395	$0	0.0%
Food Security	**$30,000**	**$30,000**	**$0**	**($30,000)**	**-100.0%**
Int'l Fund for Agricultural Development (IFAD)	$30,000	$30,000	$0	($30,000)	-100.0%
Environmental Trust Funds	**$139,575**	**$139,575**	**$0**	**($139,575)**	**-100.0%**
Global Environment Facility (GEF)	$139,575	$139,575	$0	($139,575)	-100.0%
Subtotal, Treasury International Programs	**$1,517,697**	**$1,691,780**	**$1,481,244**	**($210,536)**	**-12.4%**
Office of Technical Assistance (OTA)	$30,000	$30,000	$33,000	$3,000	10.0%
Subtotal, Treasury International Programs Appropriations, Excluding Debt Restructuring	**$1,547,697**	**$1,721,780**	**$1,514,244**	**($207,536)**	**-12.1%**
Debt Restructuring and Relief	**$0**	**$15,000**	**$78,000**	**$63,000**	**420.0%**
Tropical Forest Conservation Act	$0	$15,000	$0	($15,000)	-100.0%
Somalia Debt Relief through HIPC	$0	$0	$78,000	$78,000	NA
Total, Treasury International Programs Appropriations	**$1,547,697**	**$1,736,780**	**$1,592,244**	**($144,536)**	**-8.3%**

Note: The 2021 Administration proposal to extend and increase U.S. participation in the IMF's New Arrangements to Borrow acknowledges that U.S. participation in the NAB is an exchange of monetary assets and does not result in budgetary outlays. The request includes the necessary legislative language for this proposal in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2021 President's Budget Appendix.

Summary

The Administration's FY 2021 Budget requests $1.59 billion for Treasury Department International Programs in FY 2021. In recognition of the Administration's prioritization of national defense and security as well as a streamlined Federal Government that makes the best possible use of taxpayer dollars, the Budget supports critical investments in international financial institutions and debt relief, while ensuring that U.S. contributions are set at an appropriate level relative to our partner countries. These investments by Treasury's International Programs strengthen U.S. national security, economic growth, and influence by advancing a more secure, economically prosperous, and democratic world. In recent years, Treasury has driven shareholder support for the implementation of key reforms at the multilateral development banks (MDBs) aimed at improving governance, development effectiveness, and financial discipline, and Treasury continues to pursue additional major reforms at several of the institutions. These include improving monitoring and evaluation, strengthening independent compliance functions, adopting mechanisms to improve financial sustainability, and increasing the allocation of lending to the world's poorest countries.

International Monetary Fund – New Arrangements to Borrow

The Administration requests authorization to extend U.S. participation in the International Monetary Fund's (IMF) New Arrangements to Borrow (NAB) from December 16, 2022, the date when the current congressional authorization expires, until December 31, 2025 and to increase U.S. participation in the NAB from $39 to $78 billion. The terms of the NAB require the IMF to approve an extension at least one year prior to its current expiration date of November 16, 2022.

U.S. participation in the NAB is an exchange of monetary assets and consequently does not result in any budgetary outlays. The request includes the necessary legislative language in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2021 President's Budget Appendix.

Multilateral Development Banks

The FY 2021 Budget requests $1.48 billion for the MDBs. The MDBs play key roles in the effort to increase global economic growth and reduce poverty, which advances U.S. foreign policy objectives of sustaining peace and stability, promoting security, and combatting terrorism.

International Bank for Reconstruction and Development (IBRD): $206.5 million towards the second of up to six installments for the IBRD general and selective capital increases.

International Development Association (IDA): $1,001.4 million in support of IDA programs over the nineteenth replenishment (IDA-19; World Bank FY 2021 – FY 2023), including towards the first of three installments to IDA-19.

International Finance Corporation (IFC): No funding is requested in FY 2021. The Administration requests authorization to vote in favor of resolutions to allow other shareholders to contribute additional capital, while preserving U.S. veto power over future capital increases.

African Development Bank (AfDB): $54.6 million for the first of eight installments to subscribe to the United States' share of the paid-in portion of the seventh general capital increase.

African Development Fund (AfDF): $171.3 million in support of AfDF programs over the fifteenth replenishment period (AfDF-15; AfDB FY 2020 – FY 2022), including towards the first of three installments to AfDF-15.

Asian Development Fund (AsDF): $47.4 million in support of AsDF programs over the eleventh replenishment (AsDF-12; FY 2018 – FY 2021), including towards the fourth of four installments to AsDF-12.

North American Development Bank (NADB): The FY 2021 Budget requests "program limitation language" to allow the Secretary of the Treasury to subscribe to the full amount of $1.275 billion in callable capital shares that Congress authorized under the United States-Mexico-Canada Agreement Implementation Act (USMCA Act). The Budget is not requesting new funding for NADB in FY 2021.

Environmental Trust Funds

The FY 2021 Budget requests no funding for environmental trust funds in FY 2021.

Global Environment Facility (GEF): While the GEF remains a priority, no funding is requested in FY 2021 since FY 2019 and FY 2020 appropriations place the United States on track to meet its pledge of $273.2 million to the GEF seventh replenishment (GEF-7; FY 2019 – FY 2022).

Technical Assistance – Office of Technical Assistance
The FY 2021 Budget requests $33 million for Treasury's Office of Technical Assistance (OTA). This includes $3 million in additional resources to strengthen the program's monitoring and evaluation system in accordance with the Foreign Aid Transparency and Accountability Act. Funding will help ensure that OTA is able to respond quickly and sustainably to growing demand for technical assistance in areas that are priorities for the United States. Such areas include: supporting our national security agenda by combating terrorist financing and financial crimes, reducing countries' dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for private sector-led economic growth. This consists of improving the climate for private sector investment in infrastructure projects in developing and transitional countries.

Debt Restructuring – Heavily Indebted Poor Countries (HIPC) Initiative
The FY 2021 Budget requests $78 million for bilateral debt restructuring and relief in support of the HIPC Initiative.

Somalia Debt Relief through Heavily Indebted Poor Countries (HIPC) Initiative: $78 million to support U.S. bilateral debt restructuring and relief for Somalia as part of the HIPC Initiative.

Summary of FY 2021 Appropriations Language

Below is a summary of proposed Treasury appropriations language changes from the FY 2020 enacted bill. Please note that brackets indicate which material will be deleted, and italics indicate which material will be inserted.

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Freedman's Bank Building; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; executive direction program activities; international affairs and economic policy activities; domestic finance and tax policy activities, including technical assistance to State, local, and territorial entities; and Treasury-wide management policies and programs activities, *$239,973,000* **[**$228,373,000**]**: Provided, That of the amount appropriated under this heading– (1) not to exceed $350,000 is for official reception and representation expenses; (2) not to exceed $258,000 is for unforeseen emergencies of a confidential nature to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on the Secretary's certificate; and (3) not to exceed $24,000,000 shall remain available until September 30, **[**2021**]** *2022*, for– (A) the Treasury-wide Financial Statement Audit and Internal Control Program; (B) information technology modernization requirements; (C) the audit, oversight, and administration of the Gulf Coast Restoration Trust Fund; (D) the development and implementation of programs within the Office of Critical Infrastructure Protection and Compliance Policy, including entering into cooperative agreements; (E) operations and maintenance of facilities; and (F) international operations.

Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, an additional $1,500,000 for necessary expenses of the Departmental Offices of the Department of the Treasury.

OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

SALARIES AND EXPENSES

For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, human rights abusers, money launderers, drug kingpins, and other national security threats, **[**$169,712,000**]** *$172,751,000*, of which not less than $3,000,000 shall be available for addressing human rights violations and corruption, including activities authorized by the Global Magnitsky Human Rights Accountability Act (22 U.S.C. 2656 note): Provided, That of the amounts appropriated under this heading, up to $10,000,000 shall remain available until September 30, **[** 2021**]** *2022*.

CYBERSECURITY ENHANCEMENT ACCOUNT

For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, $18,000,000, to remain available until September 30, **[**2022**]** *2023*: Provided, That such funds shall supplement and not supplant any other amounts made available to the Treasury offices and bureaus for cybersecurity: Provided further, That of the total amount made available under this heading $1,000,000 shall be available for administrative expenses for the Treasury Chief Information Officer to provide oversight of the investments made under this heading: Provided further, That such funds shall supplement and not supplant any other amounts made available to the Treasury Chief Information Officer.

[DEPARTMENT-WIDE SYSTEMS AND] TREASURY CAPITAL INVESTMENTS [PROGRAMS] AND MODERNIZATION FUND

For development and acquisition of **[**automatic data processing**]** *information technology* equipment, software, and services and for repairs and renovations to buildings owned by the Department of the Treasury, **[**$6,118,000**]** *$13,500,000*, to remain available until September 30, **[**2022**]** *2025*: Provided, That **[**these funds shall**]** *any funds available under this heading may* be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That **[**this**]** *all* transfer authority *under this heading* shall be in addition to any other transfer authority provided in this Act **[**: *Provided further*, That none of the funds appropriated under this heading shall be used to support or supplement "Internal Revenue Service, Operations Support" or "Internal Revenue Service, Business Systems Modernization"**]**.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, **[**$41,044,000**]** *$39,335,000*, including hire of passenger motor vehicles; of which not to exceed $100,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; of which up to $2,800,000 to remain available until September 30, **[**2021**]** *2022*, shall be for audits and investigations conducted pursuant to section 1608 of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (33 U.S.C. 1321 note); and of which not to exceed $1,000 shall be available for official reception and representation expenses.

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

For necessary expenses of the Committee on Foreign Investment in the United States, $20,000,000, to remain available until expended: Provided, That the chairperson of the Committee may transfer such amounts to any department or agency represented on the Committee (including the Department of the Treasury) subject to advance notification to the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That amounts so transferred shall remain available until expended for expenses of implementing section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. 4565), and shall be available in addition to any other funds available to any department or agency: Provided further, That fees authorized by section 721(p) of such Act shall be credited to this appropriation as offsetting collections: Provided further, That the total amount appropriated under this heading from the general fund shall be reduced as such offsetting collections are received during fiscal year **[**2020**]** *2021*, so as to result in a total appropriation from the general fund estimated at not more than **[**$10,000,000**]** *$0*.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Treasury Inspector General for Tax Administration in carrying out the Inspector General Act of 1978, as amended, including purchase and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; **[**$170,250,000**]** *$171,350,000*, of which $5,000,000 shall remain available until September 30, **[**2021**]** *2022*; of which not to exceed $6,000,000 shall be available for official travel expenses; of which not to exceed $500,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration; and of which not to exceed $1,500 shall be available for official reception and representation expenses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

To carry out the Riegle Community Development and Regulatory Improvement Act of 1994 (subtitle A of title I of Public Law 103–325), including services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for EX-III, **[**$262,000,000. Of the amount appropriated under this heading–**]** **[**(1) not less than $165,500,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)) with regard to Small and/or Emerging Community Development Financial Institutions Assistance awards, is available until September 30, 2021, for financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1), respectively, of Public Law 103–325 (12 U.S.C. 4707(a)(1)(A) and (B)), of which up to $1,600,000 may be available for training and outreach under section 109 of Public Law 103–325 (12 U.S.C. 4708), of which up to $2,397,500 may be used for the cost of direct loans, of which up to $4,000,000, notwithstanding subsection (d) of section 108 of Public Law 103–325 (12 U.S.C. 4707 (d)), may be available to provide financial assistance, technical assistance, training, and outreach to community development financial institutions to expand investments that benefit individuals with disabilities, and of which not less than $2,000,000 shall be for the Economic Mobility Corps to be operated in conjunction with the Corporation for National and Community Service, pursuant to 42 U.S.C. 12571: *Provided,* That the cost of direct and guaranteed loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000: *Provided further*, That of the funds provided under this paragraph, excluding those made to community development financial institutions to expand investments that benefit individuals with disabilities and those made to community development financial institutions that serve populations living in persistent poverty counties, the CDFI Fund shall prioritize Financial Assistance awards to organizations that invest and lend in high-poverty areas: *Provided further*, That for purposes of this section, the term "high-poverty area" means any census tract with a poverty rate of at least 20 percent as measured by the 2011–2015 5-year data series available from the American Community Survey of the Bureau of the Census for all States and Puerto Rico or with a poverty rate of at least 20 percent as measured by the 2010 Island Areas Decennial Census data for any other territory or possession of the United States;**]** **[**(2) not less than $16,000,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, 2021, for financial assistance, technical assistance, training, and outreach programs designed to benefit Native

American, Native Hawaiian, and Alaska Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, tribes and tribal organizations, and other suitable providers;**]** **[**(3) not less than $25,000,000 is available until September 30, 2021, for the Bank Enterprise Award program;**]** **[**(4) not less than $22,000,000, notwithstanding subsections (d) and (e) of section 108 of Public Law 103–325 (12 U.S.C. 4707(d) and (e)), is available until September 30, 2021, for a Healthy Food Financing Initiative to provide financial assistance, technical assistance, training, and outreach to community development financial institutions for the purpose of offering affordable financing and technical assistance to expand the availability of healthy food options in distressed communities;**]** **[**(5) not less than $5,000,000 is available until September 30, 2021, to provide grants for loan loss reserve funds and to provide technical assistance for small dollar loan programs under section 122 of Public Law 103–325 (12 U.S.C. 4719): *Provided*, That sections 108(d) and 122(b)(2) of such Public Law shall not apply to the provision of such grants and technical assistance;**]** **[**(6) up to $28,500,000 is available until September 30, 2020,**]** *$14,000,000,* for administrative expenses, including administration of CDFI Fund programs and the New Markets Tax Credit Program*:***[**, of which not less than $1,000,000 is for development of tools to better assess and inform CDFI investment performance, and up to $300,000 is for administrative expenses to carry out the direct loan program; and**]** **[**(7) during fiscal year 2020**]** *Provided*, *that during fiscal year 2021,* none of the funds available under this heading are available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of commitments to guarantee bonds and notes under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4713a): Provided *further*, That commitments to guarantee bonds and notes under such section 114A shall not exceed **[**$500,000,000**]***$300,000,000*: Provided further, That such section 114A shall remain in effect until December 31, **[**2020**]** *2021* **[**: *Provided further*, That of the funds awarded under this heading, not less than 10 percent shall be used for awards that support investments that serve populations living in persistent poverty counties: *Provided further*, That for the purposes of this paragraph and paragraph (1) the term "persistent poverty counties" means any county, including county equivalent areas in Puerto Rico, that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2011–2015 5-year data series available from the American Community Survey of the Bureau of the Census or any other territory or possession of the United States that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000 and 2010 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census**]**.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

For necessary expenses of the Office of the Special Inspector General in carrying out the provisions of the Emergency Economic Stabilization Act of 2008 (Public Law 110–343), **[**$22,000,000**]** *$17,500,000*.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel and training expenses of non-Federal and foreign government personnel to attend meetings and training concerned with domestic and foreign financial intelligence activities, law enforcement, and financial regulation; services authorized by 5 U.S.C. 3109; not to exceed $12,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, **[**$126,000,000**]** *$126,963,000,* of which not to exceed $34,335,000 shall remain available until September 30, **[**2022**]** *2023*.

BUREAU OF THE FISCAL SERVICE

SALARIES AND EXPENSES

For necessary expenses of operations of the Bureau of the Fiscal Service, **[**$340,280,000**]** *$360,200,000*; of which not *less than $10,000,000, to remain available until September 30, 2023, is for expenses associated with the redemption of matured savings bonds that have not been redeemed; of which not* to exceed $8,000,000, to remain available until September 30, **[**2022**]** *2023*, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, $165,000, to be derived from the Oil Spill Liability Trust Fund to reimburse administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles, **[**$119,600,000**]** *$125,837,000*; *of which $5,000,000 shall remain available until September 30, 2022;* of which not to exceed $6,000 for official reception and representation expenses; and of which not to exceed $50,000 shall be available for cooperative research and development programs for laboratory services; and provision of laboratory assistance to State and local agencies with or without reimbursement **[**: *Provided*, That of the amount appropriated under this heading, $5,000,000 shall be for the costs of accelerating the processing of formula and label applications: *Provided further*, That of the amount appropriated under this heading, $5,000,000, to remain available until September 30, 2021, shall be for the costs associated with enforcement of the trade practice provisions of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.)**]**.

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments: Provided, That the aggregate amount of new liabilities and obligations incurred during fiscal year **[**2020**]** *2021* under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed **[**$30,000,000**]** *$50,000,000*.

INTERNAL REVENUE SERVICE

TAXPAYER SERVICES

For necessary expenses of the Internal Revenue Service to provide taxpayer services, including pre-filing assistance and education, filing and account services, taxpayer advocacy services, and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$2,511,554,000**]** *$2,562,554,000*, of which not less than $11,000,000 shall be for the Tax Counseling for the Elderly Program, of which not less than $12,000,000 shall be available for low-income taxpayer clinic grants, of which not less than $25,000,000, to remain available until September 30, **[**2021**]** *2022*, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance, and of which not less than $209,000,000 shall be available for operating expenses of the Taxpayer Advocate Service: Provided, That of the amounts made available for the Taxpayer Advocate Service, not less than $5,500,000 shall be for identity theft and refund fraud casework.

ENFORCEMENT

For necessary expenses for tax enforcement activities of the Internal Revenue Service to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws and other financial crimes, to purchase and hire passenger motor vehicles (31 U.S.C. 1343(b)), and to provide other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$5,010,000,000**]** *$5,071,260,000*, of which not to exceed $250,000,000 shall remain available until September 30, **[**2021**]** *2022*; of which not less than $60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed $15,000,000 shall be for investigative technology for the Criminal Investigation Division: Provided, That the amount made available for investigative technology for the Criminal Investigation Division shall be in addition to amounts made available for the Criminal Investigation Division under the "Operations Support" heading*: Provided further, That of the funds provided under this paragraph, $5,071,260,000 is provided to meet the terms of section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In addition, not less than $279,983,000 for tax activities under this heading, including tax compliance to address the Federal tax gap: Provided, That such amount is additional new budget authority for tax activities, including tax compliance to address the Federal tax gap, as specified for purposes of section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.*

OPERATIONS SUPPORT

For necessary expenses of the Internal Revenue Service to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance, and security; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the Internal Revenue Service Oversight Board; and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; **[**$3,808,500,000**]** *$4,104,689,000*, of which not to exceed $250,000,000 shall remain available until September 30, **[**2021**]** *2022*; of which not to exceed $10,000,000 shall remain available until expended for acquisition of equipment and construction, repair and renovation of facilities; of which not to exceed $1,000,000 shall remain available until September 30, **[**2022**]** *2023*, for research; **[**of which not less than $10,000,000, to remain available until expended, shall be available for establishment of an application through which entities registering and renewing registrations in the System for Award Management may request an authenticated electronic certification stating that the entity does or does not have a seriously delinquent tax debt; **]**and of which not to exceed $20,000 shall be for official reception and representation expenses: Provided, That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing **[**the cost and schedule performance for its major information technology investments, including the purpose and life-cycle stages of the investments; the reasons for any cost and schedule variances; the risks of such investments and strategies the Internal Revenue Service is using to mitigate such risks; and the expected developmental milestones to be achieved and costs to be incurred in the next quarter**]** *major information technology investments in the Internal Revenue Service Integrated Modernization Business Plan portfolio, including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year*: Provided further, That the Internal Revenue Service shall include, in its budget justification for fiscal year **[**2021**]** *2022*, a summary of cost and schedule performance information for its major information technology systems*: Provided further, That of the funds provided under this paragraph, $4,104,689,000 is provided to meet the terms of section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In addition, not less than $120,017,000 shall be for tax activities under this heading, including tax compliance to address the Federal tax gap: Provided, That such amount is additional new budget authority for tax activities, including tax compliance to address the Federal tax gap, as specified for purposes of section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.*

BUSINESS SYSTEMS MODERNIZATION

For necessary expenses of the Internal Revenue Service's business systems modernization program, **[**$180,000,000**]** *$300,000,000*, to remain available until September 30, **[**2022**]** *2023*, for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including related Internal Revenue Service labor costs, and contractual costs associated with operations authorized by 5 U.S.C. 3109: Provided, That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing **[**the cost and schedule performance for major information technology investments, including the purposes and life-cycle stages of the investments; the reasons for any cost and schedule variances; the risks of such investments and the strategies the Internal Revenue Service is using to mitigate such risks; and the expected developmental milestones to be achieved and costs to be incurred in the next quarter**]** *major information technology investments in the Internal Revenue Service Integrated Modernization Business Plan portfolio, including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated* *with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year*.

ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE

SEC. 101. Not to exceed 4 percent of the appropriation made available in this Act to the Internal Revenue Service under the "Enforcement" heading, and not to exceed 5 percent of any other appropriation made available in this Act to the Internal Revenue Service, may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 102. The Internal Revenue Service shall maintain an employee training program, which shall include the following topics: taxpayers' rights, dealing courteously with taxpayers, cross-cultural relations, ethics, and the impartial application of tax law.

SEC. 103. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information and protect taxpayers against identity theft.

SEC. 104. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased staffing to provide sufficient and effective 1–800 help line service for taxpayers. The Commissioner shall continue to make improvements to the Internal Revenue Service 1–800 help line service a priority and allocate resources necessary to enhance the response time to taxpayer communications, particularly with regard to victims of tax-related crimes.

SEC. 105. The Internal Revenue Service shall issue a notice of confirmation of any address change relating to an employer making employment tax payments, and such notice shall be sent to both the employer's former and new address and an officer or employee of the Internal Revenue Service shall give special consideration to an offer-in-compromise from a taxpayer who has been the victim of fraud by a third party payroll tax preparer.

SEC. 106. None of the funds made available under this Act may be used by the Internal Revenue Service to target citizens of the United States for exercising any right guaranteed under the First Amendment to the Constitution of the United States. SEC. 107. None of the funds made available in this Act may be used by the Internal Revenue Service to target groups for regulatory scrutiny based on their ideological beliefs.

SEC. 108. None of funds made available by this Act to the Internal Revenue Service shall be obligated or expended on conferences that do not adhere to the procedures, verification processes, documentation requirements, and policies issued by the Chief Financial Officer, Human Capital Office, and Agency-Wide Shared Services as a result of the recommendations in the report published on May 31, 2013, by the Treasury Inspector General for Tax Administration entitled "Review of the August 2010 Small Business/Self-Employed Division's Conference in Anaheim, California" (Reference Number 2013–10–037).

SEC. 109. None of the funds made available in this Act to the Internal Revenue Service may be obligated or expended– (1) to make a payment to any employee under a bonus, award, or recognition program; or (2) under any hiring or personnel selection process with respect to re-hiring a former employee; unless such program or process takes into account the conduct and Federal tax compliance of such employee or former employee.

SEC. 110. None of the funds made available by this Act may be used in contravention of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information).

__SEC. 111.__ Unobligated balances of expired discretionary funds appropriated from the General Fund of the Treasury to the Internal Revenue Service by this Act may be transferred (not later than the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated) into the Operations Support heading: Provided, that any funds so transferred shall remain available for obligation for five fiscal years after the fiscal year of such transfer, and in addition to such other funds as may be available for such purposes, for facilities and information technology expenses: Provided further, That transfer authority under this section shall be in addition to any other transfer authority provided in this Act: Provided further, That amounts may be obligated only after the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of the planned use of funds.

__SEC. 112.__ Nothwithstanding any Congressional notification requirements for a reprogramming of funds in this Act, funds provided in this Act for the Internal Revenue Service shall be available for obligation and expenditure through a reprogramming of funds that augments or reduces existing programs, projects, or activities by up to $10,000,000 without prior Congressional notification of such action.

UNITED STATES SECRET SERVICE

OPERATIONS AND SUPPORT

Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, for necessary expenses of the United States Secret Service for operations and support, including purchase of not to exceed 652 vehicles for police-type use for replacement only; hire of passenger motor vehicles; purchase of motorcycles made in the United States; hire of aircraft; rental of buildings in the District of Columbia; fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; conduct of and participation in firearms matches; presentation of awards; conduct of behavioral research in support of protective intelligence and operations; payment in advance for commercial accommodations as may be necessary to perform protective functions; and payment, without regard to section 5702 of title 5, United States Code, of subsistence expenses of employees who are on protective missions, whether at or away from their duty stations; $2,360,538,000; of which $41,807,000 shall remain available until September 30, 2022; of which not to exceed $100,000 shall be to provide technical assistance and equipment to foreign law enforcement organizations in criminal investigations within the jurisdiction of the United States Secret Service; and of which $6,000,000 shall be for a grant for activities related to investigations of missing and exploited children: Provided, That not to exceed $19,125 shall be for official reception and representation expenses: Provided further, That funding may be used for calendar year 2020 premium pay in excess of the annual equivalent of the limitation on the rate of pay contained in section 5547(a) of title 5, United States Code, pursuant to section 2 of the Overtime Pay for Protective Services Act of 2016 (5 U.S.C. 5547 note), as amended by Public Law 115–383.

PROCUREMENT, CONSTRUCTION, AND IMPROVEMENTS

Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, for necessary expenses of the United States Secret Service for procurement, construction, and improvements, $38,305,000, to remain available until September 30, 2023.

RESEARCH AND DEVELOPMENT

Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, for necessary expenses of the United States Secret Service for research and development, $11,937,000, to remain available until September 30, 2022.

ADMINISTRATIVE PROVISIONS—UNITED STATES SECRET SERVICE

SEC. 201. *The United States Secret Service is authorized to obligate funds in anticipation of reimbursements from executive agencies, as defined in section 105 of title 5, United States Code, for personnel receiving training sponsored by the James J. Rowley Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available under the heading "United States Secret Service-Operations and Support" at the end of the fiscal year.*

SEC. 202. *None of the funds made available in this Act may be used to reimburse any Federal department or agency for its participation in a National Special Security Event.*

SEC. 203. *None of the funds made available to the United States Secret Service by this Act or by previous appropriations Acts may be made available for the protection of the head of a Federal agency other than the Secretary of the Treasury: Provided, That the Director of the United States Secret Service may enter into agreements to provide such protection on a fully reimbursable basis.*

SEC. 204. *Notwithstanding section 608 of this Act, up to $15,000,000 may be reprogrammed within "United States Secret Service Operations and Support".*

SEC. 205. *Funding made available in this Act for "United States Secret Service-Operations and Support" is available for travel of United States Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act if the Director of the United States Secret Service or a designee notifies the Committees on Appropriations of the Senate and the House of Representatives 10 or more days in advance, or as early as practicable, prior to such expenditures.*

SEC. 206. *None of the funds made available by this Act for "United States Secret Service-Operations and Support" shall be available to compensate any employee for overtime in an annual amount in excess of $45,000, except that the Secretary of the Treasury, or the designee of the Secretary, may waive such amount as necessary for national security purposes.*

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 111. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 112. Not to exceed 2 percent of any appropriations in this title made available under the headings "Departmental Offices-Salaries and Expenses", "Office of Inspector General", "Special Inspector General for the Troubled Asset Relief Program"," Financial Crimes Enforcement Network", "Bureau of the Fiscal Service", and "Alcohol and Tobacco Tax and Trade Bureau" may be transferred between such appropriations upon the advance **[**approval**]** *notification* of the

Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That no transfer under this section may increase or decrease any such appropriation by more than 2 percent.

SEC. 113. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation upon the advance **[**approval**]** *notification* of the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 114. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.

SEC. 115. The Secretary of the Treasury may transfer funds from the "Bureau of the Fiscal Service-Salaries and Expenses" to the Debt Collection Fund as necessary to cover the costs of debt collection: *Provided*, That such amounts shall be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.

SEC. 116. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the **[**explicit approval**]** *prior notification* of the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Financial Services, and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 117. None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the **[**explicit approval**]** *prior notification* of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; and the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 118. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for the Department of the Treasury's intelligence or intelligence related activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year **[**2020**]** *2021* until the enactment of the Intelligence Authorization Act for Fiscal Year **[**2020**]** *2021*.

SEC. 119. Not to exceed $5,000 shall be made available from the Bureau of Engraving and Printing's Industrial Revolving Fund for necessary official reception and representation expenses.

SEC. 120. The Secretary of the Treasury shall submit a Capital Investment Plan to the Committees on Appropriations of the Senate and the House of Representatives not later than 30 days following the submission of the annual budget submitted by the President: *Provided*, That such Capital Investment Plan shall include capital investment spending from all accounts within the Department of the Treasury, including but not limited to the **[**Department-wide Systems and Capital Investment Programs**]** *Treasury Capital Investments and Modernization Fund* account, Treasury Franchise Fund account, and the Treasury Forfeiture Fund account: *Provided further*, That such Capital Investment Plan shall include expenditures occurring in previous fiscal years for each capital investment project that has not been fully completed.

SEC. 121. Within 45 days after the date of enactment of this Act, the Secretary of the Treasury shall submit an itemized report to the Committees on Appropriations of the House of Representatives and the Senate on the amount of total funds charged to each office by the

Franchise Fund including the amount charged for each service provided by the Franchise Fund to each office, a detailed description of the services, a detailed explanation of how each charge for each service is calculated, and a description of the role customers have in governing in the Franchise Fund.

SEC. 122. During fiscal year **[**2020**]** *2021*–

(1) none of the funds made available in this or any other Act may be used by the Department of the Treasury, including the Internal Revenue Service, to issue, revise, or finalize any regulation, revenue ruling, or other guidance not limited to a particular taxpayer relating to the standard which is used to determine whether an organization is operated exclusively for the promotion of social welfare for purposes of section 501(c)(4) of the Internal Revenue Code of 1986 (including the proposed regulations published at 78 Fed. Reg. 71535 (November 29, 2013)); and (2) the standard and definitions as in effect on January 1, 2010, which are used to make such determinations shall apply after the date of the enactment of this Act for purposes of determining status under section 501(c)(4) of such Code of organizations created on, before, or after such date.

SEC. 123. (a) Not later than 60 days after the end of each quarter, the **[**Office of Financial Stability and the**]** Office of Financial Research shall submit reports on their activities to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Financial Services of the House of Representatives and the Senate Committee on Banking, Housing, and Urban Affairs. (b) The reports required under subsection (a) shall include– (1) the obligations made during the previous quarter by object class, office, and activity; (2) the estimated obligations for the remainder of the fiscal year by object class, office, and activity; (3) the number of full-time equivalents within each office during the previous quarter; (4) the estimated number of full-time equivalents within each office for the remainder of the fiscal year; and (5) actions taken to achieve the goals, objectives, and performance measures of each office. (c) At the request of any such Committees specified in subsection (a), **[**the Office of Financial Stability and**]** the Office of Financial Research shall make officials available to testify on the contents of the reports required under subsection (a).

[SEC. 124. In addition to the amounts otherwise made available to the Department of the Treasury, $25,000,000, to remain available until expended, shall be for expenses associated with digitization and distribution of the Department's records of matured savings bonds that have not been redeemed.**]**

SEC. 124. *Notwithstanding paragraph (2) of section 402(c) of the Helping Families Save Their Homes Act of 2009, in utilizing funds made available by paragraph (1) of section 402(c) of such Act, the Special Inspector General for the Troubled Asset Relief Program shall prioritize the performance of audits or investigations of any program that is funded in whole or in part by funds appropriated under*

the Emergency Economic Stabilization Act of 2008, to the extent that such priority is consistent with other aspects of the mission of the Special Inspector General.

SEC. 125. *Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of the Treasury by this Act and unobligated balances of expired discretionary funds appropriated from the General Fund to the Department of the Treasury by this Act may be transferred (not later than the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated) to the Treasury Capital Investments and Modernization Fund: Provided, That any funds so transferred shall remain available for obligation for five fiscal years after the fiscal year of such transfers for* *modernization of Treasury systems to increase cybersecurity and improve efficiency: Provided further, That funds so transferred shall not be available for obligation until the Secretary submits to the Committees on Appropriations of the House of Representatives and the Senate a spending plan for such funds.*

Mandatory Funding Levels for the FY 2021 President's Budget – Treasury Chapter

(Dollars in Millions, Includes Legislative Proposals)

Appropriations (Dollars in Millions)	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated	FY 2021 $ Change	FY 2021 % Change
Payment to the Resolution Funding Corporation	2,628	2,445	1,367	(1,078)	-44.1%
Interest on Uninvested Funds	39	48	48	0	0.0%
Restitution of Forgone Interest	2,371	0	0	0	0.0%
Federal Interest Liabilities to States	0	1	1	0	0.0%
Interest Paid to Credit Financing Accounts	7,122	11,948	12,098	150	1.3%
Refunding Internal Revenue Collections, Interest	2,042	1,321	1,464	143	10.8%
Interest on Public Debt	572,913	576,465	575,750	(715)	-0.1%
Other Interest	(46,572)	(56,824)	(56,759)	65	-0.1%
INTEREST PAYMENTS	**$540,543**	**$535,404**	**$533,969**	**($1,435)**	**-0.3%**
MANDATORY ACCOUNTS					
Build America Bond Payments	3,356	3,356	3,566	210	6.3%
Capital Magnet Fund, Community Development Financial Institutions	134	161	9	(152)	-94.4%
Check Forgery Insurance Fund	4	5	5	0	0.0%
Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund	1	1	1	0	0.0%
Claims, Judgments, and Relief Acts	1,706	1,702	1,699	(3)	-0.2%
Community Development Financial Institutions Fund Program	7	9	1	(8)	-88.9%
Comptroller of the Currency	1,171	1,075	1,075	0	0.0%
Continued Dumping and Subsidy Offset	17	53	17	(36)	-67.9%
Contribution for Annuity Benefits, United States Secret Service [1]	243	265	265	265	0.0%
Exchange Stabilization Fund	510	590	556	(34)	-5.8%
Federal Financing Bank	2,571	2,395	2,237	(158)	-6.6%
Federal Reserve Bank Reimbursement Fund	546	623	646	23	3.7%
Federal Tax Lien Revolving Fund	7	2	2	0	0.0%
Financial Agent Services	822	847	863	16	1.9%
Financial Research Fund	66	74	80	6	8.1%
Fiscal Service Debt Collection	223	201	227	26	12.9%
GSE Mortgage-backed Securities Purchase Program	1	1	1	0	0.0%
Gulf Coast Restoration Trust Fund	315	339	351	12	3.5%
Internal Revenue Collections for Puerto Rico	445	453	459	6	1.3%
IRS Informant Payments	88	118	125	7	5.9%
IRS Miscellaneous Retained Fees	392	392	387	(5)	-1.3%
IRS Private Collection Agent Program	93	158	172	14	8.9%
Office of Financial Stability	62	51	42	(9)	-17.6%
Payment of Government Losses in Shipment	1	2	2	0	0.0%
Payment to Issuer of New Clean Renewable Energy Bonds	48	48	51	3	6.3%
Payment to Issuer of Qualified Energy Conservation Bonds	40	40	43	3	7.5%
Payment to Issuer of Qualified School Construction Bonds	650	650	691	41	6.3%
Payment to Issuer of Qualified Zone Academy Bonds	43	43	46	3	7.0%
Payment to United States Virgin Islands and Puerto Rico for Disaster Tax Relief	200	0	0	0	0.0%
Payment Where American Opportunity Credit Exceeds Liability for Tax	2,881	3,855	3,718	(137)	-3.6%
Payment Where Certain Tax Credits Exceed Liability for Corporate Tax	8,232	6,685	3,288	(3,397)	-50.8%
Payment Where Child Tax Credit Exceeds Liability for Tax	28,898	29,615	29,342	(273)	-0.9%
Payment Where Earned Income Credit Exceeds Liability for Tax	59,209	60,258	63,306	3,048	5.1%
Payment Where Health Coverage Tax Credit Exceeds Liability for Tax	24	29	7	(22)	-75.9%
Payment Where Small Business Health Insurance Tax Credit Exceeds Liability for Tax	1	1	1	0	0.0%
Presidential Election Campaign Fund	25	25	25	0	0.0%
Refundable Premium Tax Credit	59,178	47,600	40,400	(7,200)	-15.1%
Reimbursements to Federal Reserve Banks	147	171	177	6	3.5%
Small Business Lending Fund Program	5	7	3	(4)	-57.1%
Terrorism Insurance Program	3	31	94	63	203.2%
Travel Promotion Fund	94	94	0	(94)	-100.0%
Treasury Forfeiture Fund	772	616	632	16	2.6%
Troubled Asset Relief Program Equity Purchase Program	1	7	0	(7)	-100.0%
Subtotal, MANDATORY ACCOUNTS	**$173,232**	**$162,648**	**$154,612**	**($8,036)**	**-4.9%**
Offsets:					
Treasury Mandatory Offsetting Receipts	(21,689)	(6,808)	(10,038)	(3,230)	47.4%
Treasury Offsetting Collections	(4,264)	(4,068)	(3,875)	193	-4.7%
TOTAL, DEPARTMENT OF THE TREASURY	**$687,822**	**$687,176**	**$674,668**	**($12,508)**	**-1.8%**

[1] The President's Budget proposes moving the United States Secret Service to Treasury in 2021. For presentation, all years are shown for the Secret Service mandatory account for Contribution for Annuity Benefits.

Total Treasury Department Mandatory Budget

The Treasury Department Mandatory Budget includes $675 billion dollars in interest payments, mandatory accounts, and offsetting receipts and collections (offsets). These accounts and the estimated budget authority are summarized above. Account totals include the effects of FY 2021 policy proposals. For more detailed descriptions of each account, please see the Department of the Treasury chapter in the FY 2021 Appendix, Budget of the U.S. Government at:
http://www.whitehouse.gov/omb/budget.

Interest Payments - $534 billion
These are permanent, indefinite funds for interest payments. This includes Interest on the Public Debt, which consists of all interest paid on Treasury securities and sold to the public and to Federal Government trust Funds, revolving funds and deposit funds. Treasury interest payment accounts also consist of Refunds on Internal Revenue Collections interest, Interest on Uninvested Funds, Interest paid to Credit Financing Accounts, Federal Interest Liabilities to the States, and Payments to the Resolution Funding Corporation.

Mandatory Accounts - $155 billion
These are accounts for which the Congress has given the Department of Treasury permanent authority to expend funds as appropriations. These include appropriations that fund a number of programs under Treasury jurisdiction such as the Terrorism Risk Insurance Program and the Treasury Forfeiture Fund. Other accounts that fall under mandatory programs include all Internal Revenue Service refundable tax credit accounts, certain user fees, and informant payments. The Department is also a custodian for a number of government accounts and funds listed in this section and further detailed in the FY 2021 Appendix, Budget of the U.S. Government.

Offsets - $14 billion
Offsets include payments to the Government that are not credited directly to expenditure accounts (offsetting receipts) and payments credited directly to accounts from which they will be spent (offsetting collections). The receipts offset gross budget authority and outlays at the agency or bureau level. The collections offset gross budget authority and outlays at the account level.

Treasury's mandatory offsetting receipts primarily include the non-budgetary accounts that record all cash flows to and from the Government resulting from direct loans obligated in 2008 and beyond (including modifications of direct loans that resulted from obligations in any year). Treasury's mandatory offsetting collections include the payments made to accounts such as the Office of Comptroller of the Currency, Federal Financing Bank, and the Exchange Stabilization Fund.