DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 4, 2024

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Department of the Treasury's Budget request for Fiscal Year (FY) 2025. The President's 2025 Budget for Treasury supports a fair and robust tax system that ensures large corporations and the wealthy pay their fair share; maintains improved taxpayer experience and service; combats terrorism and financial crime; promotes community development and access to capital in disadvantaged communities; strengthens corporate transparency; helps address cybersecurity risks; and builds institutional capacity to address emerging issues and advance equity across all Treasury programs. The FY 2025 budget request of $14.4 billion aligns resources to the Department's long-term goals and objectives, as described in Treasury's FY 2022-2026 Strategic Plan. The plan can be found on Treasury's website here.

Treasury's IRS request includes $12.3 billion in discretionary resources to ensure that taxpayers receive the highest quality customer service and that all Americans are treated fairly by the U.S. tax system. These regular appropriations are essential to maintaining current "steady-state" operations, allowing the IRS to improve service, process returns in a timely manner, and continue reducing paper inventory.

The robust multi-year funding provided by the Inflation Reduction Act (IRA), which supplements the annual budget, is being used to make long-term investments to transform customer service, modernize technology, and allow the IRS to reduce our Nation's deficits by ensuring wealthy individuals, large corporations and partnerships pay the Federal taxes they legally owe. The Budget proposes new long-term funding to sustain service enhancements and deficit-reducing tax compliance initiatives funded by the Inflation Reduction Act. This proposal builds on already realized service improvements and decades of analysis demonstrating that program integrity investments to enforce existing tax laws increase revenues by closing the tax gap—the difference between taxes owed and taxes paid.

The Budget provides $150 million for the Department to protect and defend sensitive agency systems and information, including high-value assets. The request provides $325 million for the Community Development Financial Institutions with the goal of improving historically underserved and often low-income communities' access to credit, capital, and financial support to grow businesses. The Budget includes $312 million for Treasury's Departmental Offices to address their expanding role in promoting investment security, support artificial intelligence policy development, and continue to restore staffing levels.

Additionally, the request includes $231 million for the Office of Terrorism and Financial Intelligence (TFI) to expand Treasury's capacity to provide financial intelligence and conduct sanctions-related economic analysis and $216 million for FinCEN to continue addressing anti-money laundering and corporate transparency requirements.

The FY 2025 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,

Janet L. Yellen

Janet L. Yellen

Enclosure

U.S. Department of the Treasury
FY 2025 Budget in Brief

Summary of FY 2025 President's Budget

The information presented in the FY 2025 Budget in Brief is accurate and complete as of March 11, 2024. Any updates will be reflected in the budget available on the Department of the Treasury website, www.Treasury.gov.

FY 2025 EXECUTIVE SUMMARY

President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2023 Enacted (pre IRS transfer)	FY 2023 Enacted (post IRS transfer)	FY 2024 Annualized CR	FY 2025 President's Budget
Management & Financial	**$1,880,728**	**$1,880,728**	**$1,871,728**	**$2,038,259**
Departmental Offices Salaries and Expenses [1]	$273,882	$273,882	$273,882	$312,294
Committee on Foreign Investment in the United States (CFIUS) Fund	$21,000	$21,000	$21,000	$21,000
CFIUS Fees	($21,000)	($21,000)	($21,000)	($21,000)
Office of Terrorism and Financial Intelligence [1]	$216,059	$216,059	$216,059	$230,533
Cybersecurity Enhancement Account	$100,000	$100,000	$100,000	$150,000
Department-wide Systems and Capital Investments Program	$11,118	$11,118	$11,118	$14,470
Office of Inspector General	$48,878	$48,878	$48,878	$50,174
Treasury Inspector General for Tax Administration [1]	$174,250	$174,250	$174,250	$179,026
Special Inspector General for TARP[3]	$9,000	$9,000	$0	$0
Special Inspector Pandemic Recovery[3]	$12,000	$12,000	$12,000	$5,327
Community Development Financial Institutions Fund	$324,000	$324,000	$324,000	$324,908
Financial Crimes Enforcement Network [1]	$190,193	$190,193	$190,193	$215,689
Alcohol and Tobacco Tax and Trade Bureau	$148,863	$148,863	$148,863	$159,679
Bureau of the Fiscal Service	$372,485	$372,485	$372,485	$396,159
Tax Administration [1, 2]				
Internal Revenue Service Total	**$12,319,054**	**$12,319,054**	**$12,319,054**	**$12,319,054**
Taxpayer Services	$2,780,606	$2,880,606	$2,780,606	$2,780,606
Enforcement	$5,437,622	$5,165,741	$5,437,622	$5,437,622
Technology and Operations Support	$4,100,826	$4,122,707	$4,100,826	$4,100,826
Business Systems Modernization	$0	$150,000	$0	$0
Subtotal, Treasury Appropriations excluding TEOAF	**$14,199,782**	**$14,199,782**	**$14,190,782**	**$14,357,313**
Treasury Executive Office of Asset Forfeiture (TEOAF) Permanent Rescission	($150,000)	($150,000)	($150,000)	$0
Subtotal, Treasury Appropriation including TEOAF	**$14,049,782**	**$14,049,782**	**$14,040,782**	**$14,357,313**
Treasury International Programs				
Multilateral Development Banks	$1,906,315	$1,906,315	$1,906,315	$2,168,215
IMF Facilities and Trust Funds	$20,000	$20,000	$20,000	$0
Energy and Environment Funds	$275,200	$275,200	$275,200	$300,200
Food Security	$53,000	$53,000	$53,000	$54,000
Global Infrastructure Facility	$0	$0	$0	$5,000
Office of Technical Assistance	$38,000	$38,000	$38,000	$40,000
Debt Restructuring and Relief	$72,000	$72,000	$72,000	$10,000
Treasury Int'l Assistance Programs	$0	$0	$0	$15,000
Subtotal, excluding rescissions	**$2,364,515**	**$2,364,515**	**$2,364,515**	**$2,592,415**
Rescission: Debt Restructuring	$0	$0	$0	($111,000)
Treasury International Programs Subtotal, including rescissions	**$2,364,515**	**$2,364,515**	**$2,364,515**	**$2,481,415**
Total, Treasury Appropriations excluding TEOAF and Debt Restructuring Rescissions	**$16,564,297**	**$16,564,297**	**$16,555,297**	**$16,949,728**
Total, Treasury	**$16,414,297**	**$16,414,297**	**$16,405,297**	**$16,838,728**

[1]Excludes IRA resources, or one-time mandatory funding.

[2]FY 2023 Enacted (post IRS transfer) includes a transfer of $271.9 million from Enforcement to Taxpayer Services ($100 million), Operations Support ($21.9 million) and Business Systems Modernization ($150 million).

[3]SIGTARP completed operations per statute in FY 2024. The FY 2025 Budget assumes SIGPR wind down in FY 2025 as in current law.

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 $14.4 billion in base discretionary resources for the Department of the Treasury's domestic programs, a $.2 billion or 1 percent increase from the FY 2023 enacted level.

- Protects Improvements to Taxpayer Experience and Supports Ensuring the Wealthy and Big Corporations Pay the Taxes They Owe. The Inflation Reduction Act addressed long-standing Internal Revenue Service (IRS) funding deficiencies by providing stable, multi-year funding to improve tax compliance by finally cracking down on high-income individuals and corporations who have too often avoided paying their lawfully owed taxes, and improving service for the millions of Americans who do pay their taxes. The IRS is using Inflation Reduction Act funding to modernize its information technology infrastructure, administer new clean energy tax credits, rebuild the administrative capacity of the Agency to better assist taxpayers, and crack down on tax evasion by the wealthy and big corporations. These goals can only be realized if annual discretionary appropriations are provided to maintain and protect current services. To ensure that taxpayers continue to receive high-quality customer service and that all Americans are treated fairly by the U.S. tax system, the Budget maintains annual funding at the 2023 level for all IRS activities and provides a total of $12.3 billion for the Agency. In addition to annual discretionary funding, the Budget proposes to restore the full Inflation Reduction Act investment and provide new funding over the long-term to maintain progress on service enhancements and deficit-reducing tax compliance initiatives. This proposal reflects a robust research base demonstrating that program integrity investments to enforce existing tax laws increase revenues in a progressive way and, in doing so, shrink the tax gap—the difference between taxes owed and taxes paid.
- Promotes Access to Capital to Underserved Communities. The Budget provides $325 million for the Community Development Financial Institutions (CDFI) Fund, an increase of $1 million above the 2023 level, and $55 million, or a 20-percent increase above the 2021 level, to provide access to credit and technical assistance to historically underserved and often low-income communities. To address the shortage of long-term affordable credit for development projects in disadvantaged communities, the Budget also includes a $10 million subsidy for the CDFI Fund's Bond Guarantee Program and proposes changes to broaden participation while still minimizing the risk of loss to the Federal Government. The Budget would also broaden access to the Small Dollar Loan Program, allowing more organizations to participate in the program that supports individuals seeking affordable credit building loans and alternatives to costly payday loans.

- Combats Terrorism and Corruption and Increases Corporate Transparency. Treasury plays a leading role in monitoring and disrupting corruption, money laundering, terrorist financing, the use of the financial system by malicious actors domestically and abroad, and combatting the trafficking of illicit substances such as fentanyl in American communities. The Budget provides $231 million to the Office of Terrorism and Financial Intelligence, $15 million above the 2023 level, to expand Treasury's capacity to provide financial intelligence and conduct sanctions-related economic analysis while continuing to modernize the sanctions process. These investments would expand Treasury's ability to craft, implement, and enforce sanctions, including the historic sanctions program targeting Russia's illegal war in Ukraine, and sanctions on key Hamas terrorist group members and financial facilitators in Gaza. The Budget also provides $216 million for the Financial Crimes Enforcement Network, $26 million above the 2023 level, to support Beneficial Ownership Information reporting which will be required for existing covered companies beginning in 2025. This reporting will provide investigative tools making it harder for bad actors to hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures.
- Builds Critical Agency Capacity to Address Emerging Threats. The Budget provides $312 million for Treasury's Departmental Offices, an increase of $38 million, or a 14-percent increase above the 2023 level, to continue to rebuild staffing levels for Treasury's core policy offices and support Treasury's role in promoting investment security in sensitive technologies and products critical to the national security of the United States. The increase in funding would also allow Treasury to support a Chief Artificial Intelligence Officer to ensure responsible use and development of artificial intelligence capabilities. The Budget builds institutional capacity to support Treasury-wide coordination of program evaluation and expand engagement with historically underrepresented and underserved groups to advance equity across all Treasury programs.
- Strengthens Enterprise Cybersecurity. The Budget provides $150 million for the Cybersecurity Enhancement Account, an increase of $50 million above the 2023 level, to protect and defend sensitive agency systems and information, including those designated as high-value assets. The Budget increases centralized funding to strengthen Treasury's overall cybersecurity efforts and to continue the implementation of a Zero Trust Architecture. These investments would protect Treasury's systems, and the American public's sensitive data safeguarded within these systems, from future attacks. The Budget also provides $396 million for the Bureau of the Fiscal Service, $24 million above the 2023 level. This includes funding to enhance the security posture of core Government financial systems by modernizing and transitioning all mainframe applications to the secure cloud.

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

	2023 Actual			2024 Annualized CR			2025 President's Budget		
Appropriation[1]	**Direct**	**Reimb.**	**Total**	**Direct**	**Reimb.**	**Total**	**Direct**	**Reimb.**	**Total**
Departmental Offices Salaries and Expenses[2]	848	44	**892**	918	41	**959**	974	41	**1,015**
DO-IRA (non-add)	*30*	-	***30***	*77*	-	***77***	*67*	-	***67***
Terrorism and Financial Intelligence	594	34	**628**	623	32	**655**	644	32	**676**
Cybersecurity Enhancement	13	-	**13**	34	-	**34**	34	-	**34**
Office of Inspector General	241	-	**241**	210	-	**210**	210	-	**210**
Treasury Inspector General for Tax Administration	705	2	**707**	789	2	**791**	792	2	**794**
TIGTA-IRA (non-add)	*60*	-	***60***	*139*	-	***139***	*142*	-	***142***
Special Inspector General for TARP	29	-	**29**	7	-	**7**	-	-	**-**
Special Inspector General for Pandemic Recovery	53	-	**53**	38	-	**38**	11	-	**11**
Community Development Financial Institutions Fund	80	-	**80**	102	-	**102**	102	-	**102**
Financial Crimes Enforcement Network	273	1	**274**	289	3	**292**	304	3	**307**
Alcohol and Tobacco Tax and Trade Bureau	503	10	**513**	539	11	**550**	568	11	**579**
Bureau of the Fiscal Service[3]	1,759	10	**1,769**	1,817	9	**1,826**	1,839	19	**1,858**
Internal Revenue Service[4]	82,987	472	**83,459**	82,141	652	**82,793**	89,727	685	**90,412**
IRS-IRA (non-add)	-	-	**-**	*14,504*	-	***14,504***	*28,401*	-	***28,401***
IRS Energy Security (non-add)	-	-	**-**	*1,810*	-	***1,810***	*1,810*	-	***1,810***
Subtotal, Treasury Appropriated Level, Excluding IRA	**87,995**	**573**	**88,568**	**70,977**	**750**	**71,727**	**64,785**	**793**	**65,578**
Subtotal, Treasury Appropriated Level	**88,085**	**573**	**88,658**	**87,507**	**750**	**88,257**	**95,205**	**793**	**95,998**
Office of Financial Stability (Administrative Account)	6	-	**6**	2	-	**2**	-	-	**-**
Office of Capital Access[4]	79	-	**79**	105	-	**105**	100	.	**100**
Community Development Financial Institutions Fund, Emergency Support	6	-	**6**	4	-	**4**	4	-	**4**
Capital Magnet Fund	7	-	**7**	9	-	**9**	9	-	**9**
Office of Financial Research	134	-	**134**	213	-	**213**	231	-	**231**
Financial Stability Oversight Council	25	-	**25**	44	-	**44**	48	-	**48**
Treasury Franchise Fund	-	2,062	**2,062**	-	2,252	**2,252**	-	2,263	**2,263**
Bureau of Engraving and Printing	-	1,904	**1,904**	-	1,925	**1,925**	-	1,925	**1,925**
United States Mint	-	1,598	**1,598**	-	1,705	**1,705**	-	1,705	**1,705**
Office of the Comptroller of the Currency	-	3,475	**3,475**	-	3,639	**3,639**	-	3,639	**3,639**
Terrorism Insurance Program	10	-	**10**	14	-	**14**	14	-	**14**
IRS Private Collection Agent Program[4]	717	-	**717**	918	-	**918**	918	-	**918**
Subtotal, Treasury Non-Appropriated Level	**984**	**9,039**	**10,023**	**1,309**	**9,521**	**10,830**	**1,324**	**9,532**	**10,856**
Total, Treasury, Excluding IRA	**88,979**	**9,612**	**98,591**	**72,286**	**10,271**	**82,557**	**66,109**	**10,325**	**76,434**
Total, Treasury	**89,069**	**9,612**	**98,681**	**88,816**	**10,271**	**99,087**	**96,529**	**10,325**	**106,854**

1/ Presentation for appropriated accounts include FTE funded with annual appropriated resources, user fees, carryover, multiyear authority, IRA, and supplemental funding.

2/ Departmental Offices presentation include Direct FTE funded from the Social Impact Demonstration Projects account, the Office of Technical Assistance account, and the Committee on Foreign Investment in the United States Fund.

3/ Direct FTE for the Bureaus of the Fiscal Service include FTE funded from the Debt Collection Fund.

4/ The Office of Capital Access presentation include FTE related to Transportation Services, Payroll Support Program, Air Carrier Worker Support & Pandemic Relief for Aviation Workers, Economic Stabilization Program, Coronavirus Relief Fund, Homeowner Assistance Fund, Emergency Rental Assistance, State Small Business Credit Initiative (SSBCI) and Emergency Capital Investment Program.

Summary of FY 2025 Increases and Decreases

(Dollars in Thousands)

	DO	CFIUS[1]	TFI	Cyber[2]	DSCIP	OIG	TIGTA	SIGPR[3]	CDFI	FinCEN	TTB	BFS	IRS	Total
FY 2024 Annualized CR	**$273,882**	**$0**	**$216,059**	**$100,000**	**$11,118**	**$48,878**	**$174,250**	**$12,000**	**$324,000**	**$190,193**	**$148,863**	**$372,485**	**$12,319,054**	**$14,190,782**
Maintaining Current Levels (MCLs)	$7,383	$0	$5,431	$2,236	$0	$1,296	$4,776	$322	$870	$4,537	$3,833	$9,711	$329,551	$369,946
Pay Annualization	$2,109		$1,420	76		$532	$1,842	$142	$210	$741	$1,173	$3,183	$118,950	$130,378
Pay Raise	$2,466		$1,660	89		$455	$2,153	$121	$245	$866	$1,371	$3,720	$139,036	$152,182
Non-Pay	$2,808		$2,351	2,071		$309	$781	$59	$415	$2,930	$1,289	$2,808	$71,565	$87,386
Non-Recurring Costs				($17,293)	($11,118)									($28,411)
Technical Adjustments											$5,199		($329,551)	($324,352)
Adjustment to Reach Winddown Level								($6,995)						($6,995)
Adjustments to Base	**$7,383**	**$0**	**$5,431**	**($15,057)**	**($11,118)**	**$1,296**	**$4,776**	**($6,673)**	**$870**	**$4,537**	**$9,032**	**$9,711**	**$0**	**$10,188**
FY 2025 Base	**$281,265**	**$0**	**$221,490**	**$84,943**	**$0**	**$50,174**	**$179,026**	**$5,327**	**$324,870**	**$194,730**	**$157,895**	**$382,196**	**$12,319,054**	**$14,200,970**
Program Decreases									($26,000)					($26,000)
CFIUS Fund Appropriation		$21,000												$21,000
CFIUS User Fees		($21,000)												($21,000)
Program Increases/Reinvestments	$31,029		$9,043	$65,057	$14,470				26,038	$20,959	$1,784	$13,963		$182,343
Subtotal, Program Changes	**$31,029**	**$0**	**$9,043**	**$65,057**	**$14,470**	**$0**	**$0**	**$0**	**$38**	**$20,959**	**$1,784**	**$13,963**	**$0**	**$156,343**
FY 2025 President's Budget funded from discretionary resources	**$312,294**	**$0**	**$230,533**	**$150,000**	**$14,470**	**$50,174**	**$179,026**	**$5,327**	**$324,908**	**$215,689**	**$159,679**	**$396,159**	**$12,319,054**	**$14,357,313**

1/ CFIUS Fund Annualized CR levels are net appropriations including CFIUS Fees.

2/ Cyber refers to the Treasury Cybersecurity Enhancement Account (CEA).

3/ SIGPR will be sunsetting in FY 2025, as their statutory authority expires in FY 2025.

FY 2025 President's Budget by Strategic Goal

Dollars in Thousands

Treasury Goal/Objective	Promote Equitable Economic Growth and Recovery	Enhance National Security	Protect Financial Stability and Resiliency	Combat Climate Change	Modernize Treasury Operations	Total
Cybersecurity Enhancement Account		$150,000				$150,000
Department-wide Systems and Capital Investments Program				$2,069	$12,401	$14,470
Office of Inspector General	$46,411	$1,957		$502	$1,305	$50,174
Treasury Inspector General for Tax Administration	$114,577	$7,161		$3,581	$53,708	$179,026
Special Inspector General for Pandemic Recovery	$5,327					$5,327
Community Development Financial Institutions Fund	$289,000				$35,908	$324,908
Financial Crimes Enforcement Network		$161,767	$28,040	$4,314	$21,569	$215,689
Alcohol and Tobacco Tax and Trade Bureau	$144,030	$639			$15,010	$159,679
Bureau of the Fiscal Service		$80,091	$85,194	$32,382	$198,492	$396,159
Tax Administration	$12,319,054					$12,319,054
IRS Taxpayer Services	$2,780,606					$2,780,606
IRS Enforcement	$5,437,622					$5,437,622
IRS Technology and Operations Support	$4,100,826					$4,100,826
Business Systems Modernization						
Total, Treasury	**$13,032,178**	**$695,659**	**$157,219**	**$67,845**	**$404,412**	**$14,357,313**

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025	
				$ Change	% Change
Executive Direction	$43,246	$48,774	$53,137	$4,363	9%
International Affairs and Economic Policy	$66,979	$62,323	$85,606	$23,283	37%
Domestic Finance and Tax Policy	$103,027	$98,341	$100,640	$2,303	2%
Treasury-wide Management and Programs	$41,392	$41,729	$49,708	$7,979	19%
Committee on Foreign Investment in the United States	$19,238	$22,715	$23,203	$484	2%
Subtotal, DO SE	**$273,882**	**$273,882**	**$312,294**	**$38,412**	**14%**
Offsetting Collections - Reimbursable	$12,863	$12,000	$12,000	$0	0%
Transfers from CFIUS Fund	$16,000	$16,000	$16,000	$0	0%
IRA Funding Usage	$10,548	$27,349	$24,382	($2,967)	-11%
Subtotal Other Resources	**$39,411**	**$55,349**	**$52,382**	**($2,967)**	**-5%**
Total Budgetary Resources	**$313,293**	**$329,231**	**$364,676**	**$35,445**	**11%**
Direct FTE	751	797	848	51	6%
Reimbursable FTE	44	41	41	0	0%
Transfers from CFIUS Fund	30	27	43	16	59.3%
IRA Funding FTE	30	77	67	(10)	-13%
Total Full-time Equivalents (FTE)	**855**	**942**	**999**	**57**	**6.1%**

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals. Table excludes Ukraine Supplemental funding, including FTE supported by Ukraine supplemental funding in FY 2023, and programs executed through the Office of Capital Access (i.e., State and Local Fiscal Recovery Funds, Capital Projects Fund, Homeowners Assistance Fund, Emergency Rental Assistance, State and Small Business Credit Initiative, Emergency and Capital Investment Program).

Summary

The President's FY 2025 budget for Treasury Departmental Offices (DO) Salaries and Expenses (SE) provides necessary resources for the Treasury Department to address major issues confronting the U.S. economy and to continue rebuilding Treasury's institutional capacity within core policy offices. Funding is requested to support the administration of Treasury's Outbound Investment Security Program, a national security initiative to review investments that U.S. firms make outside of the United States; initial costs to support Treasury's role in hosting the G20 summit in the United States in 2026; critical needs for continued support of priority national and economic security issues, including continued support for Ukraine and work on Russia sanctions; the sustainment of critical policy and management work needed to maintain a strong economy \; the continued work in advancing equity and ensuring that historically underserved communities, including rural communities, reach their full economic potential; an initiative to support implementation of the Evidence Act; and, the administration of an Office of the Chief Artificial Intelligence Officer (CAIO) and development of an enterprise-wide Artificial Intelligence (AI) strategy to advance responsible innovation in AI, strengthen AI governance, and manage risks from the use of AI. In addition to these requested increases, DO anticipates transferring in and executing $16 million from the $21 million request of the Committee on Foreign Investment in the United States (CFIUS) Fund, discussed separately in the CFIUS Congressional Budget Justification.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**797**	**$273,882**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$7,383
Pay Annualization (2024 5.2% average pay raise)	0	$2,109
Pay Raise (2025 2.0% average pay raise)	0	$2,466
Non-Pay (2025 2.2% non-pay inflation)	0	$2,808
Subtotal Changes to Base	0	$7,383
FY 2025 Current Services	**797**	**$281,265**
Program Changes:		
Program Increases:	51	$31,029
Outbound Investment Review	15	$16,700
Initial Costs for Hosting 2026 G20 Summit in the United States	6	$1,895
Funding for Ukraine and International Financial Sector Support	5	$2,048
Support for Critical DO Policy and Management Functions	9	$2,358
Advancing Equity for All and Supporting Underserved Rural and Other Disadvantaged Communities	9	$1,952
Evidence Act Implementation	2	$1,076
Advancing Governance, Innovation, and Risk Management for Treasury Use of Artificial Intelligence	5	$5,000
Subtotal Program Changes	51	31,029
FY 2025 President's Budget Request	**848**	**$312,294**

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs) ....+$7,383,000 / +0 FTE

Pay Annualization (5.2% in 2024) +$2,109,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$2,466,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$2,808,000 / +0 FTE

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

Program Increases ....+$31,029,000 / +51 FTE

Outbound Investment Review +$16,700,000 / +15 FTE

On August 9, 2023, President Biden issued Executive Order (E.O.) 14105 to address the national security threat to the United States posed by countries of concern that seek to develop and exploit sensitive or advanced technologies and products critical for military, intelligence, surveillance, or cyber-enabled capabilities. This required Treasury to establish a targeted outbound investment review program. Further, the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2023, P.L. 117-328, included report language that encouraged Treasury to establish a targeted outbound investment review mechanism. The requested FY 2025 funding would allow Treasury to establish a program to address national security concerns arising from outbound investments from the United States into sensitive technologies that could enhance the technological capabilities of countries of concern in ways that threaten U.S. national security. As currently contemplated, the program would be implemented and administered by Treasury, in coordination with multiple stakeholder federal agencies, and focus on investments that result in the advancement of military and dual-use technologies by countries of concern but are of a nature that they are not presently captured by export controls, sanctions, or other related authorities. Rule-making processes are underway with expected implementation and administration of the program to begin in earnest in FY 2025, including data management systems and associated staffing resources.

Initial Costs for Hosting 2026 G20 Summit in the United States +$1,895,000 / +6 FTE
In 2026, the United States will host the G20 Summit. The work of the finance minister and central bank governors includes the primary deliverables for the summit and is at the forefront of the global responses on crises ranging from pandemics to war and conflict, to debt issues. The G20 was founded to strengthen macroeconomic cooperation, and therefore the G20 Finance Track, which Treasury, in coordination with the State Department and other agencies, will lead, plays a preeminent role. While all other Tracks have only one working group, the Finance Track, has six of its own separate working groups, and largely takes precedence in the work that becomes a focus of the G20 Leaders' Summit.

In FY 2025, Treasury's primary needs will relate to temporary staffing for the core policy team that will develop priorities for the presidency and integrate workstreams into the ongoing South African presidency. Formally, the United States will have a role in 2025 as a member of the troika (a rotation of the previous, current, and next president constituencies to ensure continuity of the agenda). Additionally, $300,000 in two-year representation funds is requested for events surrounding this summit. This two-year representation funding is required for the longer-term planning process that will cross fiscal years, and additional representation funds will be needed in FY 2026.

Since the G-20 is a multiyear effort, Treasury, and other agencies with G20 equities will require significant additional resources to execute a G20 presidency in FY 2026 and the first quarter of FY 2027. Additional policy staffing will be required for the actual presidency year, as well as staff support to prepare for and manage at least five meetings with the Finance Ministers and Central Bank Governors meetings (three standalone and two on the margins of the World Bank/IMF Annual Meetings) and several working group meetings across multiple workstreams; and staff support for public affairs. As noted above, there will be operational costs for the Finance Track of the G20 borne by Treasury directly, in addition to those supported by the State Department.

Funding for Ukraine and International Financial Sector Support +$2,048,000 / +5 FTE
There are four elements of this request. First, irrespective of the status of the Ukrainian conflict by the beginning of FY 2025, the Office of International Affairs (IA) will continue to play a substantial role in supporting Ukraine's efforts related to reconstruction. This request would continue support for 4 FTE initially hired using Ukraine Supplemental funding received in FY 2022 to respond to workload on Russia and Ukraine beyond September 30, 2024. Current staffing levels supporting Ukraine have helped to accomplish, among other things: substantial

macroeconomic analysis of the impact of sanctions on Russia, leadership in the efforts to mobilize U.S. economic assistance for Ukraine, and policy development in support of efforts to curb Russian energy supply. IA leads coordination of U. S. Government efforts through the International Monetary Fund and the World Bank to maintain the effectiveness of their reporting and the utilization of their financial support of Ukraine. IA's work is essential to driving continued support of Ukraine's reform efforts, including to strengthen good governance and address risks of corruption, and provide much needed financial support. These efforts bolster the economic assistance that the United States and our partners have provided that is funding essential services and offering vital support to the Ukrainian economy. On actions to curtail Russia, IA continues to work closely with Treasury and interagency partners on further sanctions and other economic measures to deteriorate Russia's ability to wage war against Ukraine.

Second, funding is requested for 1 FTE within IA to engage on key global economic issues that matter to the United States. This would include more forward leaning engagement with the International Financial Institutions on critical economic and national security issues, such as policy objectives with China, multilateral development bank evolution, spillover effects from Russia's invasion of Ukraine, debt transparency, and climate change.

Third, this request would enhance Treasury's ability to monitor and understand international financial sector cyber activity through the expansion of its network sensor placement program. By expansion of this program, the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) will be better positioned to protect Treasury and financial sector systems and networks against cyber threats. OCCIP will build upon its strong ties to international finance ministries and central banks to increase the number of sensors deployed and further enrich information on attacks against those organizations as well as their private sector counterparts in the financial services sector. OCCIP will then analyze the information received to identify threat indicators and trends that can be communicated to the Department's information security teams and shared through interagency partnerships.

Lastly, this request would support the Treasury Attaché Program. The National Defense Authorization Act (NDAA) of 2021 (P.L. 116-283) authorized and required additional Treasury attaché posts as well as pay comparability for Treasury attachés relative to their Foreign Service Officer counterparts. This request provides the necessary additional funding to meet only the pay comparability requirements set by the NDAA.

Support for Critical DO Policy and Management Functions +$2,358,000 / +9 FTE
Funding is requested can sustain critical policy and management work needed to address the Department's priorities of advancing policies for an equitable global recovery and sustainable growth; strengthening partnerships to address security concerns that may impact the integrity of the American financial system; and addressing vulnerabilities in core financial markets. The Department remains understaffed in key offices responsible for carrying out Treasury's mission, and Departmental leadership would use this funding to address staffing across the DO enterprise by providing 8 FTE to program offices to focus on the Administration's most critical priorities. Additionally, this request would provide $0.233 million for 1 FTE to support the Deputy Chief Financial Officer's work, focusing on federal credit modeling and financial accounting and reporting to prevent material inaccuracies or an adverse audit opinion.

Advancing Equity for All and Supporting Underserved Rural and Other Disadvantaged Communities +$1,952,000 / +9 FTE

This request builds staffing under the recently created Office of Diversity, Equity, Inclusion, and Accessibility (ODEIA) by providing $1.369 million and 6 FTEs to help Treasury advance equity in its policies, procedures, and practices, and to achieve a more equitable economy for underserved communities, including many rural areas and those affected by climate change. The FTEs will be responsible for centering issues of equity within policy discussions, to include the promulgation of tax regulations, future economic recovery packages, and the implications of international finance. The FTEs will also be used to increase compliance with the Title VI of the Civil Rights Act of 1964 by implementing additional pre- and post-civil rights reviews in Treasury's federal financial assistance programs. Funding will also be used to grow recruitment pipelines to diverse talent, through an expansion of paid internship programs such as the Treasury Scholars Program (anticipated to grow from 15 interns to 40 annually) as required by Executive Order (EO) 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce.

This request also provides $0.583 million and 3 FTEs to the Office of Domestic Finance for work to support equitable and sustainable economic growth and financial stability by increasing the resilience of financial institutions and markets, studying the impact of new technologies and financial products on consumers and the marketplace, and improving access to credit for small businesses and low-to-moderate income communities. Funding is particularly needed to improve policymaking capacity and keep pace with innovation in the financial sector that could impact these objectives.

Evidence Act Implementation +$1,076,000 / +2 FTE

This request will fund 2 FTEs with program evaluation expertise and program evaluation contractor support in the Office of Strategy, Planning, and Performance Improvement (OSPPI) to support rigorous program evaluations of priority programs and research questions. Within OSPPI, these additional staff and funding would allow the Department to conduct 1-3 evaluations annually (depending on scope), enable Treasury to coordinate development and sharing of evidence products for high priority evaluations/studies, improve oversight and use of Treasury's Federally Funded Research Development Center, provide technical assistance to Treasury bureaus on evaluation design and methods, establish and lead Treasury-wide communities of practice for evaluation and evidence-based program management to share knowledge and solve problems across organizational siloes. This funding is required to fully implement Title I of the Foundations for Evidence-based Policymaking Act of 2018 (Evidence Act) and meet the intent of the law, which is to increase Treasury's capacity to use evidence to inform decision-making, both by increasing the quality and amount of evidence available and increasing the opportunities for leadership to use it in their strategic management routines.

Advancing Governance, Innovation, and Risk Management for Treasury Use of Artificial Intelligence +$5,000,000 / +5 FTE

Funding is needed to meet requirements related to the Artificial Intelligence (AI) in Government Act of 2020, the Advancing American AI Act, and EO14110. This request will fund Treasury's support for the Chief AI Officer associated responsibilities and efforts to develop an enterprise-wide AI strategy, which will establish pathways for managing risk and promoting innovation, explore ways AI can improve operations across the Treasury Department, strengthen governance by ensuring that Treasury complies with requirements in relevant law and policy, and improve the Department's ability to use AI in ways that benefit the public and increase mission effectiveness.

Legislative Proposals

DOSE has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
International Affairs and Economic Policy	OTA - Program Engagement	3.6	3.5	3.5	3.6	3.6
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	74	74	75	77	75
Treasury-wide Management and Programs	Percent of Procurement Dollars Spent on Small Business	39%	38%	36%	37%	37%

Description of Performance

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. A five-point scale is used to measure traction, with scores ranging from a low of 1, indicating there is little if any counterpart involvement, to a high score of 5, indicating that OTA advisors have regular and frequent meetings with counterparts and counterparts display high levels of involvement. Counterpart engagement is critical to OTA efforts to structure and execute effective technical assistance projects that support host country ownership and drive project outcomes. The result for FY 2023 is 3.5, reflecting continued strong traction with OTA counterparts globally.

Treasury-wide "Employee Engagement" Index of Federal Employee Viewpoint Survey (FEVS):
Treasury's strategy remained focused on improving employee engagement by investing resources in statistically high impact areas to create an opportunity to improve the effectiveness of our workforce while improving our ranking among other federal agencies. Treasury's score for the Engagement Index has remained unchanged at 74 percent since FY 2021. Treasury's engagement score maintained its three percent lead over the average score for very large agencies. The engagement index target is 75 percent for FY 2025.

Percentage of Procurement Dollars Spent on Small Business:
Based on preliminary data in FY 2023, Treasury met and exceeded three out of five small business prime contracting goals. Treasury did not meet its overall small business goal and its small disadvantaged business goal. Treasury did not meet any small business subcontracting goals. All Treasury bureaus were included in the goaling report, with no exclusions. The FY 2023 overall small business goal was set for 40 percent, and Treasury achieved 36.09 percent.

The FY 2023 overall small disadvantaged business (SDB) goal was set for 12 percent, and Treasury achieved 11.75 percent. The FY 2024 target small business goal is 37 percent and the target SDB goal is 12.75 percent. One overarching challenge in meeting the FY 2023 goal for prime contract dollars to small businesses was that Treasury forecasted small business achievement of 32 percent. Particularly noteworthy is that Treasury far exceeded the forecasted goal of 32 percent and achieved over 36 percent. Also, in FY 2023, Treasury's small disadvantaged business (SDB) goal was raised from 5 percent to 12 percent to meet OMB Directive to raise the SDB goal incrementally each year to reach a goal of 15 percent by FY 2025. Treasury exceeded the small business contracting goals for the following socioeconomic groups:

- Women Owned Small Business – goal 5.0 percent, achieved 9.43 percent;
- Service-Disabled Veteran Owned Small Business – goal 3.0 percent, achieved 4.22 percent; and,
- Historically Under-utilized Business Zone (HUBZone) Small Business – goal 3.0 percent, achieved 3.68 percent.

Cybersecurity Enhancement Account

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Cybersecurity Enhancement Account (CEA)	$100,000	$100,000	$150,000	$50,000	50%
Subtotal, CEA	**$100,000**	**$100,000**	**$150,000**	**$50,000**	**50%**
Recovery from Prior Years	$71	$0	$0	$0	NA
Unobligated Balances Brought Forward	$57,461	$86,612	$86,000	($612)	-1%
Subtotal Other Resources	**$57,532**	**$86,612**	**$86,000**	**($612)**	**-1%**
Total Budgetary Resources	**$157,532**	**$186,612**	**$236,000**	**$49,388**	**26%**
Direct FTE	13	34	34	0	0%
Total Full-time Equivalents (FTE)	**13**	**34**	**34**	**0**	**0%**

Note: FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Summary

The FY 2025 President's Budget request of $150 million for the Cybersecurity Enhancement Account (CEA) was formulated to support the Department's continued efforts focused on operational risk reduction. The request includes $6 million for bureau-specific investments for mission-specific needs that must be achieved to integrate with Treasury's enterprise cybersecurity services. Guiding Treasury's FY 2025 request are the milestones articulated in Executive Order 14028 (EO 14028), *Improving the Nation's Cybersecurity*, as well as the numerous Office of Management and Budget (OMB) memorandums including M-21-31 *Improving the Federal Government's Investigative and Remediation Capabilities*, M-22-09 *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles* and M-23-18 *Defending Critical Infrastructure and Shaping Market Forces to Drive Security and Resilience*. The FY 2025 request also supports compliance efforts associated with Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) guidance that sets new cybersecurity standards and objectives. These new directives also prioritize cloud-based security, security operations center (SOC) enhancements, and security logging.

Consistent with prior years, the CEA will be used as a centralized account for the design, development, and evolution of enterprise-wide cybersecurity capabilities and services. An enterprise approach allows Treasury to enhance efficiency, communication, transparency, and accountability around the mission. A cross-cutting approach to managing the CEA investments allows the Department to elevate the importance of the associated technical initiatives and provide Treasury leadership, OMB, and Congress with a more holistic vantage point of cybersecurity activities across the Department. The investments within the CEA continue to align with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). Treasury also aligns its investments to OMB-driven initiatives to ensure traceability between funding outlays and concrete outcomes.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**34**	**$100,000**
Changes to Base:		
Non-Recurring Costs		($17,293)
Maintaining Current Levels (MCLs):		**$2,236**
Pay Annualization (2024 5.2% average pay raise)		$76
Pay Raise (2025 2.0% average pay raise)		$89
Non-Pay (2025 2.2% non-pay inflation)		$2,071
Subtotal Changes to Base		($15,057)
FY 2025 Current Services	**34**	**$84,943**
Program Changes:		
Program Increases (DME):		**$65,057**
Enterprise Specific Investments		**$59,057**
Security Logging Requirements		$29,409
Zero Trust Architecture		$12,800
Cloud Adoption		$9,800
Other Cybersecurity Priorities		$6,048
Universal Encryption		$1,000
Bureau Specific Investments		**$6,000**
Cloud Adoption - Bureau of the Fiscal Service		$6,000
Subtotal Program Changes	**0**	**$65,057**
FY 2025 President's Budget Request	**34**	**$150,000**

Budget Adjustments

Non-Recurring Costs ……………………………………...…………. -$17,293,000 / -0 FTE

This amount represents non-recurring initial investments for key elements that are one-time in nature and thus sunset into FY 2025. This includes but are not limited to application migrations to the cloud, low code adoption and the wind-down of implementation activities that leveraged contractor resources (i.e., vulnerability disclosure program, application DevOps, application cyber resources, application security testing) or are related to projections for lower O&M costs (cloud security enhancements, fraud management).

Maintaining Current Levels ……………………………………………+$2,236,000 / +0 FTE

Pay Annualization, (5.2% in 2024) +$76,000 / +0 FTE

Funds are requested for annualization of the 2024 5.2 percent average pay raise.

Pay Raise, (2.0% in FY 2025) +$89,000 / +0 FTE

Funds are requested for a 2.0 percent average pay raise in January 2025.

Non-Pay, (2.2% in FY 2025) +$2,071,000 / +0 FTE

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

Program Increases …………………………………….……………+$65,057,000 / +0 FTE

Security Logging, +$29,409,000 / +0 FTE

This FY 2025 investment will support Treasury's compliance with the security logging requirements outlined in OMB Memorandum M-21-31, which requires all logs to be accessible and visible for the highest-level operations center at the Department. This will require a scaling-up of the cloud-based logging environment used by the Treasury Shared Services Security Operations Center (TSSSOC) enterprise logging solution to receive, store, analyze, and process security event and system logs from all Treasury offices and bureaus as well as nearly 40 Treasury shared services. This investment is critical for Treasury's compliance with OMB Memorandum M-21-31 to successfully secure Treasury information technology systems.

<u>Zero Trust Architecture Implementation, +$12,800,000 / +0 FTE</u>
Zero Trust Architecture (ZTA) seeks to minimize implicit trust and reinvigorate least privilege. The ZTA approach is a paradigm shift from verifying once at the perimeter to continual verification of each user, device, application, and transaction. The impacts of the transition to ZTA are significant—not just technology reconfiguration but also adjusting our operating models to a new approach to risk management.

The FY 2025 investment in ZTA supports work towards a compliant Zero Trust maturity model. This large-scale investment approach requires Treasury to enhance visibility and threat detection at the application level to improve its ability to support continuous threat analysis, detection, and response, and enable the analysis of encrypted traffic. Compartmentalization, micro segmentation, and reinforcing enforcement of continuous identity verification and access policies aligned with Zero Trust will improve the Department's resistance to fraudulent tampering of privileged accounts.

<u>Cloud Enterprise Investment, +$9,800,000 / +0 FTE</u>
Treasury requests FY 2025 funding for cloud enterprise cybersecurity enhancements and upgraded capabilities to meet ever growing security and compliance risks as Treasury continues to drive cloud adoption across the enterprise. With the imminent provisioning of an enterprise multi-cloud environment, Treasury will need to design, develop, and implement security patterns/guardrails to help ensure sanctioned and secure use of cloud platforms.

<u>Other Cybersecurity Priorities, +$6,048,000 / +0 FTE</u>
In FY 2025, Treasury will continue to make progress on ongoing critical cybersecurity investments. Continued funding of these critical investments is necessary to sustain progress made on some investments and launch new projects not previously identified. Responding to the changing threat landscape in an interconnected environment has amplified the need for identifying and assessing the security posture of high value assets (HVAs) as well as vendors within our supply chain. Additionally, based on the complex nature of cybersecurity, ongoing maturation of these programs is necessary to enable much needed visibility into the myriad of threats, vulnerabilities, and cybersecurity risks facing our agency.

<u>Universal Encryption, +$1,000,000 / +0 FTE</u>
Universal Encryption allows information and data to be encoded to prevent unauthorized access. This funding level is necessary to continue to support Treasury's commitment to fully comply with encryption protocols outlined in EO 14028 and subsidiary supporting material from OMB, CISA, NIST and other cybersecurity oversight entities. To further protections of the internet and email traffic across its networks, Treasury uses encryption protocols to prevent adversaries from being able to intercept and capture traffic as it flows between endpoints. EO 14028 and M-22-09 prescribe a heightened level of encryption for Domain Name System (DNS) and Hypertext

Transfer Protocol (HTTP) traffic that all agencies should use to increase the security of information transfer, particularly across public networks such as the Internet. This funding will continue the work that will focus on transitioning applications to use HTTP for secure communication with users.

Bureau Specific Investment, +$6,000,000 / +0 FTE

Cloud Adoption – Bureau of the Fiscal Service, +$6,000,000 / +0 FTE

The budget request will support the Bureau of the Fiscal Service's (Fiscal Service) Mainframe and Cloud Transition Initiative to transition applications away from legacy mainframe technologies to cloud service providers. Fiscal Service will also continue to partner with the Department by leveraging $6 million through the Cybersecurity Enhancement Account (CEA) to implement modern solutions that will support the security, resiliency, and agility of these critical systems and continue to maintain the financial integrity and efficiency of our operations.

Legislative Proposals

The Cybersecurity Enhancement Account has no legislative proposals.

Strategic Alignment

The CEA is focused on an enterprise approach to bolstering and securing Treasury's critical IT systems and infrastructure to prevent interruptions to the Department's strategic goals and objectives. The CEA aligns with the following Treasury strategic goals and objectives as presented in the FY 2022 - FY 2026 strategic plan:

Goal 2: Enhance National Security

- Objective 2.1 – Cyber Resiliency of Financial Systems and Institutions - Harden assets and systems of Treasury and the broader financial system to promote financial system resiliency.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
CEA	Number of Major Incidents	1	1	2	DISC	DISC
CEA	Number of Reported Incidents	246	205	277	DISC	DISC
CEA	Enterprise Multi-Factor Authentication Adoption	N/A	N/A	N/A	B	B
CEA	Transitioning Enterprise Logging Data	N/A	N/A	N/A	B	B
CEA	Percentage of TIER I High Value Assets (HVAs) where Risk and Vulnerability Assessment (RVA) or Security Architecture Review (SAR) are Completed on Time (%)	100%	100%	100%	100%	100%
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 (%)	80%	100%	92%	80%	80%

Key: DISC - Discontinued; B - Baseline

Description of Performance

The purpose of the CEA is to strategically mitigate cybersecurity risks through a centralized program with Department-wide impact. Investments support the core framework of the Department's IT infrastructure. Due to the increasing volume and sophistication of cyber-attacks, Treasury leadership continues to prioritize cybersecurity and will centralize department-wide cybersecurity initiatives through the CEA account.

Description of Performance

Number of Major Incidents: The number of major incidents, as defined in OMB Memorandum 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. In December 2020, Treasury notified DHS CISA of a major security incident resulting from the Department's deployment of SolarWinds Orion, a widely-used network management software. The Department has completed compromise assessments, and all SolarWinds Orion products continue to remain offline across the Treasury Enterprise environment. This measure will be discontinued in FY 2024.

Number of Reported Incidents: Treasury is constantly being targeted by a large array of threat actors, including nation states and criminal syndicates. Treasury detects and responds to these events and provides notifications of a subset of these events to the United States Computer Emergency Readiness Team at CISA for external situational awareness. Because the volume and velocity of these events is contingent upon various factors (geopolitical affairs, software vulnerabilities, new tactics/techniques), it can be difficult to forecast future impact based on year-to-year trends. This measure will be discontinued in FY 2024.

Enterprise Multi-Factor Authentication Adoption: Treasury has established this new performance measure in response to EO 14028 on "Improving the Nation's Cybersecurity." The EO directs Federal Agencies to develop and adopt stronger cybersecurity policies and practices, including fully adopting Multi-Factor Authentication (MFA). Treasury outlined a goal to implement MFA to the maximum extent feasible.

Transitioning Enterprise Logging Data: This measure will track Treasury's progress in transitioning enterprise logging data from on-premises locations to the cloud.

Percentage of High and/or Critical Findings from Risk and Vulnerability Assessments (RVAs) or Security Architecture Reviews (SARs) on Tier I High Value Assets (HVAs) that are closed by the end of the Fiscal Year (FY): This is a measure of how Treasury addresses the vulnerabilities and potentially exploitable weaknesses of its most important systems, based on its HVA assessment process. Treasury's CEA performance targets are based upon the percentage of HVA system assessments that are conducted in accordance with the HVA assessment cycle and the closure rate of resulting findings and/or Plans of Action and Milestones (POA&Ms) within the fiscal year. Treasury has consistently recorded a 100 percent completion rate for system assessments and currently has a 100 percent closure rate for associated findings and POA&Ms. This focus helps to ensure that the proper POA&Ms are in place for all assessed systems and that they are being acted upon in a timely manner. The investment will focus on remediation of vulnerabilities, as well as increased review and reporting on corrective actions to resolve all findings and recommendations discerned during the assessment process. It was decided that the FY 2025 target should remain flat from FY 2023 levels due to the likelihood that long-term remediation efforts would be required based on findings from HVA assessments.

Department-wide Systems and Capital Investments Program

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Department-wide Systems and Capital Investments Program (DSCIP)	$11,118	$11,118	$14,470	$3,352	30%
Total Budgetary Resources	**$11,118**	**$11,118**	**$14,470**	**$3,352**	**30%**
Total Full-time Equivalents (FTE)	**0**	**0**	**0**	**0**	**0%**

Summary

An icon of American architecture, the Main Treasury Building is the third oldest in use Federal building in Washington, after the Capitol and the White House. Unlike the Capitol or the White House, the Main Treasury Building is not under the jurisdiction of the Architect of the Capitol or GSA respectively, but rather is the direct responsibility of the Treasury Department. The bulk of funding for its care through capital investments is provided by the Department-wide Systems and Capital Investment Program (DSCIP).

The Main Treasury Building was built with Congressional appropriations from 1836 to 1869. From 1909 to 1910, the building received a special appropriation to modernize its infrastructure, which helped to bring the building into the 20th century. In 1919, construction was completed to build the Freedman's Bank Building, which is also owned by the Treasury Department. The building's upkeep and care are also supported by capital investments from the DSCIP. A major fire in 1996 resulted in a series of Congressional appropriations that ushered the Treasury Building into the 21st century. Now, 28 years later, the building faces several issues that must be addressed, some of which pose life safety concerns, including those related to Treasury and the Freedman's Bank Building's external and internal infrastructure and security posture.

The President's FY 2025 Budget request reflects a limited subset of those previously identified needs, which the Department plans to continue to work to address over time. The FY 2025 request builds on prior year efforts to repair the outer envelope of the Main Treasury building and includes funding to address major repairs within the interior of the Main Treasury building. This request reflects Treasury's three-step long-term strategy to continue to maintain and modernize its owned spaces: (1) secure the building's outer envelope; (2) conduct a condition assessment to identify additional needs associated with the buildings' continual aging and deferred maintenance; and (3) based on this assessment, conduct a holistic modernization of the building's systems and infrastructure.

The FY 2025 request also includes funding to be used for replacement of chillers and cooling tower, contributions to the U.S. Digital Service, and supports conversion of Treasury vehicle fleet to electric vehicles (EVs).

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**0**	**$11,118**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$0
Non-Recurring Costs	0	($11,118)
Subtotal Changes to Base	0	($11,118)
FY 2025 Current Services	**0**	**$0**
Program Changes:		
Program Increases:	0	$14,470
MT Exterior Repair/Restoration Masonry & Windows	0	$4,000
MT/FBB Mass Notification System/Fire Alarm Upgrade/Replacement Study	0	$1,250
Replace Chillers and Cooling Tower	0	$3,500
MT Carpet, Plaster, Paint, and Flooring Repairs	0	$650
Electric Vehicle Leases and Infrastructure	0	$1,718
Treasury Contribution to U.S. Digital Service	0	$3,352
Subtotal Program Changes	0	14,470
FY 2025 President's Budget Request	**0**	**$14,470**

Budget Adjustments

Non-Recurring Costs ....-$11,118,000 / - 0 FTE

This amount represents the non-recur of investments funded within the FY 2024 Assumed.

Program Increases .... $14,470,196/ + 0 FTE

MT Exterior Repair and Restoration Masonry & Windows +$4,000,000 / +0 FTE

Treasury's request continues critical renovations and maintenance of the outer shell of the Main Treasury (MT) and Freedman's Bank Building (FBB) facilities, with the primary goals of preventing continued water intrusion and erosion of the building's historic fabric and repairing key structural components. Without consistent funding the overall project costs will increase and the potential for increased damage is high. In addition to losing momentum on the progress, costs for mobilization and surveys/studies will recur with each new start up.

More specifically, work items include:

1. Repairing failed masonry joints to protect from moisture penetration, cleaning the stone surfaces, and repairing damaged stone.

2. Repairing or replacing window frames suffering varying degrees of damages after years of weather exposure.

This request would fund part of phases four and five of the multi-year effort to maintain the building and to prevent more expensive repair work, as deterioration continues, to include weather intrusion that is impacting interior spaces that require remediation and mold control. Phase three was funded in FY 2023. Phase four covers the 15th Street side of MT and is expected to commence in FY 2024 (contingent on sufficient funding). Phase five covers the remainder of the North and South Courtyards façade of the MT building and would be commenced in FY 2025 with the requested funding. This funding covers exterior repairs, but it is possible the repairs will uncover additional unanticipated structural issues that could require additional funding requests.

MT/FBB Mass Notification System/Fire Alarm Upgrade/Replacement Study +$1,250,000 / +0 FTE
The Main Treasury's current fire alarm system is 25 years old, and while it meets basic code requirements, the system is limited to its primary function for building evacuations only. The system does not have the mass notification intelligence to accommodate alternate emergency scenarios such as shelter in place. The lack of this feature can lead to confusion during an emergency, increasing the risk for accident or injury during the event. A recent third-party assessment recommended system replacement over enhancement for system reliability.

Replace Chillers and Cooling Tower+$3,500,000 / +0 FTE
The MT Building houses the entire chilled water plant for the Main Treasury Complex. A five cell cooling tower feeds four water cooled centrifugal chillers providing a totaling cooling capacity of 2,050 tons. The chillers are located in a mechanical room under the northwest lawn.

The four chillers provide over 98 percent of the cooling required for the entire Treasury Headquarters complex; therefore, the plant is operated 24/7, 365 days per year. The Freedman's Bank Building (FBB) does not generate chilled water but rather uses chilled water from the main plant distributed by a dedicated secondary chilled water pump which serves most air handling units directly. The Chilled Water System is over 30 years old and has a wide variety of repair needs including bearings, motors, valves, distribution piping, insulation, controls, and other repairs. The system has redundancy for repairs. However, with all of the components aging at the same time the occurrence of repair needs combined with the time to repair diminishes the reliability of the redundant capacity.

It is imperative that these items are repaired/replaced before the available redundancy is lost. A system breakdown would indefinitely shutdown the Treasury Complex's daily operations. This first-year cost of a multi-year project includes design for this effort.

MT Carpet, Plaster, Paint, and Flooring Repairs +$650,000 / +0 FTE
There is currently a backlog of damaged paint and plaster as well as frayed carpet throughout MT and FBB. Some of the paint and plaster damage is due to water intrusion. These funds will supplement other funding to address the backlog in repairing these problems and implementing a regular schedule of maintenance. The damaged paint and paster are unsightly and pose potential health and safety risks, while the frayed carpet is a safety hazard.

In addition, water intrusion has caused a section of flooring in MT to become structurally unsound. Without near-term action, continued deterioration will create significant safety risks. Closure of the location could be necessary to avoid the potential for serious injury to Treasury employees and visitors. Funding is needed to rebuild the floor, and this will result in a far safer space.

Electric Vehicle Leases and Infrastructure +$1,718,000 / +0 FTE
Consistent with the Administration's priorities (see E.O. 14008), Treasury is committed to supporting the Administration's goals of combatting the impacts of climate change. Treasury hopes to accelerate the conversion of its vehicle fleet to electric vehicles (EVs) as a part of strategic objective 4.4 (Sustainable Treasury Operations). To facilitate this transition, $1.718 million is being requested to lease EVs and purchase the associated charging and supply equipment at Treasury facilities. Funding will be used to:

- Replace traditional internal combustion vehicle leases with electric vehicles.
- Additional charging station infrastructure at Treasury facilities to support fleet electrification. Some existing charging stations will require updates or replacement.

Treasury Contribution to U.S. Digital Service +$3,352,196 / +0 FTE
Treasury requests $3.352 million for the agency-wide contribution to the U.S. Digital Service for digital service expertise and assistance attracting and hiring technical talent to de-risk large-scale or high-priority technical implementations and launches, respond in urgent situations, and/or provide technology strategy and planning support.

Legislative Proposals

DSCIP has no legislative proposals.

Description of Performance

Treasury Owned Buildings - Repairs and Renovations
Treasury Operations has continued to strategically focus on restoring the health of the building envelope (shell), to correct the deteriorating building structure and infrastructure. Components of the Main Treasury building that have been repaired, replaced, or funded include new roofs (FY 2019/2021) and repairs to 40 percent 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), domestic water line (FY 2020/2022), and replacement of all windows (FY 2009/2011). Funding and completion of these exterior items represent significant progress towards the preservation of the two buildings, maintaining a safe and healthy workplace, and reducing damage to the interior plaster and paint. The contract for the first phase (west façade) of the Main Treasury exterior restoration project was awarded late in FY 2021 and completed during FY 2022. Exterior restoration work continued through 2023 with the completion of phase 2 (south) and phase 3 (north) north façades. In FY 2024, assuming adequate funding, Phase 4 work will commence and, in FY 2025, with this requested funding, work on Phase 5 will commence.

Treasury Operations completed an expanded Facility Condition Assessment (FCA) in FY 2023 for the Main Treasury and Freedman's Bank buildings. This assessment was conducted to identify long-term capital expenses based on the expected useful life of building systems and components. The FCA also provides data to and assists in the modernization of Treasury facilities to improve energy efficiency and environmental sustainability. Treasury Operations continues to identify ways to improve Treasury's sustainability and decrease Treasury's carbon footprint, and the FCA will be invaluable in establishing a baseline from which Treasury can identify areas where sustainability or energy efficiency can be improved (e.g., legacy mechanical systems, more efficient building envelope, etc.) consistent with strategic objective 4.4.

In addition to immediate repairs and long-term needs, the expanded FCA provided feedback on the building code as well as compliance with the Americans with Disabilities Act. In doing so, it allows Treasury to provide a safer, more inclusive, and more accessible environment for Treasury staff, consistent with strategic objective 5.4.

Concurrent with repairs to Treasury's owned portfolio, Treasury has four leases expiring in August of 2025 in downtown Washington DC. The combined total square footage of these four leases is 195,017 rentable square feet (RSF). In FY 2022, Treasury undertook a progressive approach to space utilization and developed a plan to consolidate leased spaces, reducing to an estimated 67,000 RSF. This effort aligns Treasury's long-term future of work plan and the federal footprint reduction plan and is consistent with strategic objective 5.2. These efforts will only be accomplished with sufficient funding.

The consolidation is expected to improve operational efficiency and allow for future growth while providing an efficient work environment that supports each offices' mission. This funding request will support the construction, and office moves for the new facility and decommissioning of expired leases.

Terrorism and Financial Intelligence

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025	
				$ Change	% Change
Terrorism and Financial Intelligence	$216,059	$216,059	$230,533	$14,474	6.7%
Subtotal, Terrorism and Financial Intelligence	**$216,059**	**$216,059**	**$230,533**	**$14,474**	**6.7%**
Offsetting Collections - Reimbursable	$15,831	$13,500	$13,500	$0	0.0%
Transfer from Technology Modernization Fund	$6,751	$4,394	$0	($4,394)	-100.0%
Subtotal Other Resources	**$22,582**	**$17,894**	**$13,500**	**($4,394)**	**-24.6%**
Total Budgetary Resources	**$238,641**	**$233,953**	**$244,033**	**$10,080**	**4.3%**
Direct FTE	556	623	644	21	3.4%
Reimbursable FTE	34	32	32	0	0.0%
Total Full-time Equivalents (FTE)	**590**	**655**	**676**	**21**	**3.2%**

1) FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.
2) Table excludes Ukraine Supplemental Appropriation and FTEs.
3) TFI will repay funds received for the TMF.

Summary

The Office of Terrorism and Financial Intelligence (TFI) requests $230.533 million for fiscal year (FY) 2025. Funding at this request level would enhance TFI's ability to protect the U.S. and international financial systems from both foreign and domestic abuse. Resources would be utilized to increase transparency in the domestic and international financial system and to facilitate the detection of illicit financial activity. These actions are essential to reaffirming Treasury's global leadership in combating financial abuse. Resources would also be used to advance the Administration's foreign policy and national security priorities through the application of targeted financial measures. TFI's request prioritizes efforts to modernize the development, implementation, enforcement, and maintenance of U.S. sanctions to ensure that sanctions remain a streamlined and effective foreign policy and national security tool. Resources also will support further development of Treasury's sanctions expertise and expand Treasury's external engagement and outreach on sanctions with key interagency and international partners. Additionally, the FY 2025 request provides resources to ensure more complete strategic analysis on China and provides resources for maintenance and operations of a new cloud-based technology system.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**623**	**$216,059**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$5,431
Pay Annualization (2024 5.2% average pay raise)	0	$1,420
Pay Raise (2025 2.0% average pay raise)	0	$1,660
Non-Pay (2025 2.2% non-pay inflation)	0	$2,351
Subtotal Changes to Base	**0**	**$5,431**
FY 2025 Current Services	**623**	**$221,490**
Program Changes:		
Program Increases:	21	$9,043
Expansion of Sanctions Economic Analysis Unit	7	$2,100
Enhance the Intelligence Community's Economic Security/Financial Intelligence	7	$2,000
Strategic Investments to Meet Policymaker Demand on China	5	$1,447
TFIN O&M and Cybersecurity Investments	2	$3,496
Subtotal Program Changes	**21**	**9,043**
FY 2025 President's Budget Request	**644**	**$230,533**

Budget Adjustments

Maintaining Current Levels (MCLs)……………………………………+$5,431,000 / +0 FTE

Pay Annualization (5.2% in 2024) +$1,420,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in 2025) +$1,660,000 / +0 FTE

Funds are requested for a 2.0 percent average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$2,351,000 / +0 FTE

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

Program Increases .... +$9,043,000 / +21 FTE

Expansion of Sanctions Economic Analysis Unit +$2,100,000 / +7 FTE

As envisaged, with sufficient staffing, the Sanctions Economic Analysis Unit (Unit) will be responsible for the development of economic and financial policy analysis to inform the design and implementation of sanctions policy and targeting options that may be approved by Treasury decision makers. Treasury created the Sanctions Economic Analysis Unit in 2023, which is led by a Chief Sanctions Economist to serve as a center of excellence for analyses on the effectiveness of sanctions. The Unit will also provide firm- and industry-specific analysis of potential collateral effects of proposed sanctions and identify issues that may be appropriate to mitigate, including related to U.S. persons, in connection with the Office of Foreign Asset Control (OFAC) actions. Lastly, the Unit will conduct after-action financial and economic policy analysis of collateral effects and work with sanctions regulatory and policy practitioners to recommend additional mitigation or program adjustments. The FY 2025 funds will be used to expand the Unit by hiring additional sanctions economists who provide analysis resulting in more informed policy decisions by Treasury leadership.

Enhance the Intelligence Community's Economic Security and Financial Intelligence +$2,000,000 / +7 FTE

This request completes the ODNI-led strategic investment started in FY 2023 to right-size the economic and finance related mission space within the Intelligence Community (IC).

The FY 2025 funding would support the following programmatic areas:

- Strategic Economic and Financial Analysis – This funding would allow OIA to hire additional private sector experts to enhance our strategic macroeconomic and sectoral intelligence analysis in support of the Department's economic and financial vulnerabilities, sanctions, Committee on Foreign Investment in the United States (CFIUS), and climate finance work. This investment would allow us to sustain coverage of systemically important economies during future crises.
- Counterintelligence Threat Finance – This funding would allow the Office of Intelligence and Analysis (OIA) to expand its analysis of how foreign intelligence services pay to target and recruit U.S. government personnel. As proven in recent espionage cases, foreign intelligence entities' tactics, techniques, and procedures have evolved greatly in the way they seek to target and recruit U.S. government personnel.
- Enhance the Treasury Reporting Program – This funding would allow OIA to expand intelligence reporting to the intelligence, law enforcement, and policy communities as applicable, based on Treasury policymaker engagements and whether data sets are proprietary or shareable.

Strategic Investments to Meet Policymaker Demand on China +$1,447,000 / +5 FTE

OIA has unique placement within the IC, given its access to financial data and relationships with the components of Treasury and TFI specifically, to produce high-level, strategic intelligence for policymakers. Ultimately, this analysis can be used to identify engagement opportunities with foreign partners and opportunities to engage on a range of economic security issues and disrupt sanctionable activities in China. OIA is unable to fully and adequately respond to the Department's current requests for intelligence analysis on China's economic and financial situation. Funding would support a range of OIA objectives, particularly providing a pool of highly skilled, economic analysts to support potential contingencies or surge situations. This investment would allow OIA to cover China's macroeconomy, key economic sectors, and international financial connections, as well as further develop OIA's analysis on China's influence across the globe. OIA specifically needs analysts with private sector experience on China, who will allow us to expand the sophistication of OIA's analysis on key economic and financial issues regarding China. Without this investment, OIA will be unable to fully meet intelligence analysis demand on macroeconomic analysis on China's domestic challenges or risks to the global economy. A detailed description of the analytic portfolios covered by this request is available at a higher classification.

TFIN Operations and Maintenance and Cybersecurity Investments +$3,496,000 / +2 FTE

In FY 2023, OIA received $11.6 million from GSA's Technology Modernization Fund; this is a one-time investment that will be fully reimbursed. This funding supports transitioning the Treasury Foreign Intelligence Network (TFIN) to a hybrid cloud solution that will be a robust, modern information technology infrastructure and a secure, decentralized network. The development of the new, cloud solution is expected to be completed in FY 2024.

This investment would fund needed operations and maintenance of the new system as well as cybersecurity requirements. The transition to the cloud model from a hardware-based usage requires licenses for each unique TFIN user. In addition, OIA will also use these funds to make significant cybersecurity investment (required by Executive Order 14028- Improving the

Nation's Cybersecurity and the "Memorandum on Improving the Cybersecurity of National Security, Department of Defense, and Intelligence Community Systems NSM-8"). The technically complex work required for compliance includes adoption of multi-factor authentication, encryption of all data at rest and data in transit, migration to a zero-trust architecture, enhanced system event logging and retention, and deploying endpoint detection and response. TFI requests two FTE positions for a Senior Applications Software Developer and a Senior IT Project Manager. Their work will include analyzing and integrating IT requirements for cloud software, hardware, and infrastructure; researching technologies and trends; conducting studies; and developing and interpreting policies, procedures, and strategies governing the planning and delivery of IT services. Without this funding, Treasury risks having an insufficient number of licenses for its users to access and the system's access to TFIN will not meet the anticipated customer set, and TFIN will also be non-compliant with the new mandatory cybersecurity requirements.

Legislative Proposals

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

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Terrorism and Finance Intelligence	Regulatory documents published in the Federal Register within four months of publication of an Executive order or Congressional mandate during the fiscal year	25%	0%	0%	75%	75%
Terrorism and Finance Intelligence	Designations and identifications released on time to the public without errors	98%	100%	100%	90%	90%
Terrorism and Finance Intelligence	Respond to de-confliction requests received from law enforcement	97%	99%	98%	93%	93%

Key: DISC - Discontinued; B - Baseline

Description of Performance

TFI has been designated as the Treasury lead for three strategic plan objectives within Treasury's *Goal 2 – Enhance National Security*. During FY 2023, TFI continued to make significant progress across these objectives. Below is a brief discussion of the organization's impact across each, respectively.

Objective 2.2: Economic Measures to Advance National Security

Following Hamas's October 7th massacre on innocent Israeli civilians, TFI has taken swift and decisive action to target Hamas's financiers and facilitators. This is part of a continuous effort to root out Hamas's sources of revenue in Gaza, the West Bank and across the region and done in close coordination with regional partners and allies. These actions have included designating key Hamas terrorist group members, operatives, and financial facilitators in Gaza and elsewhere including Sudan, Turkey, Algeria, and Qatar. This includes, but is not limited to, high level Hamas officials, those associated with Hamas's secret investment portfolio, virtual currency exchange, Hamas-affiliated companies facilitating sanctions evasion, and others serving as a conduit for illicit Iranian funds, including additional members of Iran's Islamic Revolutionary Guard Corps (IRGC). Treasury senior leadership has also engaged with the private sector on their perspectives, as well as best ways to facilitate legitimate humanitarian aid to innocent civilians.

Regarding Russia, TFI has taken unprecedented action to isolate Russia from the global financial system. Since February 2022, TFI has coordinated with a global coalition of more than 30 countries and implemented a historic economic pressure campaign to deprive Russia of the revenue it uses to wage war. TFI has issued more than 2,500 Russia-related sanctions designations and, together with international partners, immobilized at least $280 billion of Russian sovereign assets. The combined effects of these measures have contributed to significant economic difficulties for Russia's financial, energy, and manufacturing sectors, including Russia's military supply chain. Additionally, in collaboration with the Department of Commerce and other international partners TFI has worked to maintain the pressure on Russia by monitoring for and countering Russia's attempts to evade sanctions and other economic controls.

In addition, Treasury continued to apply its tools and authorities against bad actors in Iran, North Korea, Syria, Burma, Zimbabwe among others while also targeting terrorist financiers, transnational and cyber criminals, human rights abusers, kingpins, others who seek to abuse the financial system.

Objective 2.3: Modernize Sanctions Regime

TFI/OFAC made considerable progress toward modernizing the sanctions regime by continuing to implement the recommendations from the Treasury 2021 Sanctions Review, executing the Sanctions Modernization Action Plan, and working with interagency partners to re-evaluate the interagency sanctions framework. This includes creating the Sanctions Economic Analysis Unit led by a Chief Sanctions Economist to serve as a center of excellence for analyses on the effectiveness of sanctions. This unit provides economic and financial policy analyses that better inform the design and implementation of sanctions policy and targeting options under existing or proposed authorities. It also standardizes a consistent approach to economic and financial policy analyses to include the potential collateral effects of proposed sanctions. In addition, in April 2023, TFI/OFAC launched the Sanctions Economic Analysis Division, a cross-functional team working with Treasury's Office of International Affairs and others to develop economic and financial analysis that informs the design and implementation of sanctions options. Finally, we improved our communication and transparency on sanctions by modernizing our Information Technology (IT) and website, enhancing case management, and other related efforts.

TFI/OFAC continues to carry out recommendations made from Treasury's review of economic and financial sanctions. This includes developing a framework to ensure all sanctions are linked to clear policy objectives, are coordinated with partners, easily understandable, enforceable, and carefully calibrated to avoid unintended economic or humanitarian consequences. Furthermore, to implement these recommendations and invest in additional operational capabilities, TFI/OFAC has created a new sanctions unit to be staffed by sanctions experts, economists, and others to achieve this goal.

Objective 2.4: Transparency in the Financial System

TFI continues to focus on increasing transparency in the domestic and international financial systems by facilitating the detection of illicit financial activity and positioning the U.S. and international financial system to better detect, disrupt, and deter illicit financial activities. Examples of this include TFI's extensive ongoing work with interagency and international partners such as the Financial Action Task Force, the international standard setting body to combat money laundering and other global financial threats. Over the past year, this work has focused on better understanding and combating digital asset gaps in the U.S. and global financial system, as well as ransomware financing, Russia illicit financing, and money laundering from fentanyl and synthetic opioids among other important issues. In addition, TFI's work addressing the illicit finance risks of digital assets from the 2022 National Strategy for Combatting Terrorist and Other Illicit Financing included the April 2023 publication of the 2023 DeFi Illicit Finance Risk Assessment. This is the first such risk assessment conducted on decentralized finance in the world.

Committee on Foreign Investment in the United States

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Treasury CFIUS Activities	$16,000	$16,000	$16,000	$0	0%
Other Member CFIUS Activities	$5,000	$5,000	$5,000	$0	0%
Treasury Departmental Offices S&E	$19,238	$22,715	$23,203	$484	2%
Subtotal, CFIUS	**$40,238**	**$43,715**	**$44,203**	**$484**	**1%**
Anticipated User Fees - CFIUS Fund	($21,000)	($21,000)	($21,000)	$0	0%
Subtotal Other Resources	**($21,000)**	**($21,000)**	**($21,000)**	**$0**	**0%**
Total Budgetary Resources	**$19,238**	**$22,715**	**$23,203**	**$484**	**2%**
Direct FTE	88	122	138	16	13%
Total Full-time Equivalents (FTE)	**88**	**122**	**138**	**16**	**13%**

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. The Committee's 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, 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 or declarations. 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) strengthened CFIUS to better address national security concerns arising from some types of investments and transactions that were previously outside its jurisdiction. Additionally, FIRRMA modernized Committee 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.

Case volume has increased significantly in recent years, from 172 notices formally reviewed in calendar year (CY) 2016 to 440 cases (comprised of 286 notices and 154 declarations) formally reviewed in CY 2022. The FY 2025 Budget requests resources necessary to handle the increased case workload (including significantly expanded activity with respect to non-notified transactions), mitigation monitoring, and international engagement.

The Budget requests $21 million for the Fund in upfront appropriations that will be offset by up to $21 million in collections from filing fees, of which $16 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 other emerging needs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**95**	**$22,715**
Transfer in from CFIUS Fund	**27**	**$16,000**
FY 2024 DO SE CFIUS Base	**122**	**38,715**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$488
Pay Annualization (2024 5.2% average pay raise)	0	$207
Pay Raise (2025 2.0% average pay raise)	0	$241
Non-Pay (2025 2.2% non-pay inflation)	0	$40
Non-Recurring Costs	0	($3,155)
Non-recur to CFIUS non-labor investments	0	($3,155)
Other Adjustments:	16	$3,155
Annualization of CFIUS FTEs	16	$3,155
Subtotal Changes to Base	16	$488
FY 2025 Current Services	**138**	**39,203**
Program Changes:		
FY 2025 President's Budget Request	**138**	**39,203**
Funding from Anticipated CFIUS Fund User Fees	**0**	**($16,000)**
Total FY 2025 Appropriated Resources	**138**	**$23,203**

Note: This table shows Treasury CFIUS spending financed from both transfers from the Fund and from the DO salaries and expenses appropriation. CFIUS Fund transfers to non-Treasury agencies of $5 million are not included in this table.

Budget Adjustments

Anticipated User Fees -$21,000,000 / +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 +$16,000,000 / +0 FTE
The CFIUS Fund anticipates transferring $16.0 million dollars to the DO Salaries and Expenses account to support Treasury DO CFIUS activities.

Maintaining Current Levels (MCLs) ....+$488,000 / +0 FTE
Pay Annualization (5.2% in 2024) +$207,000 / +0 FTE
Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$241,000 / +0 FTE
Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$40,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Non-Recurring Costs ………………...-$3,155,000 / -0 FTE
Non-Recur to CFIUS Non-Labor Investments -$3,155,000 / -0 FTE
Non-recurring costs for CFIUS associated with prior investments in CFIUS's case management system, configuration of secure spaces for new CFIUS staff, and other non-labor requirements.

Other Adjustments ....+$3,155,000 / +16 FTE
Annualization of CFIUS FTEs +$3,155,000 / +16 FTE
Program anticipates supporting more FTEs as the pace of hiring CFIUS staff accelerates in FY 2024.

Legislative Proposals

CFIUS has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 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 2023, Treasury CFIUS continued its growth to support requirements laid out in the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). This includes continued investment in infrastructure necessary to support an increase in CFIUS's responsibilities, as well as additional staff to manage the workload growth.

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 2023. IA's target for this measure in CY 2024 and CY 2025 is 100 percent.

Office of Inspector General

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Audit	$35,853	$35,853	$36,839	$986	3%
Investigation	$13,025	$13,025	$13,335	$310	2%
Subtotal, OIG	**$48,878**	**$48,878**	**$50,174**	**$1,296**	**3%**
Offsetting Collections - Reimbursable	$7,000	$12,000	$12,000	$0	0%
Resources from Other Accounts	$14,000	$11,000	$9,000	($2,000)	-18%
Subtotal Other Resources	**$21,000**	**$23,000**	**$21,000**	**($2,000)**	**-9%**
Total Budgetary Resources	**$69,878**	**$71,878**	**$71,174**	**$704**	**1%**
FTE	241	210	210	0	0%
Total Full-time Equivalents (FTE)	**241**	**210**	**210**	**0**	**0%**

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals, including 31 for Pandemic Funding.

FY 2024 does not include 44 Pandemic funded FTEs and 3 Annual Reimbursable FTEs.

FY 2025 does not include 21 Pandemic funded FTEs and 13 Annual Reimbursable FTEs.

Appropriated resources were provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021.

1. $6.5 million for oversight, monitoring, and recoupment of the Emergency Rental Assistance program.
2. $3 million for oversight of the Emergency Rental Assistance program.
3. $2.6 million for oversight of the Homeowner Assistance Fund.
4. $35 million for oversight of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Funding received in FY 2020)
5. Offsetting Collections includes $1 million for SSBCI Reimbursable Authority (Supporting the Small Business Jobs Act of 2010).

Summary

The FY 2025 request for $50,174,000 for the Office of Inspector General (OIG) will be used to support ongoing critical audit, investigative, and mission-support activities and pandemic relief programs. The request maintains currents services, building on the increased FY 2023 funding OIG received to support unfunded Coronavirus State and Local Recovery Funds (SLFRF) oversight and data analytics and information technology support staff.

The request also funds 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; Payment Integrity Information Act of 2019 (PIIA); Federal Deposit Insurance Act; Small Business Jobs Act of 2010; the Government Charge Card Abuse Protection Act of 2012; Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act); the Coronavirus Aid, Relief, and Economic Security Act (CARES); the Consolidated Appropriations Act, 2021; and the American Rescue Plan Act (ARP). 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 PIIA, (5) risk assessments and audits of charge card programs, (6) audits of air carrier pandemic payroll, and (7) material loss reviews of failed insured depositary institutions regulated by the Office of the Comptroller of the Currency (OCC). 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) new initiatives and operating in an uncertain environment; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and and-terrorist financing enforcement; (4) information technology acquisition and project management; and (5) certain Treasury Pandemic Relief programs.

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 (2) Grant and Interagency Agreement Compliance Monitoring, and (3) Recruiting and Retaining a Highly Skilled Workforce.

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.

This year, the OIG is working to align budget activities and performance measures to the new objectives in the Treasury FY 2022 – 2026 Strategic Plan. This work will include benchmarking performance and may result in changes to performance measures in the FY 2025 Budget.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Assumed Enacted	**210**	**$48,878**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$1,296
Pay Annualization (2024 5.2% average pay raise)	0	$532
Pay Raise (2025 2.0% average pay raise)	0	$455
Non-Pay (2025 2.2% non-pay inflation)	0	$309
FY 2025 Current Services	**210**	**$50,174**
FY 2025 President's Budget Request	**210**	**$50,174**

Budget Adjustments

Maintaining Current Levels (MCLs) ....+$1,296,000 / 0 FTE

Pay Annualization (5.2% in 2024) +$532,000 / +0 FTE
Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$455,000 / +0 FTE
Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$309,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Legislative Proposals

Sec. 128 of Treasury Administrative Provisions

"Amounts made available under section 601(f)(3) of the Social Security Act 42 (U.S.C. 801(f)(3)) shall be available for any necessary expenses of the Department of the Treasury Office of Inspector General with respect to section 601 of that Act, subtitle A of title V of division N of the Consolidated Appropriations Act of 2021, or section 3201 of the American Rescue Plan Act of 2021, in addition to amounts otherwise available for such purposes."

Justification:

Treasury OIG is requests authority to use unobligated CARES Act Coronavirus Relief Fund (CRF) oversight funding, available until expended, for oversight of the Emergency Rental Assistance (ERA) program, which was authorized in the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act. OIG received a total of $9.5 million in mandatory funding for oversight of the Emergency Rental Assistance Program, however, that funding is insufficient to cover OIG's workload around ERA. OIG projects more than sufficient funding from the $35 million to execute its CRF oversight mission, but requires more resources than currently available to execute its ERA oversight mission.

In addition, the volume and complexity of complaints received relating to the ERA program requires more staffing to fully address the issues, and the expenditure rate experienced in the past two and a half years makes it clear that the dedicated funding will not last through the expected end of the OIGs oversight in fiscal year 2027.

Of the $35 million provided to OIG for CRF oversight, $21 million has been expended through November 2023, and $14 million remains available for use. Based on the OIG's oversight activities and expenditures to date, and its projections of future oversight expenditures through fiscal year 2025 to completion of the OIG's responsibilities, it is expected that funds will be available to supplement needs under the ERA program. Of the $9.5 million provided to OIG for ERA oversight, $6 million has been expended through August 2023, and $3.5 million remains available for use. The volume and complexity of complaints related to ERA disbursements indicates that at current and projected spending rates the OIG will run out of ERA-dedicated oversight funding well before its oversight obligations terminate at the end of fiscal year 2027. Accordingly, the OIG seeks authority to use funds from the CARES Act CRF oversight for ERA oversight, as needed through the end of fiscal year 2027.

Performance Highlights

		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Budget Activity	Performance Measure	Actual	Actual	Actual	Actual	Target	Target
Audit	Number of Completed Audit Products	85	80	74	82	82	82
Audit	Percent of Statutory Audits Completed by the Required Date	100	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	91	100	100	100	80	80

Treasury Inspector General for Tax Administration

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025	
				$ Change	% Change
Audit	$65,123	$65,123	$66,897	$1,774	3%
Investigations	$109,127	$109,127	$112,129	$3,002	3%
Subtotal, TIGTA	**$174,250**	**$174,250**	**$179,026**	**$4,776**	**3%**
Offsetting Collections - Reimbursable	$408	$750	$750	$0	0%
Recovery from Prior Years	$139	$198	$0	($198)	-100%
Unobligated Balances Brought Forward	$4,800	$5,000	$5,000	$0	0%
IRA Funding Usage	$21,504	$43,700	$39,800	($3,900)	-9%
Subtotal Other Resources	**$26,851**	**$49,648**	**$45,550**	**($4,098)**	**-8%**
Total Budgetary Resources	**$201,101**	**$223,898**	**$224,576**	**$678**	**0%**
Direct FTE	645	650	650	0	0%
Reimbursable FTE	2	2	2	0	0%
IRA Funding FTE	60	139	142	3	2%
Total Full-time Equivalents (FTE)	**707**	**791**	**794**	**3**	**0%**

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.
Table does not include $8M in funding provided through the ARP Act of 2021 (P.L. 117-2), which was available for expenditure through FY 2023, of which $.7M was obligated in FY 2023

Summary

The Treasury Inspector General for Tax Administration's (TIGTA) Fiscal Year (FY) 2025 Budget Request of $179,026,000 represents an increase of three percent above its FY 2023 enacted budget level. 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 Offices of Audit (OA), Inspections and Evaluations (OIE), and Investigations (OI) will use Inflation Reduction Act (IRA) funds for enhanced oversight of Internal Revenue Service (IRS) operations, to include taxpayer services, enforcement, operations support, business systems modernization, and reporting requirements.

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." TIGTA will provide oversight in critical areas including:

- Investigating unauthorized access to, and disclosure of, taxpayer information;
- Assessing the IRS's efforts to manage its transformation efforts, including processes to monitor and measure implementation and delivery of specific initiatives in its Strategic Operating Plan;
- Identifying opportunities to improve the administration of the Nation's tax laws, improve tax compliance, and achieve program efficiencies and cost savings;
- Evaluating the IRS's efforts to design and deliver modern technology platforms that center

around data and applications, with natively integrated protective and detective security controls to prevent the unauthorized disclosure of taxpayer information;

- Overseeing the IRS's efforts to implement tax law changes, including monitoring the IRS's efforts to timely process taxpayer correspondence and meet customer service demands and assessing the IRS's efforts to address tax-related identity theft;
- Protecting the integrity of the IRS by effectively investigating individuals and groups who victimize vulnerable Americans through an IRS impersonation scam;
- Conducting advanced analytics and innovative approaches to help prevent and detect the flow of dollars fraudulently obtained by criminals;
- Enhancing taxpayer confidence in electronic Federal tax systems through 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. This includes the unauthorized disclosure of confidential tax information by IRS employees; and
- Conducting comprehensive audits, inspections, and evaluations that provide recommendations for achieving monetary benefits; in addition to addressing erroneous and improper payments while enhancing the services that the IRS provides to taxpayers.

TIGTA conducts audits and inspections and evaluations 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 operations, protect the IRS and its employees, and help the IRS protect and secure taxpayer data. TIGTA's OIE 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's primary functions of audit, investigations, and inspection and evaluations align with the following Department of the Treasury FY 2022 – 2026 Strategic Plan goals:

Goal 1: Promote Equitable Economic Growth and Recovery;

Goal 2: Enhance National Security;

Goal 4: Combat Climate Change; and

Goal 5: Modernize Treasury Operations.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**650**	**$174,250**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$4,776
Pay Annualization (2024 5.2% average pay raise)	0	$1,842
Pay Raise (2025 2.0% average pay raise)	0	$2,153
Non-Pay (2025 2.2% non-pay inflation)	0	$781
Subtotal Changes to Base	0	$4,776
FY 2025 Current Services	**650**	**$179,026**
FY 2025 President's Budget Request	**650**	**$179,026**

Budget Adjustments

Maintaining Current Levels (MCLs).. +$4,776,000/ +0 FTE

Pay Annualization, (5.2% in 2024) +$1,842,000/ +0 FTE,
Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise, (2.0% in FY 2025) +$2,153,000/ +0 FTE
Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay, (2.2% in FY 2025) +$781,000/ +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Legislative Proposals

TIGTA has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Audit	Percentage of Audit Products Delivered When Promised to Stakeholders	93	92	87	DISC	DISC
Audit	Percentage of New Audit Reports with Recommendations to Improve Tax Administration	82	84	88	DISC	DISC
Audit	Percentage of Reports Delivered When Promised to Stakeholders	N/A	N/A	N/A	70	80
Audit	Percentage of Reports with Recommendations to Improve Tax Administration	N/A	N/A	N/A	70	75
Investigations	Percentage of Closed Investigations Resulting in a Criminal, Administrative or Law Enforcement Action	90	89	88	79	79

Key: DISC – Discontinued; N/A – Not Applicable

Description of Performance

- In FY 2023, OA and OIE issued 103 final audit reports and other products which reported potential financial benefits totaling $6.7 billion and impacting approximately 6.2 million taxpayer accounts.

- In FY 2023, the actual Percentage of Audit Products Delivered When Promised to Stakeholders was 87 percent. TIGTA exceeded the full-year target by 17 percentage points.
- For FY 2024, OA's performance targets are 70 percent of Audit Products Delivered When Promised to Stakeholders and 70 percent of New Audit Reports with Recommendations to Improve Tax Administration.
- In FY 2022, OI transitioned to a performance model that placed greater emphasis on investigations with significant impact on Federal tax administration. These cases are often lengthier and require more time sensitive engagement from OI staff.
- From FY 2014 through FY 2023, TIGTA processed more than 15,359 threat-related complaints and investigated more than 9,865 threats against the IRS. TIGTA's OI expects threat-related incidents to rise as the IRS increases staffing and enforcement as outlined in the IRA.
- Since March 2020, OI has reallocated resources to provide investigative oversight of programs and operations resulting from the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act. During FY 2023, these cases represented 34 percent of OI's investigative work hours. From March 2020 to September 2023, these investigative efforts resulted in the initiation of 1,439 investigations, 673 indictments, 265 individuals sentenced to approximately 750 years of incarceration, and more than $160 million in monetary recoveries and penalties.
- Using investigative activities from FY 2022 and FY 2023 as a baseline, OI projects approximately 1,615 actionable outcomes will result from investigations in FY 2025.
- In FY 2023, the Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action was 88 percent, which exceeded the full-year target of 79 percent by 9 percentage points.

Description of Performance

The Office of Audit (OA) completed 94 audit products in FY 2023, exceeding its target of 82. In FY 2023, OA also met its mandated audit requirements. OA expects to complete 82 audit products in FY 2024 and FY 2025. 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 2023, Office of Investigations (OI) exceeded the 80 percent target for Investigative Performance Measure by referring 100 percent of investigations for criminal/civil/administrative action. OI opened 91 new investigations and closed 83 investigations. The OIG also referred 12 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 87 investigations for criminal prosecution and 9 investigations for civil prosecution. In FY 2023, OI charged and/or indicted 20 subjects and contributed to 36 subjects convicted. Ongoing investigations resulted in 3 subjects sentenced which resulted in fines, seizures, restitution, penalties, and settlements of more than $16.8 million.

OI 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 Pandemic Recovery

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan		FY 2024 Annualized CR		FY 2025 Request		FY 2024 to FY 2025 % Change	
New Appropriated Resources	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Audits and Investigations	53	$12,000	38	$12,000	11	$5,327	-71.1%	-55.6%
Subtotal SIGPR	**53**	**$12,000**	**38**	**$12,000**	**11**	**$5,327**	**-71.1%**	**-55.6%**
Other Resources								
Reimbursables	0	$15	0	$100	0	$0	0	-100.0%
Unobligated Balances from Prior Years	0	$5,697	0	$2,842	0	$2,899	0	-68.4%
Subtotal Other Resources	**0**	**$5,712**	**0**	**$2,942**	**0**	**$2,899**	**0**	**-69.4%**
Total Budgetary Resources	**53**	**17,712**	**38**	**$14,942**	**11**	**$8,226**	**-71.1%**	**-58.3%**

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Current: For Fiscal Year (FY) 2025, SIGPR is requesting $5.3 million which will enable SIGPR to winddown operations in a responsible and orderly manner to hand off remaining open cases (investigative and administrative) and audits to future stewards and assist all career employees in finding new permanent jobs matching their experience, professional abilities, and career goals while managing and archiving records leading up to closure of the agency.

Background: SIGPR, an independent office within the Department of the Treasury (Treasury), was established by section 4018 of the CARES Act in March 2020. Mr. Brian Miller was confirmed by the U.S. Senate in June 2020 as the Special Inspector General for Pandemic Recovery. SIGPR continues to lead the way by providing oversight of Treasury activities under the CARES Act by conducting independent audits and investigations necessary to prevent and detect waste, fraud, and abuse in programs and operations. SIGPR's CARES Act program jurisdiction includes two significant programs, the Direct Loan Program (loans to air carriers and national security businesses consisting of 35 loans, 35 borrowers for $2.7 billion), and the Main Street Lending Program (loans to small and medium-sized for-profit businesses and nonprofit organizations consisting of 319 lenders, 1,830 loans for $17.5 billion). SIGPR conducts audits of these Treasury programs, investigates fraud by recipients of CARES Act funds, and makes recommendations designed to improve the administration of pandemic recovery programs. SIGPR also conducts criminal investigations into allegations of waste, fraud, and abuse while helping to ensure that SIGPR protects and secures taxpayer data.

By the end of FY 2021, during the worst pandemic in over a century resulting in socio-economic challenges, SIGPR succeeded in expeditiously establishing a workable near-term initial minimally operational baseline by bringing onboard 56 employees. SIGPR developed and executed a recruitment and hiring strategy, a procurement and acquisition plan, and an information technology capital plan; executed an occupancy agreement with the General Services Administration (GSA); developed a myriad of policies, procedures, and manuals to govern SIGPR's work in the key areas of audits, investigations, and critical mission support services.

In FY 2022, FY 2023 and throughout FY 2024, SIGPR continued to diligently follow the facts through the Office of Audits (OA) and Investigations (OI), working collaboratively with other Offices of Inspectors General, the Pandemic Response Accountability Committee (PRAC) Fraud Task Force, the Department of Justice (DOJ) COVID-19 Fraud Enforcement Task Force, Financial Crimes Enforcement Network, and other Federal Offices of Inspector General and law enforcement agencies to uncover large-scale and far-reaching fraud, waste, and abuse of CARES program funds recovering $42 million by the end of FY 2023, and identifying an additional $582 million in potential fraud recoveries through diligent, professional and collaborative case development.

The $5.3 million funds requested for FY 2025 are critically important to ensure maintaining maximum staff in place until the last minute focused on continuing existing case/audit finalization while being available to knowledgeably support pending DOJ pandemic fraud prosecutions to obtain closure/remittance of $582 million in identified fraud.

Summary

The $5.3 million FY 2025 request is a 56 percent reduction from FY 2023 enacted level. The FY 2025 request aligns with SIGPR's 'winddown' plan. SIGPR plans to utilize remaining multi-year funding while requesting an absolute minimum amount of funds to complete and finalize the following vital and impactful final program objectives:

- Winddown SIGPR's operations in a responsible and orderly manner to hand off remaining open cases (investigative and administrative) and audits to future stewards.
- Assist all career employees in finding new permanent jobs matching their experience, proven professional ability and career goals.
- Manage and archive records upon closure of the agency.

FY 2025 Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**38**	**$12,000**
Changes to Base:		
Adjustment to Reach Winddown Level	(27)	($6,995)
Maintaining Current Levels (MCLs):	0	$322
Pay Annualization (2024 5.2% average pay raise)	0	$142
Pay Raise (2025 2.0% average pay raise)	0	$121
Non-Pay (2025 2.2% non-pay inflation)	0	$59
Subtotal Changes to Base	**(27)**	**($6,673)**
FY 2025 Current Services	**11**	**$5,327**
FY 2025 President's Budget Request	**11**	**$5,327**

Budget Adjustments

Other Adjustments ....-$6,995,000 / -27 FTE

Reduction to Reach Winddown Level -$6,995,000 / -27 FTE

Proceeding with orderly program winddown to March 2025 shutdown.

Maintaining Current Levels (MCLs) ....+$322,000 / +11 FTE

Pay Annualization (5.2% in 2024) +$142,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$121,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$64,000 / +0 FTE

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

Legislative Proposals

SIGPR has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Audits and Investigations	Percentage of audit products delivered to stakeholders by the due date.	B	100%	100%	100%	DISC
Audits and Investigations	Percentage of audit products subject to implementation reviews.	B	50%	50%	50%	DISC

Key: DISC - Discontinued; B - Baseline

Description of Performance

SIGPR continues to keep Congress, the Department of the Treasury, and other stakeholders aware of an impending crisis in the programs created in March 2020 via the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). For both the Main Street Lending Program (MSLP) and Treasury's Direct Loan Program, SIGPR notes an alarming rate of defaults by borrowers who are failing to pay even the interest payments on the loans.

SIGPR has developed 90 percent of its investigative cases proactively rather than waiting for tips or defaults and is investigating cases nationwide with potential fraud totaling more than $582 million. • SIGPR has opened a total of 65 cases, of which 47 cases remain pending, with at least 130 potential defendants. 94 percent of SIGPR's investigations involve a combination of MSLP, Payroll Protection Program, and Economic Injury Disaster Loan Program fraud (double and triple dippers). SIGPR's investigations have thus far resulted in 21 federal indictments, 21 arrests, four guilty pleas, and four sentencings which have generated more than $11.9 million in court ordered restitution, $9.8 million in seizure/forfeiture orders, and a $350,000 civil settlement. $20.8 million in MSLP loans have been repaid following notification of an investigation. Recently, multiple arrests were made in connection with a complex fraud scheme representing over $52 million in alleged fraud loss.

Community Development Financial Institutions Fund

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Community Development Financial Institutions Fund Program	$194,000	$194,000	$210,000	$16,000	8.25%
Economic Mobility Corps	$2,000	$2,000	$0	($2,000)	-100.00%
Bank Enterprise Award Program	$35,000	$35,000	$35,000	$0	0.00%
Native American CDFI Assistance Program	$25,000	$25,000	$25,000	$0	0.00%
Administrative	$35,000	$35,000	$35,908	$908	2.59%
Healthy Food Financing Initiative	$24,000	$24,000	$0	($24,000)	-100.00%
Small Dollar Loan Program	$9,000	$9,000	$9,000	$0	0.00%
Bond Guarantee Program Credit Subsidy	$0	$0	$10,000	$10,000	NA
Subtotal, Organization Title	**$324,000**	**$324,000**	**$324,908**	**$908**	**0.28%**
Other Resources					
Offsetting Collections from Emergency Capital Investment Program	$0	$44,883	$167,000	$122,117	272.00%
User Fees	$1,200	$1,250	$1,300	$50	4.00%
Recoveries from Prior Years	$0	$1,000	$1,000	$0	0.00%
Unobligated Balances from Prior Years	$237,621	$260,134	$50,000	($210,134)	-80.78%
Subtotal Other Resources	**$238,821**	**$307,267**	**$219,300**	**($87,967)**	**28.63%**
Total Program Operating Level	**$562,821**	**$631,267**	**$544,208**	**($87,059)**	**-13.79%**
Direct FTE	80	102	102	0	0.00%
Total Full-time Equivalents (FTE)	**80**	**102**	**102**	**0**	**0.00%**

Summary

The FY 2025 Budget requests an appropriation of $324,908,000 for the Community Development Financial Institutions Fund (CDFI Fund) to administer the CDFI Fund's programs and oversee the existing portfolio of awards. The CDFI Fund supports Treasury's strategic goal of Boosting U.S. Economic Growth and Transforming Government-wide Financial Stewardship.

The CDFI Fund expands the availability of credit, investment capital, and financial services in distressed urban and rural communities and for underserved populations. The CDFI Fund carries out the Community Development Banking and Financial Institutions Act of 1994, as well as certain programmatic provisions of the Community Renewal Tax Relief Act of 2000, the Housing and Economic Recovery Act of 2008 (HERA), the Small Business Jobs Act of 2010, and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P. L. 116-260) that provided $3 billion for emergency support for Community Development Financial Institutions (CDFIs) and communities responding to the COVID-19 pandemic.[1]

[1] In FY 2021, $1.25 billion of these funds were awarded through the newly established CDFI Rapid Response Program (CDFI RRP), which was designed to quickly deploy capital to CDFIs through a streamlined application and review process.

In the Spring of FY 2023, the CDFI Fund awarded an additional $1.73 billion in grant funds to CDFIs to address the economic impact of the COVID-19 pandemic through the CDFI Equitable Recovery Program (CDFI ERP). These grants will further assist distressed communities by expanding lending, grant making, and investment activity to low- or moderate-income communities; to borrowers that have significant unmet capital or financial service needs; and to enable CDFIs to build organizational capacity and acquire technology, staff, and other tools necessary to accomplish the activities under a CDFI ERP Award.

The CDFI Fund supports the creation and expansion of diverse CDFIs, which provide loans, investments, business counseling, basic banking services, and financial literacy training to underserved communities. Working primarily through CDFIs, the CDFI Fund facilitates business development, commercial real estate, housing development and home ownership. The CDFI Fund's activities leverage billions of private sector investment dollars from banks, foundations and other funding sources on a cumulative basis.

Authorized by P.L. 116-260, the CDFI Fund anticipates receiving additional funding resources from the Emergency Capital Investment Program (ECIP) through the transfer of proceeds from the sale of investments and related earned interest and dividends beginning in FY 2024. Approximately 80 percent of the funds available in FY 2024 and FY 2025 will be used for the FY 2025 CDFI and NACA Programs for financial assistance grants to Certified CDFIs, including Certified Native CDFIs, as well as for grants for technical assistance to organizations seeking Certification and for Certified CDFIs seeking to increase their organizational capacity. The remaining funds are expected to be used for a new pilot grant program that will provide funding for CDFIs seeking to improve their technological and cybersecurity systems.

The FY 2025 Budget proposes funding for the CDFI Program, the Native American CDFI Assistance (NACA) Program, the Bank Enterprise Award Program, the Small Dollar Loan Program, and the CDFI Bond Guarantee (BG) Program Subsidy. The Budget also proposes to eliminate dedicated funding for the Healthy Food Financing Initiative (HFFI) and eliminate funding for the Economic Mobility Corps (EMC) due to lack of ongoing demand.

Treasury's request also includes funding for the administration, operational support, and management associated with these programs, and the New Markets Tax Credit (NMTC) Program.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**102**	**$324,000**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$870
Pay Annualization (2024 5.2% average pay raise)		$210
Pay Raise (2025 2.0% average pay raise)		$245
Non-Pay (2025 2.2% non-pay inflation)		$415
Subtotal Changes to Base	0	$870
FY 2025 Current Services	**102**	**$324,870**
Program Changes:		
Program Decreases:	0	($26,000)
Economic Mobility Corps	0	($2,000)
Healthy Food Financing Initiative	0	($24,000)
Program Increases:	0	$26,038
CDFI Program	0	$16,000
BG Program Credit Subsidy	0	$10,000
Administration	0	$38
Subtotal Program Changes	**0**	**$38**
FY 2025 President's Budget Request	**102**	**$324,908**

Budget Adjustments

Pay Annualization (5.2% in 2024) +$210,000 / +0 FTE
Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$245,000 / +0 FTE
Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$415,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Decreases ....-$26,000,000 / -0 FTE

Economic Mobility Corps -$2,000,000 / -0 FTE
Due to the lack of ongoing demand for the EMC, no funding is included for this initiative as part of the CDFI Fund's budget request. In Fiscal Years 2022 and 2023, the CDFI Fund received no applications for EMC funding. However, eligible organizations can still apply for awards under the Corporation for National and Community Service's AmeriCorps State and National Direct program to support EMC-related activities, which places service members in Certified CDFIs, through funding directly appropriated to that program.

Healthy Food Financing Initiative -$24,000,000 / -0 FTE
Due to diminishing demand and lack of a robust pool of applicants to the program, the Budget request eliminates dedicated funding the HFFI. Over the past three years, the total annual number of applicants for HFFI has decreased more than 46 percent while the number of applicants for CDFI program Financial Assistance (FA) has increased by 14 percent. In the most recent round in FY 2022, only 15 organizations applied for HFFI. This represents about 1 percent of all

Certified CDFIs. This funding reallocation will support a broader pool of CDFIs participating in other CDFI Fund programs, as outlined in program increases below.

Program Increases ....+$26,038,000 / +0 FTE

CDFI Program +$16,000,000 / +0 FTE

Funds will be reallocated in the request to eliminate dedicated funding for HFFI and eliminate EMC to provide an increase to the CDFI Program budget by $16,000,000 providing an additional 27 Base-FA awards to CDFIs.

BG Program Credit Subsidy +$10,000,000 / +0 FTE

Request for $10,000,000 to modify existing over-collateralization and/or recourse requirements for individual applications thereby expanding the potential pool of CDFIs that could successfully participate in the BG Program.

Administration +$38,000 / +0 FTE

Request $38,000 to support on-going programming, research and data collection activities, certification of CDFIs and Community Development Entities (CDEs), compliance monitoring, evaluating the effectiveness of CDFI Fund programs, and activities related to the CDFI Fund's designation as a High Impact Service Provider (HISP).

Legislative Proposals

The Budget proposes to modify section 1339 of the Housing and Economic Recovery Act (HERA) to allow for certain existing statutory requirements to be determined by the Secretary, either via promulgation of regulations or in the annual Notice of Fund Availability, and to expand the eligible applicant types to include consortium of two or more eligible applicants. Current market conditions and the CDFI Fund's experience with this affordable housing program necessitate updates to the program to make it more accessible to applicants, which include CDFIs and non- profit affordable housing organizations, and more effective in spurring the production and preservation of affordable housing.

Specific requirements and standards in the statute create significant obstacles to potential applicants wishing to apply for these funds, such as a required 10:1 ratio of leverage of private and other public funding, a two-year commitment deadline, and restrictions related to targeting funds. Modifications proposed to the statute would allow for the Secretary to establish or modify standards for these requirements to address market conditions over time and ensure effective utilization of funds across diverse geographies.

Funding for this program is not typically appropriated. Per HERA requirements, Fannie Mae and Freddie Mac provide allocations annually based on their annual unpaid principal mortgage balances. The first awards based on these allocations were made in 2016.

Additionally, the Budget proposes to reauthorize and reform the CDFI BG Program consistent with the bipartisan CDFI Bond Guarantee Program Improvement Act of 2023 (S.869), which would reauthorize the program for four years, reduce the minimum issuance amount to $25 million, make a technical correction to the relending account, and eliminate the limitation on the number of guarantees that may be issued annually.

The Budget also proposes technical corrections and updates to Section 122 of Riegle Community Development and Regulatory Improvement Act (P.L. 117-286) that would allow increased participation in the Small Dollar Loan Program (SDL Program). Proposed revisions to the legislation would authorize the Secretary of the Treasury to administratively amend the definition of a small dollar loan or other requirements to address industry trends and adjust the maximum loan amount for inflation. Technical corrections would clarify the definition of Federally Insured Depository Institutions eligible to apply for an SDL Program Award and allow all applicants to apply for all eligible uses of the program.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Target	FY 2025 Target
Community Development Financial Institutions Fund	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	71.4	67.1	66.0	60.0	60.0
Community Development Financial Institutions Fund	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Number of Loans (Annual %)	75.7	77.7	71.6	60.0	60.0
Administration	All Award Cycle Time (Months)	5.6	8.8	8	6.5	6.5
Administration	ALL- Number of Affordable Housing Units Developed or Produced	58,215	71,615	109,599	I	I
New Markets Tax Credit Program	NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities (Annual %)	77.0	79.0	75.4	75.0	75.0

Key: I - Indicator

Note: The “All Award Cycle Time” performance measures are based on the award or allocation rounds for the BEA Program, CDFI Program, CMF Program, NACA Program, NMTC Program and SDL Program. The “ALL-Number of Affordable Housing Units Developed or Produced” performance measure is based on the number of affordable housing units reported by CDFI Program, CMF Program, NACA Program, NMTC Program, and CDFI RRP subject to the start of a program’s recipient reporting timeframe.

Description of Performance

In February 2023, the CDFI Fund awarded $144.2 million in base-FA awards for FY 2022 under both the CDFI and NACA programs. In addition to the FA awards, the CDFI Fund also provided the following supplemental FA awards:

- $23 million to CDFIs through the Healthy Foods Financing Initiative-Financial Assistance (HFFI-FA) awards, a supplemental program designed to encourage investments in businesses that provide healthy food options for communities;
- $6.5 million to CDFIs through the Disability Funds-Financial Assistance (DF-FA) awards, a supplemental program designed to help CDFIs finance projects and services that will assist individuals with disabilities; and
- $20.4 million to CDFIs through the Persistent Poverty County-Financial Assistance (PPC-FA) awards, a supplemental program designed to encourage investments in Persistent Poverty Counties nationwide.

On October 28, 2022, the CDFI Fund announced $5 billion NMTC awards for the calendar year (CY) 2021 NMTC Program allocation authority to 107 organizations out of a pool of 199 applicants that requested $14.7 billion in NMTC allocations. Additionally, on September 22, 2023, the CDFI Fund awarded $5 billion in CY 2022 NMTC Program allocation authority to 102 organizations out of a pool of 197 applicants that requested $14.8 billion in NMTC allocations.

Highlights of Select Performance Measures
In the FY 2023, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (66.0 percent) and the number of CDFI loans (71.6 percent) made to eligible distressed communities and underserved populations.

In FY 2023, the NMTC Program recipients reported that over 75.4% of NMTC investments made were in severely distressed areas. These are communities with low median incomes and high rates of poverty and unemployment.

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 2023 was 8.0 months, exceeding the target of 6.5 months. The efficiency measure was higher than the target due to the need to divert staff to manage COVID-19 response programs authorized in Consolidated Appropriations Bill, 2021. Further, FY 2023 did not have a funding round for every program, so the programs that did conduct a round including NMTC and Capital Magnet Fund (CMF) veers toward programs with a longer award cycle time, so the resulting average is higher than the target. Going forward, the CDFI Fund plans to normalize award program timing while welcoming the increased demand for CDFI Fund programs.

The Number of Affordable Housing Units Developed or Produced metric measures the number of affordable housing units developed or produced as a result of CDFI Fund awards as reported by CDFI Program, NACA Program, NMTC Program, and CMF Program awardees or allocatees. In FY 2021, this performance measure was converted to an indicator because the variability in projecting annually the number of affordable housing units funded for three programs made it difficult to project a reliable target. Beginning with FY 2022, the CDFI Fund included the units resulting from the FY 2021 CDFI RRP awardees. The FY 2023 actual result is 109,599 affordable housing units. This measure saw a large increase compared to FY 2022 because CDFI RRP awardees having completed their first full fiscal year of reporting in FY 2023 on their FY 2022 activities.

The requested additional funding for the CDFI Program should allow the CDFI Fund to continue to meet and possibly exceed its benchmark of 60 percent of both the dollar amount and the number of CDFI loans made to eligible distressed communities and underserved populations. This additional investment may impact the number of affordable housing units developed or produced.

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in thousands

Budget Activity	FY 2023 Operating Plan [1, 2]	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
BSA Administration and Analysis	$190,193	$190,193	$215,689	$25,496	13%
Subtotal, FinCEN	**$190,193**	**$190,193**	**$215,689**	**$25,496**	**13%**
Offsetting Collections - Reimbursable	$2,532	$6,000	$6,000	$0	0%
Recovery from Prior Years	$950	$0	$0	$0	NA
Unobligated Balances Brought Forward	$41,220	$88,879	$38,879	($50,000)	-56%
Transfers In/Out (TEOAF)	$21,250	$0	$0	$0	NA
Subtotal Other Resources	**$65,952**	**$94,879**	**$44,879**	**($50,000)**	**-53%**
Total Budgetary Resources	**$256,145**	**$285,072**	**$260,568**	**($24,504)**	**-9%**
Direct FTE	273	289	304	15	5%
Reimbursable FTE	1	3	3	0	0%
Total Full-time Equivalents (FTE)	**274**	**292**	**307**	**15**	**5%**

1/FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.
2/FY 2023 does not include $19.0 million in funding provided under Ukraine Supplemental Appropriations Act, 2022, Division N of the Consolidated Appropriations Act, 2022 (P.L. 117-103) and $29.3 million provided by the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128)

Summary

The mission of the Financial Crimes Enforcement Network (FinCEN) is to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. FinCEN is the primary Federal regulator and the administrator for the Bank Secrecy Act (BSA), which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN plays two key roles in the U.S. financial regulatory, anti-money laundering and countering the financing of terrorism framework:

- First, FinCEN is the primary regulator and the administrator of the BSA, which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN, through its administration of the BSA, is a global leader in both regulating money transmission, including that involving convertible virtual currency and has taken action against its illicit use.
- Second, FinCEN is the Financial Intelligence Unit, or FIU, of the United States.

The FY 2025 President's Budget requests additional resources totaling $25,496,000 above the fiscal year (FY) 2023 enacted level for FinCEN, a bureau of the Department of the Treasury (Treasury). This request includes resources for: (i) the continued implementation of the Anti-Money Laundering Act of 2020 (AMLA), which includes the Corporate Transparency Act (CTA) and is part of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (NDAA FY 2021), to strengthen, modernize, and streamline the existing Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regime; and (ii) the mandatory creation of the Beneficial Ownership Information Technology System (BO IT system) as the first national repository for beneficial ownership information (BOI).

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**289**	**$190,193**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$4,537
Pay Annualization (2024 5.2% average pay raise)	0	$741
Pay Raise (2025 2.0% average pay raise)	0	$866
Non-Pay (2025 2.2% non-pay inflation)	0	$2,930
Subtotal Changes to Base	0	$4,537
FY 2025 Current Services	**289**	**$194,730**
Program Increases:	15	$20,959
Beneficial Ownership Implementation	0	$16,000
BO IT Systems Sample-based Verification	0	$1,000
Other CTA/AMLA IT and Staff	15	$3,959
Subtotal Program Changes	15	$20,959
FY 2025 President's Budget Request	**304**	**$215,689**

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)...+$4,537,000 / +0 FTE

Pay Annualization (5.2%) +$741,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +$866,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.0% in FY 2025) +$2,664,000 / +0 FTE

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

Program Increases ....+$20,959,000 / +15 FTE

Beneficial Ownership Implementation (Customer Service/Contact Center and Public Outreach) +$16,000,000 / +0 FTE

The increase funds customer service and public awareness initiatives aimed at entities that began reporting BOI in January 2024. This includes the operation of the Beneficial Ownership Contact Center (BOCC) to support the estimated 32.6 million entities that began reporting BOI on January 1, 2024.[1] FinCEN is leveraging primarily one-time funding to create the BOCC and work to address the initial surge in Year 1 but lacks full funding to continue its operations in

[1] In the BOI reporting final rule, FinCEN estimates that as of Year 1 (2024) there will be approximately 32.6 million companies required to report, and 5 million additional companies per year in Years 2-10. See "Beneficial Ownership Information Reporting Requirements – Final Rule," 87 FR 59598, at 59549 (Sept. 30, 2022).

FY 2025 and beyond. Funding will also permit FinCEN to continue its public awareness and outreach efforts relating to BOI reporting.

BO IT Systems Sample-based Verification +$1,000,000 / +0 FTE

The increase funds the initiative to implement an initial statistical sampling/data matching approach to verifying BOI against data currently reported in commercial databases. This verification is critical for ensuring that information in the BO IT system is accurate and useful to authorized users.

Other CTA/AMLA IT and Staff +$3,959,00 / +15 FTE

The NDAA FY 2021 included significant reforms to the U.S. AML/CFT regime through the AMLA and the CTA. The AMLA seeks to strengthen, modernize, and streamline the existing AML/CFT regime by promoting innovation, regulatory reform, and industry engagement through forums such as the Bank Secrecy Act Advisory Group (BSAAG) and FinCEN Exchange. The AMLA also calls for FinCEN to work closely with our regulatory, national security, and law enforcement partners to better identify risks and priorities and provide valuable feedback to industry and the general public. Of note, section 6314 of the AMLA modified and enhanced the whistleblower provisions of the BSA by, among other things, significantly increasing the maximum possible award FinCEN can issue to an eligible whistleblower who voluntarily provides information to FinCEN, the Department of Justice (DOJ), or the whistleblower's employer regarding certain violations of the BSA. Consistent with these statutory requirements, FinCEN established an Office of the Whistleblower that is responsible for: receiving and adjudicating tips, complaints, and referrals; designing and implementing the policies and procedures of the whistleblower program; and processing award applications for eligible whistleblowers. The Anti-Money Laundering Whistleblower Improvement Act, which was enacted as part of the Consolidated Appropriations Act, 2023, P.L. 117-328, further enhanced FinCEN's whistleblower program by: (i) establishing a $300 million revolving fund (Financial Integrity Fund) to pay eligible whistleblowers; (ii) expanding the whistleblower program to include awards for violations of U.S. economic and trade sanctions programs, including, but not limited to, those targeting Russia and its malign activities; and (iii) providing for the payment of awards to eligible whistleblowers that are equal to 10 to 30 percent of what has been collected of the monetary sanctions imposed in a covered enforcement action. FinCEN expects the establishment of this fund will very likely increase interest and participation in FinCEN's whistleblower program.

Within the AMLA, the CTA establishes a framework for uniform BOI reporting requirements for many corporations, limited liability companies, and other similar entities formed or registered to do business in the United States. The CTA instructs FinCEN to collect BOI, store it in a secure system, and share it with authorized government authorities and financial institutions, subject to the effective safeguards and controls that FinCEN must establish. FinCEN has issued a final rule implementing the BOI reporting requirements, which became effective on January 1, 2024. FinCEN estimates that there will be approximately 32.6 million reporting companies filing BOI reports during the first year of the rule's implementation. FinCEN received Treasury Executive Office for Asset Forfeiture (TEOAF) Strategic Support and appropriated funds that allowed us to develop the Beneficial Ownership IT Systems Release 1.0, and FinCEN has now received sufficient funds to support the expected operations and maintenance expenses in the out-years.

The AMLA and the CTA together mandate approximately 40 rulemaking or other requirements, including periodic Congressional reporting on implementation efforts, assessments, and findings. Some key requirements under these acts include:

1. Establishing standards for the reporting of BOI, building an information technology system to collect and secure the data, creating access protocols, and ensuring enforcement of and compliance with the new reporting requirements;
2. Establishing national anti-money laundering and countering the financing of terrorism priorities, issuing regulations to implement those priorities and other related requirements, and ensuring enforcement of and compliance with the new requirements;
3. Enhancing whistleblower provisions to ensure a robust program for whistleblowers that provide information regarding violations of the Bank Secrecy Act (BSA) and U.S. economic and trade sanctions;
4. Establishing an Office of Domestic Liaison;
5. Establishing foreign financial intelligence liaison positions;
6. Establishing "Innovation Officer" and "Information Security Officer" positions;
7. Reviewing and revising Currency Transaction Report (CTR) requirements, SAR requirements, and other existing BSA regulations and guidance;
8. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities;
9. Hosting a Financial Crimes Tech Symposium, and establishing two new BSAAG subcommittees to enhance public-private partnerships in the areas of innovation and technology as well as information security;
10. At least semiannual publication of illicit finance threat pattern and trend information
11. Establishing a BSA Analytical Hub;
12. Conducting a formal review of regulations and guidance implementing the BSA;
13. Establishing an ongoing, timely process to receive and evaluate requests from law enforcement to financial institutions to keep accounts open; and
14. Establishing an annual BSA training program for all Federal examiners in the United States.

Timely and effective AMLA and CTA implementation continues to be FinCEN's top priority and presents significant resource challenges given the diversity and complexity of the requirements, and the diverse set of government and non-government stakeholders that they affect. FinCEN is working diligently with private sector and civil society stakeholders, as well as law enforcement and regulatory counterparts, to implement these numerous provisions to further the national security, financial integrity, and innovative strength of the United States.

With respect to the CTA, the funding request from FinCEN will allow us to hire some of the many FTEs needed to fully implement the mandates. These FTEs will perform some of these important functions:

1. drafting required regulations and related compliance guidance;
2. conducting stakeholder outreach to communicate information about the requirement;
3. drafting required Congressional reports;
4. developing and providing training on use of the required BO IT systems;
5. establishing access to BOI for authorized users;
6. monitoring and auditing compliance with the CTA and enforcing violations of its requirements;

7. establishing administrative processes to grant exemptive relief from the CTA's requirements;
8. managing a BOI call center that will respond to inquiries from the public about how to comply with the CTA;
9. conducting BO-related data management and analysis; and
10. providing related legal, administrative, security, and human resources support.

If available, the funding request will also support other AMLA activities:

1. FTEs who can respond to requests for administrative rulings regarding the interpretation of the regulations issued pursuant to the AMLA/CTA;
2. regulatory economists who are necessary to develop regulatory impact analyses pursuant to Executive Orders (E.O.s) 12866 ("Regulatory Planning and Review") and 13563 ("Improving Regulations and Regulatory Review"), the Regulatory Flexibility Act (RFA), the Paperwork Reduction Act (PRA), the Unfunded Mandates Act (UMRA), and the Congressional Review Act (CRA) and other similar applicable statutes; and
3. FTEs to staff the compliance hotline to respond to incoming inquiries relating to the AMLA and associated regulations and guidance issued by FinCEN.

The Anti-Money Laundering Whistleblower Improvement Act (AML Whistleblower Improvement Act) expanded the mandate of FinCEN's Whistleblower program and created a revolving fund called the Financial Integrity Fund from which FinCEN is authorized to pay awards. To support the Whistleblower program, FinCEN will use some funding from this request to begin hiring FTEs who will: administer and manage the $300 million revolving award fund, including disbursing awards in a timely and secure manner;

1. develop a public facing information technology system for the submission of tips and award applications;
2. develop the capacity to securely share tips and facilitate review by FinCEN and law enforcement partners;
3. recruit enforcement personnel dedicated to investigating potential BSA and other violations submitted by whistleblowers; and
4. recruit personnel dedicated to the administration of the whistleblower program to review tips, adjudicate award applications, coordinate with DOJ and other relevant agencies, and engage in outreach and education campaigns with the public. Such funding will also help ensure that any tips related to cyber-crimes, corruption, drug trafficking, Russia, and other illicit finance and national security priorities are reviewed and referred to appropriate offices for investigation and prosecution in a comprehensive and swift manner.

The funding level in this request assumes continuous hiring actions to get FinCEN to an onboard strength of 320 positions by the end of FY 2025 (yielding 304 FTE in FY 2025 given staff will be hired throughout the year). Because FinCEN is continuously evaluating its staffing against Administration priorities and filling the most urgent vacancies as positions become available, it is difficult to predict here which specific positions will have remained unfilled until the FY 2025 appropriation has been enacted.

Legislative Proposals

FinCEN has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 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	93%	92%	92%	90%	90%
BSA Administration and Analysis	Percentage of Users Satisfied with existing FinCEN Information Sharing Systems	87%	87%	88%	85%	85%

Key: DISC - Discontinued; B - Baseline

Description of Performance

FinCEN conducts four annual surveys of the BSA user-facing systems, information sharing tools, and to assess the value of FinCEN’s data and analysis. The results provide valuable feedback on FinCEN’s performance safeguarding the financial system from illicit use, combatting money laundering, and promoting national security.

Additionally, FinCEN monitors the percentage of domestic law enforcement and regulators who assert that queried BSA data led to the 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.

Alcohol and Tobacco Tax and Trade Bureau

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan[1]	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Collect the Revenue	$76,896	$80,219	$86,048	$5,829	7%
Protect the Public	$71,967	$68,644	$73,631	$4,987	7%
Subtotal, TTB	**$148,863**	**$148,863**	**$159,679**	**$10,816**	**7%**
Reimbursable and Offsetting Collections[2]	$8,392	$9,539	$9,539	$0	0%
Unobligated Balances from Prior Years[3]	$4,592	$4,568	$4,367	($201)	-4%
Transfers In/Out[4]	$750	$300	$0	($300)	-100%
Subtotal Other Resources	**$13,734**	**$14,407**	**$13,906**	**($501)**	**-3%**
Total Budgetary Resources	**$162,597**	**$163,270**	**$173,585**	**$10,315**	**6%**
Direct FTE	487	518	548	30	6%
Unobligated Balances from Prior Years FTE	16	21	20	(1)	-5%
Reimbursable FTE	10	11	11	0	0%
Total Full-time Equivalents (FTE)	**513**	**550**	**579**	**29**	**5%**

1/ FY 2023 New Appropriated Resources by Budget Activity reflect levels appropriated in P.L. 117-328, the Consolidated Appropriations Act, 2023. FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals. FY 2024 New Appropriated Resources by Budget Activity & FTE reflect levels appropriated in P.L. 118-15, the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).
2/ Includes reimbursements from the Treasury Executive Office of Asset Forfeiture (TEOAF) Mandatory Fund, the Community Development Financial Institutions Fund (CDFI Fund) along with offsetting collections from the Puerto Rico cover-over program.
3/ All years include 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.
4/ FY 2023 actual obligations include transfers from TEOAF Secretary's Enforcement Fund and TEOAF Strategic Support Fund.
FY 2024 includes a transfer from TEAOF Secretary's Enforcement Fund.

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 (IRC) provisions for excise taxes on alcohol, tobacco, firearms, and ammunition, and the Federal Alcohol Administration (FAA) 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.

At the FY 2025 funding level, and in support of the Administration's economic recovery and growth priorities, TTB plans to continue to focus on timely service levels and improving taxpayer experience by simplifying tax and regulatory requirements, modernizing online filing systems, and issuing clear and timely industry guidance to facilitate voluntary compliance.

Service remains a top priority, as delays to issuing permits or product approvals have financial consequences for the viability of businesses. At the FY 2025 funding level, TTB expects to restore staffing levels necessary to maintain permit, label, and formula approval times within service standards. Further, TTB will ensure access to tax benefits available to alcohol producers and importers under the permanent craft beverage modernization tax provisions, including by issuing timely refunds on import claims. In FY 2025, TTB plans to continue its data-driven and risk-based approach to administering the new import claims program. The budget request

supports ongoing enhancements to online registration and filing systems as well as the necessary tax administration and enforcement staff to administer this program.
Complex or overly burdensome regulatory requirements do not serve the interests of taxpayers, consumers, or government effectiveness. In FY 2025, TTB plans to continue its major regulatory reform efforts in permitting, tax, and alcohol beverage labeling to consolidate, clarify, and simplify requirements and, where possible, minimize filings. The newly simplified requirements will ease burdens placed on new and existing businesses and make it easier to voluntarily comply. At the same time, TTB plans to tailor the requirements to improve data quality and better detect risk to direct enforcement efforts. Further, TTB will prioritize rulemaking to promote fair competition, including proposals that would expand information on alcohol beverage labels to provide greater transparency for consumers and alcohol producers.

At the FY 2025 funding level, TTB will also continue to make critical investments in its information technology (IT) modernization strategy to develop an integrated online experience for all tax and regulatory transactions with TTB, known as myTTB. By improving the ease and usability of its online platforms, TTB aims to increase electronic submissions, improve timely filings, and support taxpayer compliance. Outdated and aging technology is also increasing IT and cyber risks. Investments in FY 2025 will enable TTB to migrate additional legacy online systems to the new myTTB platform, starting with permitting due to an urgent need caused by changes in the underlying commercial software.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**518**	**$148,863**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$3,833
Pay Annualization (2024 5.2% average pay raise)	0	$1,173
Pay Raise (2025 2.0% average pay raise)	0	$1,371
Non-Pay (2025 2.2% non-pay inflation)	0	$1,289
Restore Staffing Levels	30	$5,199
Subtotal Changes to Base	30	$9,032
FY 2025 Current Services	**548**	**$157,895**
Program Changes:		
Program Increases:	0	1,784
Service Improvement - IT Modernization	0	1,784
Subtotal Program Changes	0	1,784
FY 2025 President's Budget Request	**548**	**$159,679**

Budget Adjustments

Maintaining Current Level (MCLs)……………………………………..+$3,833,000 / +0 FTE
<u>Pay Annualization (5.2% in 2024) +$1,173,000 / +0 FTE</u>
Funds are requested for annualization of the January 2024 5.2% average pay raise.

<u>Pay Raise (2.0% in FY 2025) +$1,371,000 / +0 FTE</u>
Funds are requested for a 2.0% average pay raise in January 2025.

<u>Non-Pay (2.2% in FY 2025) +$1,289,000 / +0 FTE</u>
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Restore Staffing Levels ....+$5,199,000 / +30 FTE
TTB requests $5.199 million and 30 FTE to restore staffing levels across programs that were reduced to cover FY 2024 MCLs. In FY 2023, TTB added staff late in the fiscal year, largely to implement the CBMA program. Operating under a CR in FY 2024 would necessitate reduced overall staffing levels in order to absorb inflationary cost increases. This restoration of base resources is necessary to avoid significant and long-term disruptions to core taxpayer services, including issuing new or amended permits, product label and formula approvals, and tax refund claims.

Program Increases………………………………………………….……+$1,784,000 / +0 FTE
<u>Service Improvement - IT Modernization +$1,784,000 / +0 FTE</u>
TTB requests $1.784 million for myTTB IT modernization to build an integrated online filing system and improve the customer experience with TTB services. With this investment, TTB will deploy a custom myTTB Permits system, delivering a central myTTB component as well as critical service improvements for new and existing businesses.

TTB learned in late FY 2023 that the IT platform underpinning Permits Online, its current permitting system, will no longer be supported by the software vendor as of December 2025. This funding is necessary for TTB to timely complete the migration of this legacy system to the new myTTB platform without significant mission disruption. With this system modernization, TTB also plans to optimize its online permit applications and processes to support the timely review and approval of applications for wineries, breweries, and distilleries. Once complete, the myTTB online filing system will reduce burden on industry by integrating all online interactions with TTB: permit applications, tax returns and reports, label and formula applications, and claims.

Legislative Proposals

TTB has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Target	FY 2025 Target
Collect the Revenue	Amount of Revenue Collected Per Program Dollar ($) *	375	336	254	I	I
Collect the Revenue	Voluntary Compliance from Large Taxpayers - Overall (%)	93	93	94	95	95
Collect the Revenue	*By Payment*	99	99.6	99.7	-	-
Collect the Revenue	*By Tax Return*	87	87	88	-	-
Collect the Revenue	*By Operational Report*	87	86	87	-	-
Collect the Revenue	Electronically Filed Tax Returns - Pay.gov (%)	47	51	58	65	65
Collect the Revenue	Electronically Filed Operational Reports - Pay.gov (%)	53	56	63	65	65
Collect the Revenue	Claims Processed within Service Standard (30-45 days) (%) [1]	59	58	73	85	85
Protect the Public	Permit Applications Processed within Service Standards (75 days) (%)	92	91	86	85	85
Protect the Public	Alcohol Beverage Label and Formula Applications Processed within Service Standards (15 days) (%) [2]	92	93	93	85	85
Protect the Public	Initial Error Rate on Permit Applications	67	64	63	25	25
Protect the Public	Initial Error Rate for Label and Formula Applications	31	29	28	25	25
Protect the Public	Electronically Filed Permit Applications - Original (%)	95	95	95	95	95
Protect the Public	Electronically Filed Permit Applications - Amendments (%)[3]	92	92	93	95	95
Protect the Public	Electronically Filed Label and Formula Applications (%) *	99.5	99.6	99.6	I	I
Protect the Public	Customer Satisfaction Rate with eGov Systems - Permits Online	79	78	73	80	80
Protect the Public	Customer Satisfaction Rate with eGov Systems - COLAs Online	83	83	83	80	80
Protect the Public	Customer Satisfaction Rate with eGov Systems - Formulas Online [4]	80	78	78	80	80

Key: I - Indicator
*Performance indicators do not have a target
1/ Claims services standards are set annually and vary by type: Manufacturer of Nonbeverage Products = 30 days; Other Claims = 45 days; CBMA Import Claims = TBD. Current standards account for when interest starts to accrue to the government, as defined by statute.
2/ Service standards are set annually based on TTB analysis of submission volume, error rates, and resource levels. In FY 2018, following a spike in submission volume, TTB set service standards of 15 days for both label and formula applications. TTB has maintained this standard through FY 2025.
3/ Results represent amendment submissions, with multiple permit amendment types often submitted on a single submission; the ability to submit multiple amendments via a single submission took effect in Q4 FY 2018. Updated actuals for FY 2020 – FY 2022 due to data quality issue detected in FY 2023 that resulted in undercounting electronic submissions.
4/ Results represent beverage alcohol filers only (nonbeverage alcohol formula submissions are excluded).

Description of Performance

In FY 2023, TTB met or exceeded the performance targets for 5 of its 13 performance measures. TTB also monitored performance through several key indicators that support data-driven decision making across TTB's strategic goals. Despite falling short in eight performance goals in FY 2023, TTB made substantial improvements in many key service and operational measures. To meet its performance goals in FY 2025, TTB will continue an ambitious agenda that

integrates policy updates, process improvements, modern technology, and data-driven outreach and enforcement.
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 commodities, TTB takes appropriate enforcement action to detect and address tax evasion and fraud to ensure all alcohol and tobacco products sold in the marketplace are properly taxpaid.

In FY 2023, TTB collected excise taxes totaling $18.1 billion from a tax base of nearly 41,000 taxpayers, comprised of $9.3 billion for tobacco products, $7.9 billion for alcohol beverage products, and $0.9 million for firearms and ammunition. TTB's regulated taxpayers include distilleries, breweries, bonded wineries, bonded wine cellars, manufacturers of tobacco products, manufacturers of paper and tubes for tobacco products, and manufacturers and importers of firearms and ammunition. The investments in the Collect the Revenue activity resulted in the following performance highlights and accomplishments during FY 2023:

- TTB collected $254 for every program dollar spent on collection activities, demonstrating continued efficiency in tax administration despite higher IT and enforcement costs associated with the implementation of recent craft beverage modernization tax provisions, including the new import claims program.
- Electronically filed tax returns and operational reports trended positively in FY 2023, with roughly 60 percent of these tax filings submitted to TTB via Pay.gov, a Bureau of the Fiscal Service system that TTB relies on for the e-filing of tax returns, tax payments, and operational reports. As part of its IT modernization efforts, TTB plans to implement phased releases to its tax system, including updates to implement redesigned tax filing requirements to reduce compliance burden and to streamline and improve data collections. These efforts will make it easier for taxpayers to comply, especially for the many small businesses that comprise the vast majority of TTB taxpayers. However, the pace and scale of system modernization efforts are dependent on TTB funding levels and competing IT priorities or mandates. At the FY 2025 funding level, TTB expects limited progress on tax system modernization due to the urgent need to migrate its legacy permitting system, Permits Online, to myTTB.
- Fostering voluntary compliance among taxpayers is a primary tax administration strategy for TTB. TTB evaluates voluntary compliance by measuring the percent of taxpayers who voluntarily file their required tax returns, operational reports, and payments on or before the scheduled due date. In recent years, the Bureau has made progress in reversing the declining filing compliance trend for its large taxpayers, defined as those with $50,000 or more in annual tax liability. Given the revenue exposure, TTB set a high target for filing compliance for its largest taxpayers at 95 percent. In FY 2023, TTB achieved an overall compliance rate of 94 percent from its large taxpayers in meeting all tax filing requirements, improving upon progress achieved last year. Payment compliance rates remain high at more than 99 percent, indicating that the majority of reported liabilities were paid on time. Compliance rates for tax returns increased to 88 percent, and operational reports increased to 87 percent in FY 2023, but these areas warrant continued focus in the year ahead to achieve targeted performance. At the FY 2025 funding level, improving compliance rates will remain a priority for TTB. Strategies to advance them include continuing to review large taxpayer accounts based on compliance risk, implementing ongoing enhancements to analytics tools,

and expanding compliance reviews into the next tier of taxpayer segments. To support taxpayers seeking to voluntarily comply, TTB plans to improve its taxpayer education and outreach strategies, using customer feedback, user testing, and compliance data to prioritize TTB outreach as well as the development of new online tax guidance. These strategies will be critical to supporting and increasing compliance by the thousands of small businesses that TTB regulates.

- In FY 2023, TTB focused its IT development efforts on implementing the statutory mandate to administer the new import claims program as well as other improvements to support existing claims processes. Prior to FY 2023, TTB received approximately 5,000 claims each year, totaling approximately $400 million in tax refunds and drawback payments on taxes paid by Manufacturers of nonbeverage products. In FY 2023, the volume of claim submissions increased substantially with the implementation of the import claims program. In the first six months of the program, TTB received nearly 3,000 additional claims for tax refunds on imported alcohol products, totaling more than $110 million in tax refunds. In the year ahead, TTB anticipates that import claim submissions will nearly double its total claims workload as industry continues to adjust to the new import claim paradigm. Despite heavy demands on its tax administration program this year, TTB made significant progress in improving timely service across all claim types. TTB reduced average processing times to approximately 30 days, cutting times in half over the last three years. This performance was possible due to an infusion of funding in FY 2023 to provide the staffing, IT, and analytics resources necessary to administer the new CBMA import claims program without diverting resources from other programs.
  With these resources, TTB hired an additional 40 staff, and developed and deployed two new myTTB systems to enable importers to receive assignments for CBMA tax benefits from foreign producers and to file refund claims with TTB. Both systems incorporate external data sets and initial system-based validations of registrants and claims submissions – a first-of-its-kind IT development effort for TTB. TTB also improved consistency in service levels. For drawback claims, the highest volume claim type, TTB met the 30-day standard for 67 percent of submissions, up from 46 percent in FY 2022, a year-to-year improvement of 21 percentage points. For other claim types, TTB met the 45-day standard for 77 percent of submissions, up 8 percentage points from 69 percent in FY 2022. TTB achieved these service gains by improving internal processes through IT enhancements and effectively deploying staff to address backlogs. With additional system enhancements, TTB also expects to set and achieve its service standard for import claims.

TTB's Protect the Public budget activity funds the programs that ensure the integrity of alcohol beverage products and industry members in the marketplace; promote compliance with Federal laws and regulations by the more than 122,000 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.

The investments in the Protect the Public activity resulted in the following performance highlights and accomplishments during FY 2023:

- Federal law prohibits the import or domestic bottling of an alcohol beverage without an approved Certificate of Label Approval, making this service integral to U.S. businesses and economic recovery priorities. In FY 2023, TTB received nearly 198,000 label applications and 27,000 formula applications for new alcohol beverage product approvals. While the rate of growth has slowed in line with rising costs for labor and materials, particularly for breweries, the industries TTB regulates continue to demonstrate economic resilience. TTB ended the year with 94 percent of label applications meeting the 15-day service standard, exceeding the 85 percent target. This was achieved through effective monitoring and management of the application backlog combined with strategic workforce deployment in response to submission fluctuations. In terms of formula applications, after years of double-digit growth, applications decreased again in FY 2023, down six percent compared to the high point in FY 2021. By employing similar strategies, TTB exceeded the targeted performance level, ending the year at 92 percent of formula applications meeting the 15-day standard, despite staffing challenges due to attrition.

- 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. In FY 2023, TTB received approximately 8,500 applications for a Federal permit or registration, and qualified approximately 7,100 new businesses, predominantly small businesses. Although the annual rate of growth has slowed, the overall application volume remains high compared to historic levels, particularly in some of the more complex permit application types related to producing alcohol beverage products. Despite these trends, TTB has achieved and sustained significant improvements in its service levels for permitting in recent years, with average approval times of 40 days in FY 2023. Additionally, TTB surpassed its target to issue permits within the 75-day service standard for 85 percent of applicants, ending the year at 86 percent. TTB achieved these performance gains in part due to TTB's improved management of in-process permit applications and by continuing to cross-train specialists to allow management to redeploy staff as necessary to cover workload fluctuations across application types. Going forward, TTB plans to achieve its performance target through ongoing process improvements and updates to its permit applications to simplify and streamline requirements. At the FY 2025 requested funding level, TTB will continue its IT modernization efforts by deploying a custom myTTB Permits system. By migrating its legacy Permits Online system to the modern myTTB platform, TTB will improve the customer experience, including through enhanced guidance and self-service features to help applicants submit compliant applications.
- TTB continues to make progress in reducing the error rate on initial permit, label, and formula applications, a critical strategy to maintaining timely service across these programs. For each application type, the Bureau is targeting a 25 percent error rate in submissions to TTB. Although TTB has not yet achieved this target, the Bureau has made significant progress in each application area. For permit applications, the FY 2023 error rate was 63 percent, an improvement of approximately 12 percent over the past five years, indicating that efforts to streamline applications and processes are resulting in sustained improvements. The Bureau expects additional progress in the coming years as it continues to simplify permit requirements and modernize IT systems to make filing easier. TTB also continued to substantially reduce error rates for label and formula applications in FY 2023, with error rates at 28 percent and 23 percent, respectively. These gains demonstrate the ongoing effectiveness of prior year strategies that focused on reducing errors through targeted guidance, system validations, and analysis of high frequency errors. At the FY 2025 funding

level, TTB plans to continue its data-driven strategy to better understand customer pain points to develop effective guidance and industry outreach that will facilitate compliance and reduce errors on TTB submissions.

- System enhancements to date have resulted in high rates of customer satisfaction with TTB's online filing systems. TTB monitors user satisfaction with the process of submitting an application through its eGov systems, collecting responses via e-mail survey to assess factors such as ease of access, guidance, and overall experience. In FY 2023, satisfaction rates held at 83 percent for COLAs Online users, exceeding the 80 percent performance target. Satisfaction rates also held at 78 percent for Formulas Online users, while Permits Online satisfaction rates declined from 78 percent to 73 percent for Permits Online users. At the FY 2025 funding level, TTB expects system satisfaction rates to exceed the 80 percent target as the Bureau implements a new myTTB Permits system and initiates broader modernization efforts to provide applicants with a single integrated online filing experience, including through regular customer engagement and review of survey feedback.
- TTB also continues to sustain high electronic filing rates. In FY 2023, nearly 100 percent of all label and formula applications continued to be submitted via COLAs Online and Formulas Online, and 95 percent of permit applications were submitted via Permits Online. TTB attributes the high rates of electronic filing to ongoing promotion at industry conferences and seminars. Rates for electronic filing of permit application or registration amendments increased to 93 percent from 87 percent in FY 2019, indicating system improvements intended to streamline amendment submissions are resulting in higher e-filing rates.

Bureau of the Fiscal Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Accounting and Reporting	$96,956	$96,956	$103,317	$6,361	6.6%
Collections	$47,804	$47,804	$50,815	$3,011	6.3%
Payments	$133,328	$133,328	$141,216	$7,888	5.9%
Retail Securities Services	$68,759	$68,759	$73,365	$4,606	6.7%
Wholesale Securities Services	$25,638	$25,638	$27,446	$1,808	7.1%
Subtotal, Organization Title	**$372,485**	**$372,485**	**$396,159**	**$23,674**	**6.4%**
Offsetting Collections - Reimbursable	$222,177	$243,563	$235,539	($8,024)	-3.3%
Debt Collection Fund	$192,499	$205,920	$213,099	$7,179	3.5%
Unobligated Balances Brought Forward	$205,976	$200,487	$160,000	($40,487)	-20.2%
Subtotal Other Resources	**$620,652**	**$649,970**	**$608,638**	**($41,332)**	**-6.4%**
Total Budgetary Resources	**$993,137**	**$1,022,455**	**$1,004,797**	**($17,658)**	**-1.7%**
Direct S&E FTE	1,492	1,517	1,524	7	0.5%
Direct Debt Fund FTE	267	300	315	15	5.0%
Reimbursable FTE	10	9	19	10	111.1%
Total Full-time Equivalents (FTE)	**1,769**	**1,826**	**1,858**	**32**	**1.8%**

Note: FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Summary

The FY 2025 request for the Fiscal Service Salaries and Expenses account is $396.2 million, an increase of $23.7 million above the FY 2024 annualized Continuing Resolution (CR) level. The Budget includes $9.7 million to maintain current operations for the Government's National Financial Critical Infrastructure (NFCI) that finances Federal programs and services, collects revenue, disburses payments, and reports on the Government's financial position. The Budget also includes a $14 million investment to support Fiscal Service's Mainframe and Cloud Transition, various Workforce Initiatives, and Fiscal Service's Data Strategy efforts.

Fiscal Service's Mainframe and Cloud Transition Initiative seek to transition applications away from legacy mainframe technologies to cloud service providers. Fiscal Service will also continue to partner with the Department by leveraging $6.0 million through the Cybersecurity Enhancement Account (CEA) to implement modern solutions that will support the security, resiliency, and agility of these critical systems and continue to maintain the financial integrity and efficiency of our operations.

The Fiscal Service's Workforce initiatives will support staff engagement and retention efforts, as well as to improve our ability to attract high quality candidates for critical positions who are representative of the people we serve.

The Data Strategy initiative will allocate resources to improve USAspending.gov, increase transparency, and relieve reporting burdens across various government agencies. It will also support enterprise analytics to enable more robust business processes and improve measurement of outcomes.

These priorities will advance Treasury's Strategic Plan FY 2022-2026, promote Fiscal Service's mission to transform Federal financial management, and result in improved service for the American public.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	**1,517**	**$372,485**
Changes to Base:		
Maintaining Current Levels (MCLs):	**0**	**$9,711**
Pay Annualization (2024 5.2% average pay raise)	0	$3,183
Pay Raise (2025 2.0% average pay raise)	0	$3,720
Non-Pay (2025 2.2% non-pay inflation)	0	$2,808
Subtotal Changes to Base	**0**	**$9,711**
FY 2025 Current Services	**1,517**	**$382,196**
Program Changes:		
Program Increases:	**7**	**$13,963**
Mainframe/Cloud Transition	0	$9,256
Workforce Recruitment/Retention/Engagement	7	$1,940
Data Strategy, Analytics, and Transparency	0	$2,767
Subtotal Program Changes	**7**	**$13,963**
FY 2025 President's Budget Request	**1,524**	**$396,159**

Budget Adjustments

Maintaining Current Levels (MCLs)..+$9,711,000 / +0 FTE

Pay Annualization (5.2%) +$3,183,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in 2025) +$3,720,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$2,808,000 / +0 FTE

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

Program Increases...+$13,963,000 / +7 FTE

Mainframe and Cloud Transition Initiative +$9,256,000 / +0 FTE

Beginning in FY 2021, Fiscal Service established the Mainframe Services Transformation program, focused on migrating off the existing on-premises mainframe to cloud service providers. With some applications continuing to operate in a mainframe environment and others transitioning to more modern, cloud-based services and platforms, there will be cost increases in FY 2025 to host applications in both environments until transformation efforts have concluded, as well as costs to implement migration plans for system still residing on the mainframe.

To date, Fiscal has reduced the 39 applications on the mainframe to 23. These remaining applications include several high-profile systems supporting retail securities and disbursement activities. Application modernization is a key component to ending mainframe services. This will enable the decommissioning of the mainframe by the end of FY 2025, eliminating the dependency on legacy technology and the associated exponential cost increases that are projected annually if we continue to maintain the mainframe environment.

Fiscal Service FY 2023 and FY 2024 CEA fund allocations will be utilized to further support these transitions from aging legacy technology platforms (e.g., mainframe) to more secure cloud-based services and architecture across the Bureau's portfolio of 60+ Federal Information Security Modernization Act (FISMA) systems, including multiple Fiscal Service High Value Assets that support the NFCI. In FY 2025, $6.0 million in new CEA funding will be allocated to Fiscal Service for additional needs in support of Bureau-specific Cybersecurity and Cloud initiatives to bolster IT threat monitoring in accordance with Executive Order 14028, *Improving the Nation's Cybersecurity,* to include up to 10 FTE.

<u>Workforce Recruitment, Retention, and Engagement Initiative +$1,940,000 / +7 FTE</u>
This initiative will enhance Fiscal Service's ability to implement human capital strategies that ensure that our workforce is ready to meet the challenges of the evolving Federal Financial landscape and improve our ability to attract high quality candidates who are representative of the people we serve. It will support Fiscal's ability to:

- Support workforce and succession planning and establish a talent team to ensure a diverse talent pipeline,
- Properly resource our Office of Diversity, Equity, Inclusion, and Accessibility and our efforts to improve staff engagement and retention,
- Improve the hiring experience for applicants and hiring officials while ensuring highly qualified applicants are referred for selection,
- Implement changes needed to address workplace and work routines post pandemic, and
- Expand workforce data analysis and management to improve reporting and support leadership decision making and position management processes as the workforce evolves.

This request will also reinforce the Bureau's contractual resources that help strengthen intern programs and ensure vacancies are communicated to various diversity and professional organizations to attract highly qualified and diverse talent. It also includes funding for one additional FTE to bolster Fiscal Service's capabilities related to Federal credit accounting.

The Budget supports and advances *Treasury Objective 5.1 Recruit and Retain a Diverse and Inclusive Workforce* and *Fiscal Objective 4.1 Diversity, Equity, Inclusion, and Accessibility (DEIA)* through adapting operations to prepare for future work routines, promoting equity across the Bureau, continuously supporting a diverse and inclusive workforce, and attracting, developing, and retaining highly qualified staff. Expected outcomes from this investment include improved retention and recruitment capabilities, a more engaged workforce, and a DEIA office that is properly resourced to support all identified focus areas.

<u>Data Strategy, Analytics, and Transparency Initiative +$2,767,000 / 0 FTE</u>
Treasury's implementation of the Foundations for Evidence-Based Policymaking Act (Evidence Act) requires the agency to engage in evidence-building activities, including data and statistical

analysis to build evidence to inform decision making. These resources will help Fiscal Service to expand the use of its internal administrative data to drive decision-making, invest in tools to support research and analysis, reduce reporting burden for agencies, and enhance external data transparency.

The Bureau's goals include reducing agency burden for USAspending.gov reporting, enhancing the security posture of USAspending.gov, and optimizing our customer-facing operations for both agency customers who frequently report to Fiscal Service and citizens who seek to find data through our public-facing portals. The enhancements to USAspending.gov would streamline reporting processes and improve data quality while also enhancing the security posture of the system. Additional investments in expanding the Fiscal Data Hub and delivering research and analytics use cases will position Fiscal Service to gather more data, analyze it at an enterprise level, and leverage insights to understand and respond to customer needs. To further improve our customer-facing operations, this request also supports contractual resources to deliver analytics solutions to better understand customer behavior and identify patterns to improve services. Additionally, these resources would allow for predictive models to support decision making around HR and financial data and gain insight into managing the organization and workforce.

Legislative Proposals

1. Expand Treasury's authority to require bank account verification, pre-certification.
Estimated Cost Avoidance: Cost avoidance over a 10-year period is estimated at $11.6 billion in prevented improper payments.

This proposal would provide Treasury the authority to require Federal paying agencies to confirm bank account information prior to certification to identify potentially erroneous or fraudulent transactions and improve payment accuracy. Bank account verifications would compare pre-certification payment information with commercially available data to confirm the existence of an account, its status, standing, and ownership prior to initiating payments to that account. This change would assist in combating financial loss caused by fraud and ensure that payment account verification is conducted on all Federal payments disbursed by Treasury.

2. Expand Treasury's authority to require bank account comparison (matching), pre-certification. *Estimated Cost Avoidance: Cost avoidance over a 10-year period is estimated to be $152 million in labor and material associated with printing approximately 200 million checks.*

This proposal would provide Treasury the discretion to require bank account comparison for payments disbursed by Treasury to reduce the number of improper payments and increase electronic payments. Bank matching would help decrease the number of checks issued which would result in cost savings from the processing of the payments. Expanding flexibilities precertification is preferable to post-certification to avoid the added responsibility on the disbursing officer.

3. Simplify Debt Management Fees.
Currently, Disbursing and Debt Management (DDM) must separately account for the costs of its Cross-Servicing Program and the five Treasury Offset Programs (TOPs). However, these programs have many overlapping functions and processes, making determination of separate fees

an administratively difficult and inefficient process. This proposal would authorize DDM to consolidate TOP fees and Cross-Servicing fees. DDM would utilize combined fees to cover overlapping functions evenly as overhead across the TOP and Cross Servicing Programs. This change would increase the efficiency of Fiscal Service's debt collection operations by simplifying the cost-accounting and fee-setting processes. It would also reduce volatility in year-to-year fee adjustments and assist Fiscal Service in assessing fees (which are generally passed onto debtors as costs) in an equitable manner.

4. Technical Correction Regarding Calculation of Current Value of Fund Rate.
This proposal would amend Section 3717(a)(1) of title 31 to remove reference to the Treasury Tax and Loan (TT&L) program, which no longer exists, and align the statutory language with existing practice. Federal agencies are required to assess interest on nontax debts that are not timely paid, which is based on the current value of funds (CVR) rate. Interest obligations were formerly calculated using the TT&L rate, which was calculated annually. Because the CVR rate is calculated on a quarterly basis, this proposal would authorize the Bureau to publish a revised rate more often than annually.

5. Surety Bond Program Fees.
Estimated Cost: Estimated incremental cost of $20 million over a 10-year period to the General Fund receipt account as Fiscal would retain fees.

The Surety Bonds Program (SBP) assesses the financial statements of surety companies that seek to do business with the federal government. In current operations, the program charges companies a fee when they apply to be certified, which are transferred into the General Fund of the Treasury. Currently, the SBP is funded through the Bureau of the Fiscal Service's direct appropriation, and the program's modernization efforts have been hampered by resource constraints. This proposal authorizes the SBP to retain fees it charges companies which currently go to the General Fund rather than relying solely on the Bureau's direct appropriation. This would score as a net cost to the government under budget scorekeeping rules because the fees would be retained by Fiscal and, therefore, not deposited to the General Fund.

6. Ensure Do Not Pay Business has full access to complete state death data.
The proposal would ensure DNP receives permanent access to complete state death data for the purposes of preventing, identifying, and recovering improper payments, for Federal agencies informed by an initial evaluation of death data sharing that began in December, 2023 as intended by the Consolidated Appropriations Act, 2021.

7. Expand Treasury's Access to the National Directory of New Hires.
This proposal authorizes Do Not Pay to facilitate data exchange with paying agencies that are currently authorized by the Social Security Act to access NDNH regarding persons receiving Federal payments while helping those agencies identify individuals who are ineligible to receive payments or who are receiving erroneous payments.

8. Allow DNP to use Fair Credit Reporting Act data for payment integrity purposes.
This proposal would amend language in the Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681a, by authorizing the Do Not Pay Business Center (DNP) to partner with data aggregators such as credit reporting agencies to validate several payee attributes. This authority would help agencies

identify, prevent, and recover improper payments based on income eligibility and location. DNP's ability to use FCRA data as a source to proxy residency data would add substantial value for work identifying improper payments in federally funded, state administered programs.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Accounting and Reporting	Percentage of Government-wide Accounting Reports Issued On Time (%)	100	100	99.6	99.0	99.0
Accounting and Reporting	Number of High Value Analytics Use Cases Deployed (#)	3	3	20	8	15
Collections	Percentage of total federal government receipts initiated electronically (in volume) (%)	83.0	83.2	84.8	84.0	84.5
Payments	Percentage of Treasury Payments Disbursed Electronically (%)	96.2	96.4	96.5	96.9	97.0
Payments	Count of Potential Improper Payments Identified [NEW]	23,801	17,115	213,998	160,000	170,000
Payments	Count of Potential Improper Payments Prevented [NEW]	N/A	N/A	162,775	110,000	135,000
Payments	Count of Improper Payments Recovered [NEW]	N/A	N/A	21,723	B	B
Payments	Percentage of Payments Screened by Do Not Pay (%) [DISC]	14.4	19.2	DISC	DISC	DISC
Payments	Potential Improper Payments Identified, Stopped, or Recovered [DISC]	340,236	N/A	DISC	DISC	DISC
Retail Securities Services	Percentage of Retail Securities Transactions that are Unassisted (%)	63.0	77.0	82.0	74.0	75.0
Wholesale Securities Services	Percentage of Auction Results Released Accurately (%)	100	100	100	100	100
Wholesale Securities Services	Percentage of Auctions Successfully Completed by the Scheduled Close Date (%)	100	99.8	99.5	100	100
Debt Collection	All delinquent debt collected FYTD as a percentage of all delinquent debt referred FYTD [%]	15.9	16.6	16.8	13.0	14.0
Debt Collection	Percentage of the active delinquent debt portfolio collected FYTD [%]	7.3	6.3	3.7	7.0	8.0

Key: DISC - Discontinued; B - Baseline

Description of Performance

Accounting and Reporting: Fiscal Service collects, analyzes, and publishes Government-wide financial information to provide transparency on the Government's financial status. In FY 2023, Fiscal Service accounted for and reported on the financial activity related to the $33.2 trillion public debt and managed an average daily cash flow of $205.4 billion. Fiscal Service issued

99.6 percent of Government-wide accounting reports on time, including the annual Financial Report of the U.S. Government. Fiscal Service continued to make progress on implementing G-Invoicing, which is a key driver to reducing buy/sell intragovernmental differences. In FY 2023, 77 agencies completed over $13 billion in intragovernmental transactions in G-Invoicing, and in FY 2024 and FY 2025, Fiscal Service will continue partnering with agencies to implement G-Invoicing government-wide to reduce buy/sell differences.

In FY 2023, Fiscal Service also completed work to improve data quality and advance data analysis across the organization. The Bureau deployed 20 Analytics Use Cases, including 19 submissions for Data University and 1 research project, exceeding the FY 2023 goal of 5. In FY 2024 and FY 2025, the Bureau will continue to drive improvements to data analysis, with targets of 8 analytic cases in FY 2024 and 15 in FY 2025. Fiscal Service continued to provide the American public with transparent and easily accessible financial data through its USAspending and Fiscal Data websites. The Bureau continued migrating datasets from legacy formats and locations to the Fiscal Data website, with a total of 55 datasets onboarded to the site at the end of FY 2023. In FY 2024, Fiscal Service will complete the migration of datasets to Fiscal Data, with a goal to migrate 70 datasets by FY 2024. In FY 2023, work was also completed to develop tools to increase the ability to share high-quality administrative data internally. Fiscal Service received Authority to Operate (ATO) in FY 2023 for the Fiscal Data Hub, the Bureau's hybrid cloud solution for internal data, after successfully prototyping efforts during FY 2022.

Collections: Fiscal Service administers the world's largest Government collections system through a network of Fiscal and Financial Agents. In FY 2023, Fiscal Service collected nearly $5.47 trillion in federal revenue and aided by the adoption of eCommerce digital collection options- Online Bill Pay (OLBP), Digital Wallets (PayPal and Amazon Pay), and mobile applications, initiated 84.8 percent of total federal government receipts (payments to the government) were initiated electronically, exceeding the target of 83.1 percent. This is an increase over the FY 2022 electronic initiation rate of 83.2 percent. Fiscal Service advanced several projects to increase digitization, including expanding adoption of eCommerce digital collection options across federal agencies. In FY 2023, two agency collection cashflows were added to OLBP, bringing the total to 61; nine agency collection cashflows were added to Digital Wallets, bringing the total to 170; and 31 agency collection cashflows were added to mobile applications, bringing the total to 191. Additionally, Fiscal continues to increase digitization of paper collections in both the General Lockbox Network (GLN) and the Treasury General Account (TGA) Network. As of FY 2023, GLN's paper volume has declined by 48 percent since FY 2019.

In FY 2024 and FY 2025, Fiscal Service and the Internal Revenue Service (IRS) will co-lead an Agency Priority Goal (APG) to Improve the Payment Experience, which encompasses both collections and disbursements, and will seek to increase the electronic collection rate for individual and business tax receipts, which further advances Treasury's efforts to convert paper collections to electronic. While the TGA Network has seen a decrease in processed transactions since FY 2019, the projections for FY 2024 and FY 2025 account for anticipated increases in volume due to agencies resuming billing obligations after suspending them during the pandemic.

Payments: Fiscal Service delivers Federal payments on behalf of more than 250 Federal entities through disbursement mechanisms such as Electronic Fund Transfers (EFT), debit cards, other digital payment mechanisms, and paper checks. As the federal government's central disbursing agency, Fiscal Service disbursed 87.9 percent of all federal payments in FY 2023, distributing 1.27 billion payments totaling more than $5.4 trillion. In FY 2023, Fiscal Service disbursed 96.4 percent of payments electronically, which continued the increase year-over-year but did not meet the annual target of 96.56 percent. Factors contributing to not meeting the FY 2023 target included an increase in vendor checks due to Federal Emergency Management Agency (FEMA) hurricane relief and not realizing expected tax refund check reductions from Internal Revenue Service (IRS) implementation of direct deposit for electronically filed amended tax returns.

In FY 2023, in support of the APG, Fiscal Service also continued agency and industry engagement through the No Check Coalition (NCC), a partnership among the top ten check disbursing agencies to promote the benefits of electronic payments and develop strategies to implement electronic payment solutions. In FY 2024 and FY 2025, IRS and Fiscal Service will co-lead the next iteration of this APG which continues to include a measure on increasing the electronic payment rate for Treasury-disbursed payments, with a target to convert an estimated 4.5 million paper checks to electronic payments during FY 2024 and FY 2025.

Fiscal Service continued to expand its role in combating improper payments through pre-payment services that help agencies identify, prevent, and recover improper payments. In FY 2023, the Bureau identified 213,998 potential improper payments, totaling $652.7 million. Additionally, 162,775 potential improper payments were prevented, totaling $154.9 million. Fiscal Service also recovered 21,723 improper payments valued at $346.2 million. And per the Consolidated Appropriations Act, 2021, Title VIII-Access to Death Information Furnished to or Maintained by the Social Security Administration (SSA), Fiscal Service gained access to the Full Death Master File (DMF) in December 2023 for a period of three years.

In FY 2024 and FY 2025, Fiscal Service will continue to build its portfolio government-wide payment integrity tools, services, and data sources. This will allow the Bureau to maximize the use of quality, complete data available to federal agencies and Federally Funded State Administered (FFSA) programs to prevent improper payments, promote partnerships across federal agencies and FFSA, address improper payment challenges by offering solutions driven by data and expertise, and identify opportunities to strengthen government-wide policy, guidance, and legislation to increase the public's trust in government payments.

Retail Securities Services: Fiscal Service provides simple, safe, and affordable ways for the public to directly interact with the Department of the Treasury to save for their future by investing in Treasury securities. In FY 2023, Fiscal Service electronically issued $183.5 billion in Treasury retail securities, processed $243 billion in redemptions, added 1,534,078 new accounts to TreasuryDirect, and made retail payments worth $40.96 billion.

Fiscal Service continues to see increased demand in retail securities since the uptick in Series I savings bond rates in November 2021. And while the interest in Series I savings bonds has subsided to some degree as interest rate have come down, in FY 2023, Fiscal Service still issued nearly $315.68 billion in marketable Treasury securities, compared to nearly $102.73 billion issued in the 12 months prior. Since the Series I bond surge, Fiscal Service has remained committed to improving the customer experience. Fiscal Service made significant updates to TreasuryDirect that improved access issues and modernized the website through improved information architecture, embedded help topics, and enhanced search options. In addition, improvements were made to the call center to reduce wait times from 90 minutes to less than 5 minutes. In FY 2023, Fiscal Service saw the percentage of unassisted retail securities transactions increase from 77 percent to 82 percent, exceeding the FY 2023 target.

In FY 2024 and FY 2025, Fiscal Service will continue to seek to improve the retail customer experience by enabling customers to purchase, manage, and redeem their Treasury security holdings through one platform. The Treasury Retail Investment Manager (TRIM) program is a key modernization effort to replace the existing TreasuryDirect system with myTreasury. It will offer innovative products and services to allow customers to purchase, reinvest, and manage their retail securities holdings and modernize the customer experience by making myTreasury a modern, efficient, and customer-centric system. TRIM will continue through FY 2025.

Additionally, Fiscal Service continues to make significant progress on the Matured Unredeemed Debt (MUD) initiative to digitize paper savings bonds and make these records electronically searchable on the TreasuryHunt website. As of FY 2023, 99.67 percent of MUD savings bonds are available for search on TreasuryHunt leading to more than 219,000 searches resulting in approximately 54,000 matches. Starting in FY 2024, the Bureau will also be working to fulfill the requirements of the SECURE 2.0 Act of 2022 associated with providing savings bond information to states.

Wholesale Securities Services: Fiscal Service finances daily Government operations by overseeing the announcement, auction, and issuance of marketable Treasury bills, notes, bonds, floating rate notes, and inflation-protected securities through reliable, accurate, and secure electronic systems.

In FY 2023, Wholesale Securities Services conducted 416 auctions, a 5 percent increase over FY 2022, awarded $20.2 trillion in securities, a 14 percent increase over FY 2022, and received over 2.5 million auction bids, a 431 percent increase over FY 2022. Despite the substantial increases in auction and post-auction workload, 100 percent of auction results were released accurately. In addition, 99.52 percent of auctions were successfully held by the scheduled close date, which was slightly below the target of 100 percent due to a technical connectivity issue with the financing system that has since been resolved. While federal government budget projections will likely result in increased borrowing operations, Fiscal Service expects to meet both targets in FY 2024 and FY 2025.

Fiscal Service continues work on the Financing Modernization (FinMod) effort, a multi-year initiative to modernize the financing system in alignment with Treasury's strategic priorities and long-term business requirements. In FY 2023, 165 capabilities were delivered, and a beta site was built that included the future production environment. The project is currently at risk, reflecting caution associated with a key milestone deliverable in April 2024. However, the scope and cost metrics are green.

Debt Collection: Fiscal Service is the Government's central debt collection agency and funds its delinquent debt collection operations through fees charged to agencies that refer debts for collection. In FY 2023, Fiscal Service collected a total of $4.3 billion in delinquent debt, a decrease from the prior year. This overall decrease is largely due to the Department of Education suspending Treasury Offset Program (TOP) collection activity. The amount of delinquent debt collected as a percentage of all delinquent debt referred during the fiscal year increased from 16.6 percent in FY 2022 to 16.8 percent in FY 2023. This increase is attributed to the debt collection suspensions ending at federal agencies other than Education.

Overall debt collection activities remain below historical levels, and the percentage of the active delinquent debt portfolio collected during the fiscal year did not meet the FY 2023 target, as 3.7 percent of the active delinquent debt portfolio was collected compared with the 6.7 percent target. This percentage also decreased due to a backlog in referrals and collections not being able to keep pace with the referrals. As agencies resume referring debts to Fiscal Service for collection, Fiscal Service continues to work with the agencies to receive the backlog of debts in manageable pieces and service those debts. Even with action to manage the receipt of the referrals as a result of debt suspensions, Fiscal Service anticipates the backlog will continue through 2024.

In FY 2023, TOP collections decreased by 25 percent ($1.2 billion) in comparison to FY 2022, primarily because of declines in the tax levy suspension by $584 million and child support collections by $648 million. Decreased tax refund offsets for child support debts are the source of this downturn. The Cross-Servicing Program, a full-service program that uses a variety of tools to collect delinquent non-tax debts owed to federal agencies, increased the total dollars collected to $425.90 million, a 20 percent increase over FY 2022.

Internal Revenue Service

Program Summary by Budget Activity

Dollars in Thousands

Appropriated Resources	FY 2023 Operating Plan[1 2]		FY 2024 Annualized CR		FY 2025 Request		FY 2024 to FY 2025 Change		% Change	
New Appropriated Resources	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Taxpayer Services	27,880	$2,880,606	24,737	$2,780,606	23,961	$2,780,606	(777)		-3%	
Pre-filling Taxpayer Assistance and Education	4,447	763,472	4,200	749,814	4,076	749,814	(124)		-3%	
Filing and Account Services	23,433	2,117,134	20,538	2,030,792	19,885	2,030,792	(653)		-3%	
Enforcement	31,963	$5,165,741	30,576	$5,437,622	29,765	$5,437,622	(811)		-3%	
Investigations	3,076	730,488	2,822	757,402	2,773	757,402	(49)		-2%	
Exam and Collections	27,988	4,263,263	26,926	4,489,141	26,212	4,489,141	(714)		-3%	
Regulatory	899	171,990	828	191,079	780	191,079	(48)		-6%	
Technology and Operations Support[3]	11,175	$4,122,707	10,443	$4,100,826	10,282	$4,100,826	(161)		-2%	
Infrastructure		894,403		919,454		919,454				
Shared Services and Support	5,173	1,157,249	4,327	1,111,964	4,166	1,111,964	(161)		-4%	
Information Services	6,002	2,071,055	6,115	2,069,408	6,115	2,069,408				
Business System Modernization	116	$150,000								
Subtotal New Appropriated Resources	**71,134**	**$12,319,054**	**65,756**	**$12,319,054**	**64,008**	**$12,319,054**	**(1,749)**		-3%	
Other Resources[4]										
Reimbursables	699	168,000	652	176,400	685	211,050	33	34,650	5%	20%
Offsetting Collections (Non-reimbursable)		33,836		35,625		50,556		14,931		42%
User fees	86	31,827	71	603,100	56	303,100	(15)	(300,000)	-21%	-50%
Recoveries from Prior Years		53,633		53,635		61,589		7,954		15%
Unobligated Balances from Prior Years	1,843	884,175		259,000		263,880		4,880		2%
IRA Funding Usage[5 6 7]	13,661	3,396,142	16,314	7,244,826	25,719	9,313,255	9,405	2,068,429	58%	29%
Transfers In/Out		119		119		104		(15)		-13%
Resources from Other Accounts[8]	717	161,471	918	270,538	469	270,538			-49%	
Subtotal Other Resources	**17,006**	**$4,729,203**	**17,955**	**$8,643,243**	**26,929**	**$10,474,072**	**9,423**	**$1,830,829**	50%	21%
Total Budgetary Resources	**88,140**	**$17,048,257**	**83,711**	**$20,962,297**	**90,937**	**$22,793,126**	**7,674**	**$1,830,829**	**9%**	**9%**

[1] The FY 2023 Operating Plan does not include COVID supplemental funding, and includes an Inter-Appropriations Transfer (IAT) from Enforcement ($27 million) to Taxpayer Services ($100 million), Operations Support ($22 million), and Business Systems Modernization ($150 million).

[2] FY 2023 Enacted may differ slightly from the amounts reported in the IRS FY 2023 Operating Plan due to timing of legislative actions and agency decisions.

[3] The IRS is requesting to rename the Operations Support appropriation to Technology and Operations Support, as this title more accurately reflects its critical role of funding IRS technology, which now represents the single largest component of the appropriation.

[4] FY 2023 Other Resources represent actuals.

[5] 96 percent of the IRA funded estimated FY 2023 FTE levels support non-Enforcement activities. FY 2023 IRA Funding Usage includes amounts for Taxpayer Services ($889 million and 10,518 FTE), Enforcement ($299 million and 495 FTE), Technology and Operations Support ($1,474 million and 2,317 FTE), Business Systems Modernization ($723 million and 327 FTE), and Direct eFile ($12 million and 4 FTE).

[6] 84 percent of the IRA funded estimated FY 2024 FTE levels support non-Enforcement activities. FY 2024 IRA Funding Usage includes amounts for Taxpayer Services ($969 million and 7,279 FTE), Enforcement ($1,047 million and 4,088 FTE), Technology and Operations Support ($3,258 million and 2,944 FTE), Business Systems Modernization ($1,789 million and 193 FTE), and Energy Security tax credits ($180 million and 1,810 FTE).

[7] 72 percent of the IRA funded estimated FY 2025 FTE levels support non-Enforcement activities. FY 2025 IRA Funding Usage includes amounts for Taxpayer Services ($1,323 million and 12,562 FTE), Enforcement ($2.317 million and 7,239 FTE), Technology and Operations Support ($3,565 million and 3,808 FTE), Business Systems Modernization ($1,929 million and 300 FTE), and Energy Security tax credits ($180 million and 1,810 FTE).

[8] Resources from Other Accounts reflect planned spending from Private Collection Agency retained earnings.

Summary

The IRS Fiscal Year (FY) 2025 Budget Request (Budget) is $12.3 billion in annual appropriations, equal to a potential FY 2024 Annualized Continuing Resolution (CR) and the FY 2023 Enacted level. The IRS is implementing its plans for transformative change with the significant resources provided by the Inflation Reduction Act (IRA). To support ongoing transformative efforts funded through the IRA, annual discretionary appropriations need to provide sufficient recurring "base" resources. The IRS also needs additional flexibility to realign resources between appropriations.

With no anticipated discretionary increases for inflationary requirements in FY 2024 and FY 2025, the IRS will be required to further extend its reliance on IRA resources to fund base needs. However, IRA resources are limited, and the IRS will likely use them entirely before the funding expires in FY 2031. In addition, the authorizing language does not provide flexibility to realign the IRA funds across appropriations. This will have the most immediate impact on the Taxpayer Services (TS) appropriation, with IRA TS resources expected to run out completely during FY 2026. Without additional funding or additional flexibility to realign between appropriations, telephone level of service (LOS) is expected to see a drastic decline in FY 2026 and fall even further in FY 2027. In this scenario, the vast majority of taxpayers would be unable to reach an IRS representative for assistance, including delays in return processing and answering correspondence.

To address this issue, this budget also includes a mandatory funding proposal that will avert the IRA funding "cliffs," after which IRA funds are exhausted for a given appropriation and will extend IRA funding through FY 2034. This proposal would provide $104 billion over the 10-year budget window and is estimated to generate an additional $341 billion in revenue. It will ensure that the IRS's transformation efforts to improve service, modernize technology, and ensure high-income taxpayers, large corporations, and complex partnerships pay the taxes they owe, as described in the Strategic Operating Plan,[1] continue.

The Inflation Reduction Act Is Already Making a Positive Change

The IRA is already yielding tangible benefits for taxpayers. With a combination of base and IRA funded staff, in FY 2023, the IRS delivered a successful filing season. The 2023 filing season opened on January 23, 2023, and achieved the following successes through April 21, 2023:

- Attained an 87 percent level of service (LOS), defined as the relative success rate of taxpayers calling the toll-free line for assistance, a stark turnaround from 15.5 percent LOS in filing season 2022.
- Received about 137 million individual tax returns and issued more than 85.9 million refunds totaling more than $236 billion, with an average individual refund of $2,753. Over 96 percent of these individual returns were filed electronically.
- Answered over 16 million calls, with 7 million being answered by IRS assistors and approximately 8 million being answered through automation. Wait times to speak with a customer service representative fell to 3 minutes on average, compared to 28 minutes in filing season 2022.
- Served approximately 572,000 taxpayers face-to-face in the Taxpayer Assistance Centers (TACs). Around 907,000 taxpayers called the IRS's TAC appointment line, resulting in more than 454,000 appointments being scheduled. Approximately 452,000 taxpayers had their issues resolved without having to make an appointment. Since the enactment of the IRA, the IRS has opened or reopened 54 TACs.

In addition, the IRS launched the Paperless Processing Initiative, which has allowed taxpayers to digitally submit all correspondence and responses to notices, and the Simple Notice Initiative, which will ensure the 170 million notices sent to taxpayers each year are easier to understand. In

[1] https://www.irs.gov/about-irs/irs-inflation-reduction-act-strategic-operating-plan

addition, IRS has launched new enforcement initiatives. One initiative ramps up efforts to pursue high-income, high-wealth individuals with more than $1 million in income and more than $250,000 in tax debt. The IRS has already collected more than $500 million through this initiative. The IRS also launched new enforcement initiatives to ensure large corporations and complex partnerships pay taxes owed. These are just a few of the significant improvements made possible by the IRA that IRS plans to continue and build on with the long-term mandatory investment.

'Technology and Operations Support' a More Accurate Name

With this Budget, the IRS requests Congress change the name of the "Operations Support" appropriation to "Technology and Operations Support." In part this is an acknowledgement of the current reality – that IT is the largest component of "Operations Support." It is also an adjustment to reflect the fact that technology work which may previously have been funded through discretionary appropriations for Business Systems Modernization (BSM) will now be funded in the new Technology and Operations Support (TOS) appropriation. When the discretionary Business Systems Modernization appropriation was eliminated in FY 2023, the IRA became the primary source of BSM funding. Though the IRA BSM resources were substantial, they alone are not sufficient to fulfill the planned requirements for IRS technology transformation through FY 2031. When IRA BSM funding is exhausted, the IRS will have to use TOS appropriated resources to fund both Operations and Maintenance and IT transformation. If BSM funding is not approved, as requested in the mandatory proposal, TOS appropriations would have to provide over $3 billion for modernization through FY 2031. TOS is already operating with a roughly $1 billion per year shortfall in discretionary resources for Operations and Maintenance (greater than $7 billion in total through FY 2031) which is currently being funded out of the IRA Operations Support account.

These pressures on TOS funding will only allow the IRS to partially modernize, leaving a sizeable legacy technology footprint that will prevent the IRS from enabling a real-time tax processing system that provides taxpayers with instant account updates, faster refund processing and payment posting, and near real-time status updates. Outdated legacy technology operates inefficiently and with greater risks of outages affecting taxpayers and IRS employees, while the cost of operating and maintaining IRS technology will continue to rise as the IRS continues to manage both modern and legacy systems.

Changes Proposed in this Budget Will Improve IRS Service to Taxpayers and Increase Revenue to the United States

In addition to steady discretionary resources, expanded transfer authority will allow the IRS to mitigate many of these issues. The flexibility provided by a transfer authority change will allow the IRS to allocate its existing funding more optimally, as well as make the IRS more nimble in responding as issues arise in the future. Addressing the potential exhaustion of IRA resources requires a combination of supportive discretionary funding and enhanced flexibility for transfers.

Without implementing these approaches, including the mandatory funding proposal, the IRS will experience a series of avoidable crises over the next several years as discretionary funding once again becomes the primary source for the IRS's expanding requirements. The consequences of not solving these problems cannot be overstated: taxpayers will ultimately find it next to impossible to contact the IRS for live assistance, millions of taxpayer calls will go unanswered, refund processing would be slowed, and fewer taxpayers would be able to get in-person help. In addition, it will decrease tax receipts for the United States, increasing the deficit. IRA resources have allowed the IRS to increase its Enforcement staffing, for example, from 33,183 FTE in FY 2023 (actuals) to a targeted 37,004 FTE in FY 2025. This additional staff will allow the IRS to ensure large corporations, complex partnerships, and high-income individuals pay the taxes they owe. An abrupt and severe decline in the IRS's Enforcement budget beginning in fiscal year 2030, however, would force the IRS to significantly scale back these efforts. Returning to low audit rates for high-end taxpayers would mean a less fair tax system while increasing the deficit by tens of billions annually. Tax scams and cheating would become more widespread, and crucial technology improvements to improve data security, create efficiencies, and deliver new tools for taxpayers would be stalled. The Administration's mandatory proposal, especially, addresses these issues.

IRS IRA Strategic Operating Plan

The IRS IRA Strategic Operating Plan (SOP), published in April 2023, guides the IRS's resources, programs, and operational decisions. In combination with base discretionary resources, the funding from the IRA enabled the IRS to make significant progress towards the vision laid out in the SOP in FY 2023:

- Expanded the customer callback option to cover 95 percent of all taxpayers seeking live assistance.
- Reduced phone wait times almost 90 percent, answered 3 million more calls, and provided service to 140,000 more taxpayers in person during the 2023 filing season.
- Achieved a telephone level of service of 87 percent through the 2023 filing season.
- Expanded the Document Upload Tool to allow taxpayers to respond to nearly all notices and letters that require a response, providing an alternative to responding by mail or fax.
- Opened or reopened 54 Taxpayer Assistance Centers since the enactment of the IRA and began a series of Community Assistance Visits in underserved and rural communities.
- Launched the first phase of business tax account that, over time, will allow businesses to check payment history, make payments, view notices, authorize powers of attorney and conduct other business with the IRS.
- Offered new voice and chatbots to help taxpayers with a wide range of issues, including securing account transcripts, getting answers to questions about balances due and getting help from the Taxpayer Advocate Service. Whether people call the IRS or visit online, there are new self-service options available around-the clock.
- Expanded Tax Pro Account capabilities by offering tax professionals access to new services to help their clients, including processing of power of attorney and tax information authorization requests, linking Centralized Authorization File numbers, and viewing clients' balance due amounts.

Moving forward, the highest priority areas of focus for SOP in fiscal years 2024 and 2025 are[2]:

- Digitalization: Digitize paper upon receipt by the IRS and enable IRS employees to perform their work digitally.

[2] For a full discussion of the priority areas the IRS is tracking to deliver on for fiscal years 2024 and 2025, please see the IRS's FY 2025
Congressional Justification.

- Digitize paper returns, correspondence, non-tax forms and notice responses that taxpayers choose to send to IRS at the point of receipt.
- Once digitized, information is incrementally processed throughout IRS in a digitally optimized manner using automation.

- Live Assistance: Ensure when taxpayers need answers from the IRS, we are available.
  - Maintaining the significantly improved phone service achieved in filing season 2023 and will again reach 85 percent Level of Service on the agency's main taxpayer helpline during filing season 2024.
- Notifications & Scams: Provide taxpayers with clear and concise notices and step in to both disrupt and dismantle scams and support victims.
  - Redesign and increase the number of notices viewable for individual taxpayers via their online account. This effort will allow taxpayers to validate that the paper notice they received was sent from the IRS and not a scammer.
  - Use advanced analytics, government, and external partner expertise to proactively identify and rapidly minimize the impact of tax scams.
- Self Service & Online Accounts: Taxpayers will have the option to address all their tax-related needs with the IRS online if they choose.

Base Discretionary Resources are Critical to IRS Operations

The IRS uses base discretionary resources to fund its operations. However, base funding alone in FY 2025 will not allow the Internal Revenue Service to effectively serve taxpayers, meet the objectives of the Administration, nor fulfill statutory/regulatory requirements. A significant portion of expected IRA funding is needed to supplement base operations, to maintain the following:

- Taxpayer Services – Maintaining an adequate Level of Service (LOS)
- Enforcement – Stabilizing the compliance workforce
  - Collecting revenue
  - Addressing increased risk of tax scams and schemes
  - Ensuring compliance of wealthy taxpayers, large corporations, and complex partnerships in paying, rather than evading, their tax obligations
- Technology and Operation Support – Supporting tax administration
  - Maintaining operational IT systems
  - Continuing necessary enhancements of existing foundational legacy IT systems
  - Developing new online and other tools to help taxpayers meet their tax obligations
  - Supporting advancements in data analytics to more effectively address noncompliance

By FY 2026, the IRS projects that IRA resources for Taxpayer Services will be entirely consumed. Without increasing funding as proposed in the new mandatory request, the achievements and advancements made by the IRS since enactment of the IRA are in danger of being negated.

IRS FY 2025 Budget Highlights

FY 2025 IRS Budget Request	TAXPAYER SERVICES		ENFORCEMENT		TECHNOLOGY and OPERATIONS SUPPORT		TOTAL	
	$000	FTE	$000	FTE	$000	FTE	$000	FTE
FY 2024 Annualized CR	**$2,780,606**	**24,737**	**$5,437,622**	**30,576**	**$4,100,826**	**10,443**	**$12,319,054**	**65,756**
Changes to Base:								
FY 2025 Maintaining Current Levels (MCLs)	**$77,881**		**$150,084**		**$101,586**		**$329,551**	
Pay Annualization (5.2% average pay raise)	31,184		63,910		23,856		118,950	
Pay Raise (2.0% average pay raise)	36,450		74,702		27,884		139,036	
Non-Pay (2.2%)	10,247		11,472		49,846		71,565	
Subtotal FY 2025 Changes to Base	**77,881**		**150,084**		**101,586**		**329,551**	
FY 2025 Current Services	**$2,858,487**	**24,737**	**$5,587,706**	**30,576**	**$4,202,412**	**10,443**	**$12,648,605**	**65,756**
Program Changes:								
Program Decrease	**($77,881)**	**(776)**	**($150,084)**	**(811)**	**($101,586)**	**(161)**	**($329,551)**	**(1,748)**
Staff Attrition to Offset Unfunded FY 2025 MCLs	(77,881)	(776)	(150,084)	(811)	(101,586)	(161)	(329,551)	(1,748)
Subtotal FY 2025 Program Changes	**($77,881)**	**(776)**	**($150,084)**	**(811)**	**($101,586)**	**(161)**	**($329,551)**	**(1,748)**
Total FY 2025 Request	**$2,780,606**	**23,961**	**$5,437,622**	**29,765**	**$4,100,826**	**10,282**	**$12,319,054**	**64,008**
Dollar/FTE Change FY 2025 Request over FY 2024 Annualized CR		(776)		(811)		(161)		(1,748)
Percent Change FY 2025 Request over FY 2024 Annualized CR		-3.14%		-2.65%		-1.54%		-2.66%

Note: This table includes only discretionary appropriations

Budget Adjustments

Maintaining Current Levels (MCLs)…………………….…………….……… +$329,551,000 / 0 FTE

Pay Annualization (5.2%) +$118,950,000 / 0 FTE

Funds are requested for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in 2025) +$139,036,000 / 0 FTE

Funds are requested for a 2.0 percent average pay raise in January 2025.

Non-Pay (2.2%) +$71,565,000 / 0 FTE

Funds are requested for 2.2 percent increase in non-labor expenses such as travel, contracts, rent, supplies, and equipment due to inflation.

Program Decreases……………………………………….…………….…….-$329,551,000 / -1,748 FTE

Staff Attrition to Offset Unfunded FY 2025 MCLs -$329,551,000 / -1,748 FTE

The IRS will be forced to use IRA supplemental funds in order to offset the cost of increased MCLs in the base discretionary budget. Using supplemental funds to pay for activities that should be funded from the base creates operational risk for the IRS.

Legislative Proposals

For information on a complete list of the Administration's FY 2025 legislative proposals for improving tax administration and compliance and for sustaining the IRA funding through FY 2034, please follow this link: https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals

The FY 2025 President's Budget includes two administrative provisions within the appropriations language that will provide Direct Hire Authority (DHA) and the ability to offer Streamlined Critical Pay (SCP) to certain new hires to accelerate IRS hiring efforts.

Direct Hire Authority
Direct hire authority (DHA) provides the ability to expedite the normal hiring process to hire more efficiently during a severe shortage of highly qualified candidates or during a critical hiring need. Direct Hire Authority has helped the IRS address the backlog of paper tax returns and taxpayer correspondence. As the IRS works to rapidly implement plans to utilize IRA resources, expanded DHA will help ensure that hiring delays are not an obstacle for achieving broad mission related functions. The current DHA provision will expire in 2024; the proposal included in the Budget will extend DHA through 2027.

Streamlined Critical Pay
Streamlined Critical Pay (SCP) authority gives the IRS a management tool to quickly recruit and retain a limited number of employees with high levels of expertise in technical or professional fields that are crucial to the success of the IRS's transformative efforts by allowing for higher base salaries for these hires than would otherwise be possible. The current SCP authority will expire in 2025; this proposal would extend it through September 30, 2031.

IRS Performance Highlights

Performance Measures	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2023 Target	FY2024 Target*	FY2025 Target*
Customer Service Representative (CSR) Level of Service (LOS)[1]	65.4%	53.1%	18.5%	17.4%	51.8%	60.0%	60.0%	60.0%
LOS(A) (New FY 2023)[2]	79.2%	71.6%	38.2%	39.3%	66.4%	Baseline	65.0%	65.0%
Enterprise Self-Assistance Participation Rate	85.4%	90.6%	92.3%	93.9%	94.2%	94.0%	94.0%	94.0%
Exam Starts - High Income Individuals (new FY 2021)[2,3,4]	2,108	2,693	2,227	3,625	4,326	3,817	4,398	3,848
Exam Starts - Partnerships (new FY 2021)[2,3,5]	5,823	4,106	4,327	3,155	6,709	8,852	4,074	5,215
Exam Starts - Large Corporations (Assets>=$250M) (new FY 2021)[2,3,6]	2,009	1,700	1,490	1,365	1,400	1,121	1,250	1,375
Criminal Investigations Completed[7]	2,797	2,624	2,766	2,552	2,584	2,500	2,500	2,500
Conviction Rate	91.2%	90.4%	89.4%	90.6%	88.4%	92.0%	92.0%	92.0%
Percent of Aged Hardware[8]	31.0%	16.0%	9.3%	7.1%	19.9%	20.0%	20.0%	20.0%

*FY 2024 and FY 2025 targets assume all sources of available funding.
[1] The CSR LOS includes toll-free telephone lines answered by Accounts Management assistors only. IRS will strive to achieve an 85 percent LOS during individual filing season.
[2] Historical data provided for comparative purposes.
[3] This measure was an indicator in FY 2022 and transitioned to a measure with a target starting in FY 2023.
[4] Audits of high-income individuals (Total Positive Income (TPI) > $1 million) may take a revenue agent upwards of 250 hours to complete.
[5] Due to the timing of hiring and the start date of the lengthy training cycle, the impact of hiring on performance is not immediate.
[6] The impact of hiring on performance is not immediate due to required training for new Revenue Agents and the average case cycle time of about 36 months for these large corporations.
[7] The impact of hiring on performance is not immediate due to required academy and on-the-job training (6+ months) as well as the average cycle time it takes to complete an investigation (400-500 days).
[8] Target based on industry standard.

Description of Performance

The FY 2025 budget request is $12.3 billion, equal to and anticipated FY 2024 Annualized Continuing Resolution (CR) and the FY 2023 Enacted Budget level of $12.3 billion. It contains various proposals that will increase financial flexibility for the IRS, improve efficiency in allocation of costs, and augment hiring efforts as the IRS continues to implement its transformation plans with IRA resources. These proposals include:

- Increasing IRS transfer authority so all available resources can be used most effectively; and
- Expanding Direct Hire Authority, which streamlines the hiring process, so that it can be used to accelerate hiring for new staff brought on to the IRS with IRA resources.

Collectively, these proposals will ensure that the IRS is making the best use of both its discretionary and IRA funding so that the IRS's transformation efforts can have the greatest impact.

The budget also includes a mandatory proposal that will avert the IRA funding "cliffs," after which IRA funds are exhausted for a given appropriation and will extend funding through FY 2034. This proposal would provide $104 billion over the 10-year budget window and is estimated to generate an additional $341 billion in revenue. It will ensure that the IRS's transformation efforts described in the Strategic Operating Plan can continue without delay.

In FY 2023, the IRS continued to provide service to taxpayers and to enforce the laws with integrity and fairness. Going forward the IRS is intently focused on implementing new strategies to improve the taxpayer experience and ensure that high-end tax evaders pay the taxes they owe. The historic funding the IRS received from IRA marks a transformational moment for the agency and an opportunity for the future of tax administration, taxpayers, tax professionals, and IRS employees. All measures referenced in the FY 2025 budget were derived assuming IRA funding supplementing base resources.

The IRS has struggled for many years to modernize due to insufficient resources. While the multi-year funding in the IRA is deeply appreciated, enhanced annual discretionary appropriations are still critical to cover basic IRS operations. Without that discretionary funding in place, the IRS will not be able to fully deliver on the promises of the IRA, jeopardizing the legislation's net deficit reduction impact. The IRS's core responsibilities include collecting more than $4.7 trillion in gross taxes each year and generating approximately 96 percent of the funding for the United States Government.

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.

During filing season 2023, as of April 21, 2023 the IRS:

- Attained an 87 percent filing season level of service (LOS), defined as the relative success rate of taxpayers calling the toll-free line for assistance, a dramatic reversal from 15.5 percent LOS in filing season 2022.
- Received about 137 million individual tax returns and issued more than 85.9 million refunds totaling more than $236 billion during filing season, with an average individual refund of $2,753. 96 percent of these individual returns were filed electronically.
- Answered over 16 million calls during filing season, with 7 million being answered by IRS assistors and approximately 8 million being answered through automation.
- Served approximately 572,000 taxpayers face-to-face in the TACs during filing season. Around 907,000 taxpayers called the IRS's TAC appointment line, resulting in more than 454,000 appointments being scheduled. Approximately 452,000 taxpayers had their issues resolved without having to make an appointment. Since the enactment of the IRA, the IRS opened or reopened 54 TACs.

In fiscal year 2023, the IRS:

- In fiscal year 2023, the IRS: Achieved a rate of 96.4 percent of Timeliness of Critical Individual Filing Season Tax Products to the Public (e.g., tax forms, schedules, instructions, and publications) with 81 out of 84 products delivered timely, exceeding the FY 2023 target of 83 percent by 13.4 percent. The target for FY 2024 and FY 2025 is 89 percent.
- Achieved an accuracy rate of 91.4 percent in terms of Customer Accuracy – Tax Law, exceeding the target of 87 percent by 4.4 percent. The FY 2024 and FY 2025 target is 89 percent.
- Achieved an accuracy rate of 89.2 percent in terms of Customer Accuracy – Accounts, exceeding the target of 87 percent by 2.3 percent. The FY 2024 and FY 2025 target is 89 percent.

The Service is committed to continuing to deliver an improved experience for taxpayers. For FY 2024, the IRS is again striving to achieve an 85 percent LOS during the 2024 individual filing season and a 60 percent LOS for FY 2024 and FY 2025 as customer service representatives (CSRs) continue to balance answering phones with processing the elevated paper inventory. For FY 2024, the IRS intends to onboard additional CSRs to further improve LOS and process the inventory. The IRS will also continue to explore opportunities to deliver even better taxpayer service through the rollout of additional self-service options, internal process improvements, and technology modernization.

The IRS continues to improve taxpayer services by developing and improving self-assistance tools. The Enterprise Self-Assistance Participation Rate (ESAPR) represents the percentage of taxpayer assistance requests resolved using self-assisted automated services. The ESAPR of 94.2 percent exceeded the target of 94 percent. In FY 2023, the total self-assisted services of 1.6 billion was 7.6 percent higher than FY 2022 of 1.5 billion, total assisted services of 99.4 million was 2 percent above the FY 2022 of 97.5 million, and total services were 1.7 billion which is 7.3 percent higher than prior year of 1.6 billion. Using self-assisted services, taxpayers made around 212 million electronic payments and accessed their Online Accounts during nearly 64.4 million sessions. The IRS expects to achieve a target ESAPR of 94 percent for FY 2024 and FY 2025.

Enforcement

In FY 2023, the IRS collected $86 billion through enforcement programs, a return on investment (ROI) of about $7 to $1 compared to the IRS discretionary budget. This number is likely understated, since the ROI estimate does not include the revenue effect of the indirect deterrence value of IRS enforcement programs to increase the amount of taxes paid voluntarily.

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. The IRS started 4,326 new high-income individual tax return examinations in FY 2023, surpassing the target of 3,817 by 509 starts. The agency is expanding enforcement for high-income and high-wealth individuals by pursing non-compliance through a variety of mechanisms, including audits and non-audit contacts since income alone is not the only indicator of risk or complexity. Further, it takes several years of specializing in enterprise exams using a holistic approach to conduct the most complex audits. 3-5 years of experience is typically when an examiner can address the more difficult transactions (or be able to identify them). Compared to the same period in FY 2022, Exam Starts - High Income Individuals increased 19.3 percent. The IRS expects to start 4,398 cases in FY 2024 and 3,848 in FY 2025. The IRS is committed to not increasing audit coverage for small businesses and households with annual incomes below the $400,000 threshold compared to historic levels.

In FY 2023, the IRS completed 2,584 Criminal Investigations, exceeding the year-end target of 2,500 by 3.4 percent. Year-end results reflect an increase of 1.3 percent compared to FY 2022. Prosecution recommendations for cases of legal sources and narcotics nature decreased 13.1 percent and 3.0 percent, respectively, while cases of illegal nature increased 11.3 percent when compared to the same period in FY 2022.

Legal source cases include people that earn their income legally, but willfully violate the tax laws (tax evasion). Illegal source cases include embezzlement, mortgage fraud, telemarketing fraud, and money laundering. Narcotics cases are like illegal source cases; however, these cases are specific to profits and financial gains of organized drug groups involved in narcotics, narcotics trafficking, and money laundering. CI continues to utilize proven case development strategies, expand case development efforts, and leverage interagency partnerships to identify, initiate and complete significant criminal investigations in all program areas. IRS set a target of 2,500 for FY 2024 and FY 2025.

The FY 2023 Conviction Rate of 88.4 percent was 3.9 percent below the year-end target of 92.0 percent. Additionally, the FY 2023 number of convictions was 1,508, a 3.6 percent decrease compared to FY 2022. The IRS will set the Conviction Rate targets for FY 2024 and FY 2025 at 92.0 percent.

Technology and Operations Support

The Technology and Operations Support appropriation funds rent payments; facilities services; printing; postage; physical security; headquarters policy and management activities; research and statistics of income; and necessary expenses for information systems and telecommunication support, including development, security, and maintenance of the IRS's information systems.

The Percent of Aged Hardware is a measure that shows the quantity of IT hardware in operation past its useful life as a percentage of total hardware in use. The Percent of Aged Hardware increased from 7.1 percent at the end of FY 2022 to 19.9 percent in FY 2023. Contributing to the increase in aged hardware were approximately 11,000 workstations which were originally purchased in FY 2018, and more than 2,000 routers and switches that were originally purchased in FY 2017. These all reached aged status simultaneously late in FY 2023. This represents an increase of more than 14,000 aged assets while total hardware decreased by over 4,000 during the fiscal year. The major driver in meeting the target of 20.0 percent was the focus on hardware selections and timely hardware refresh implementations. For FY 2024, IT will continue with risk-based management to prioritize funding of assets with highest risk values. The target for FY 2024 and FY 2025 will be 20.0 percent.

Business Systems Modernization

The Business Systems Modernization (BSM) appropriation provides resources for the planning and capital asset acquisition of IT to modernize the IRS business systems. No discretionary appropriated resources are being requested for the Business Systems Modernization appropriation in FY 2025, but the IRS will be dedicating substantial IRA resources to modernization. The Budget proposes legislation to provide mandatory funding for the IRS for 2026 through 2034 for the agency's Business Systems Modernization account. The proposal would provide $3.9 billion over 9 years to allow the IRS to complete its IRA technology transformation and cover ongoing initiatives and investments.

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Actual Obligations	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Data Center	$5,172	$25,989	$27,806	$1,817	6.99%
Technology Center	$57,706	$37,544	$40,040	$2,496	6.65%
Research and Analysis Center	$13,613	$22,110	$24,565	$2,455	11.10%
Leadership, Operations, and Support Services	$22,439	$30,757	$32,216	$1,459	4.74%
Subtotal, Office of Financial Research	**$98,930**	**$116,400**	**$124,627**	**$8,227**	**7.07%**
Total Full-time Equivalents (FTE)	**134**	**213**	**231**	**18**	**8.45%**

Summary

The Office of Financial Research (OFR or Office) is estimating fiscal year (FY) 2025 obligations of $124.627 million, which is $8.227 million higher than its FY 2024 revised estimate. The FY 2025 Budget includes increases in funding for the Technology Center and the Research and Analysis Center (RAC). The increased funding reflects the resources required to effectively execute emerging research, monitoring, and data priorities in support of the OFR's legislative mandate under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203). The increased funding also supports continued maturation of data products and financial data standards, data management, and data sharing, as well as maintaining our responsiveness to and support of the Council and its member agencies.

The FY 2024 revised estimate of $116.400 million incorporates updates to the OFR's FY 2024 budget forecast to reflect more current data than was available at the time of the FY 2024 President's Budget Request. The FY 2024 revised estimate includes maturation of the Joint Analysis Data Environment (JADE) and data collection utility. Additionally, the revised estimate supports the growth of research and monitoring in the areas of cybersecurity and operations, digital assets, climate-related financial risks, central counterparties, hedge funds, money market funds, household credit, and expands our catalyzed research partnership with the National Bureau of Economic Research (NBER) via the National Science Foundation (NSF).

In FY 2023, the Office launched JADE, an innovative platform that combines high-performance computing, analytical software, and analysis-ready data to support collaborative financial stability research among Council member agencies. The OFR designed JADE to support research on all manner of financial stability topics. The first initiative identified for JADE is climate-related financial risk. The OFR made JADE available to users from several Council member agencies in FY 2023 and expects to expand access to other member agencies over the subsequent months.

In FY 2023, the Office began development of a data collection utility. The utility leverages efficient, cloud-based technology to securely receive, authenticate, and store submissions from external entities. It will allow for greater flexibility for financial industry participants reporting data, enabling manual and automated submissions. The Office completed the initial build and testing in FY 2023, with production planned for FY 2024.

In January 2023, the Office proposed a rule to establish a data collection of non-centrally cleared bilateral transactions in the U.S. repurchase (repo) agreement market. It will require daily reporting to the Office by certain brokers, dealers, and other financial companies with large exposures to the non-centrally cleared bilateral repo market. The collected data will help identify and monitor risks to financial stability. FY 2024 efforts focus on preparing for collection of the daily repo transaction data.

The Office plans to expand upon its partnership with the NBER via the NSF in FY 2024 and FY 2025, with expectations of gaining important insights from the uniquely specialized research community to inform cutting-edge topics related to financial stability and expand the reach of frontier research.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Revised Estimate	**213**	**$116,400**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	2,781
Pay Annualization (2024 5.2% average pay raise)	0	782
Pay Raise (2025 2.0% average pay raise)	0	902
Non-Pay (2025 2.2% non-pay inflation)	0	1,097
FTE Annualization	13	3,381
Subtotal Changes to Base	13	6,162
FY 2025 Current Services	**226**	**$122,562**
Program Increases:	5	2,065
Technology Center	2	731
Research and Analysis Center	3	975
Research and Analysis Center - NBER Partnership	0	359
Subtotal Program Changes	**5**	**$2,065**
FY 2025 Estimate	**231**	**$124,627**

Budget Adjustments

Maintaining Current Levels (MCLs) .... +$2,781,000 / +0 FTE

Pay Annualization (5.2% in 2024) +$782,000 / +0 FTE

Funds are requested for annualization of the January 2024 pay increases.

Pay Raise (2% in FY 2025) +$902,000 / +0 FTE

Funds are requested for anticipated increases to labor costs in January 2025.

Non-Pay (2.2% in FY 2025) +$1,097,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment, commensurate with the growth of the workforce.

Other Adjustments .... +$3,381,000 / +13 FTE

FTE Annualization +$3,381,000 / +13 FTE

This fully funds the revised hiring projections for FY 2024 so these staff are fully funded in FY 2025.

Program Increases………………………………………………………+$2,065,000 / +5 FTE

Technology Center +$731,000 / +2 FTE
OFR seeks three additional positions within its Technology Center in FY 2025. These labor resources will support JADE, climate-related research activities, cloud environment, cybersecurity, and datasets and data management.

Research and Analysis Center +$975,000 / +3 FTE
OFR seeks six additional positions within its Research and Analysis Center in FY 2025. These labor resources will allow OFR to better support the Council and Administration priorities, including asset management/hedge fund monitoring, environmental risks, digital assets/cryptocurrencies, and cybersecurity.

Research and Analysis Center +$359,000 / +0 FTE
OFR seeks additional funding for its catalyzed research partnership with the NBER via the NSF. This supports multi-year, cutting-edge research on major economic issues related to financial stability, though the NBER's national research community. In total, $1.746 million will be needed for this activity in FY 2025. As $1.387 million is requested for FY 2024, an additional $359,000 is needed in FY 2025.

Legislative Proposals

The OFR has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Data Center	Number of Legal Entity Identifiers (LEIs) Issued Cumulatively in the United States and Internationally	1,968,283	2,206,195	2,479,595	I	I
Data Center	Number of Times That Financial Data Standards are Incorporated in Rules and Regulations	2	0	3	I	I

Key: I – Indicator

Description of Performance

Number of Legal Entity Identifiers (LEIs) Issued Cumulatively in the United States and Internationally – The LEI helps the financial industry, regulators, and policymakers trace exposures and connections across the financial system. It also generates efficiencies for financial companies in internal reporting; risk management; and in collecting, cleaning, and aggregating data. In addition, the LEI can ease companies' regulatory reporting burdens by reducing overlap and duplication with respect to the multiple identifiers reporting firms must manage. The indicator developed for the LEI tracks the progress of industry's use of the LEI over time.

Number of Times that Financial Data Standards are Incorporated in Rules and Regulations – The data point serves as an indicator of regulators' awareness of the importance of data standards and the extent to which those standards are being adopted in rules and regulations. Similar to the indicator above, the Data Center monitors activity in this area to determine whether relevant pending rules and regulations incorporate financial data standards, as appropriate.

Financial Stability Oversight Council

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Actual Obligations	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
FSOC	$10,761	$14,187	$15,287	$1,100	7.8%
FDIC Payments	$2,910	$3,201	$4,500	$1,299	40.6%
Total, Financial Stability Oversight Council	**$13,671**	**$17,388**	**$19,787**	**$2,399**	**13.8%**
Direct FTE	25	44	48	4	9.1%
Total Full-time Equivalents (FTE)	**25**	**44**	**48**	**4**	**9.1%**

Summary

The Financial Stability Oversight Council (FSOC or Council) is estimating fiscal year (FY) 2025 obligations level of $19.787 million, which includes $15.287 million for the FSOC Secretariat and the Office of the Independent Member with Insurance Expertise, and $4.500 million to reimburse the Federal Deposit Insurance Corporation (FDIC) for certain expenses as required by law. This FY 2025 request represents an increase of $2.399 million from the FY 2024 revised estimate. This increase is necessary to make progress on the Council's priorities, and to continue building the infrastructure needed to support the Council's work across all the member agencies.

The increase in spending reflects the need for the FSOC Secretariat to acquire additional resources to fulfill the ongoing responsibilities of the Council as well as to advance the Council's new and ongoing priorities outlined by the Secretary of the Treasury, who serves as Council Chairperson. These priorities include identifying and addressing potential risks related to climate-related financial risk, Treasury market resilience, nonbank financial intermediation, digital assets, and financial market utilities. The increase to the FSOC Secretariat budget will also support the reestablished Analysis Team in the FSOC Secretariat and the FSOC's revitalized Systemic Risk Committee.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 President's Budget	**44**	**$19,449**
Program Changes:		
Program Decreases	0	($2,061)
Technical Adjustments	0	($762)
FDIC Payments	0	($1,299)
FY 2024 Revised Estimate (Council Approved)	**44**	**$17,388**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$363
Pay Annualization (2024 5.2% average pay raise)	0	$86
Pay Raise (2025 2.0% average pay raise)	0	$101
Non-Pay (2025 2.2% non-pay inflation)	0	$176
Subtotal Changes to Base	0	$363
FY 2025 Current Services	**44**	**$17,751**
Program Changes:		
Program Increases:	4	$2,036
FDIC Payments	0	$1,299
Staffing to Meet Priorities	4	$737
FY 2025 Estimate	**48**	**$19,787**

Budget Adjustments

Program Changes.. -$2,061,000 / -0 FTE

<u>*Technical Adjustments -$762,000 / -0 FTE*</u>

FSOC's FY 2024 President's Budget request was formulated more than 10 months ago. Since that time, FSOC carefully scrutinized FY 2024 requirements. At the Council's September 2023 meeting, it approved a FY 2024 budget of $17.388 million, which includes a reduction to estimates in the FY 2024 President's Budget request for labor and non-labor requirements. The decrease in labor costs estimates reflects longer-than-expected times for hiring and onboarding new staff, and a greater focus on recruiting and hiring more junior-level staff. The decrease in non-labor estimates reflects lower-than-expected travel costs and contracts.

<u>*Decrease in FDIC Reimbursement -$1,299,000 / -0 FTE*</u>

FSOC's FY 2024 President's Budget request assumed that FDIC reimbursements would total $4.500 million in FY 2024. Based on current information, it is estimated that the FY 2024 reimbursement will be $3.201 million, resulting in a decrease of $1.299 million in FY 2024 requirements. Costs have been reduced from prior estimates due to a lower-than-anticipated number of staff hours focused on Title II planning activities.

Maintaining Current Levels (MCLs)…………………………+$363,000 / +0 FTE

<u>*Pay Annualization (5.2% in 2024) +$86,000 / +0 FTE*</u>

Funds are required for annualization of the January 2024 5.2% average pay raise.

<u>*Pay Raise (2.0% in 2025) +$101,000 / +0 FTE*</u>

Funds are required for a 2.0% average pay raise in January 2025.

<u>*Non-Pay (2.2% in FY 2025) +$176,000 / +0 FTE*</u>

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

Program Increases ....+$2,036,000 / +4 FTE

<u>*Increase in FDIC Reimbursement +$1,299,000 / +0 FTE*</u>

Reflects increases to reimbursements required by law to the FDIC under Section 210(n)(10) of the Dodd-Frank Act. This section provides that reasonable implementation expenses of the FDIC relating to its responsibilities under Title II for the resolution of systemically important financial companies shall be treated as expenses of the Council.

<u>*Staffing to Meet Priorities +$737,000 / +4 FTE*</u>

Since 2021, the FSOC has been revitalized to serve as a key forum for interagency collaboration, and a key tool for the U.S. Government to promote U.S. financial stability – as intended at its establishment in 2010. Given the FSOC's expanding portfolio and critical policy priorities, the FSOC Secretariat must continue to rebuild and grow to successfully execute the Council's mission. These priorities reflect the effort required in addition to core responsibilities such as publishing the Congressionally mandated FSOC Annual Report (on the activities of the Council, significant financial market and regulatory developments, potential emerging threats, and certain recommendations).

FSOC member agencies look to the FSOC Secretariat for the critical leadership and coordination on the Council's priorities and the infrastructure required to support the related work across all the member agencies. Each of FSOC's financial stability priorities and other areas of focus require – and will continue to require – extensive and complex policy development, analysis, and interagency coordination. The additional staff will primarily support the recently reestablished Secretariat Analysis team's work to fully implement the Council activities to monitor, assess, and respond to potential risks to financial stability, whether they come from widely conducted activities or from individual firms, publicly explained in the FSOC's recently approved Analytic Framework for Financial Stability Risk Identification, Assessment, and Response.

Legislative Proposals

The FSOC does not have any legislative proposals at this time.

Description of Performance

There are no measures specified for managing Council performance. The FSOC's annual reports and other public documents provide information to the public relevant to the Council's performance. Information on the Council is provided on www.treasury.gov, and www.fsoc.gov. Performance documents for FSOC member agencies can also be found on their respective websites to provide transparency and accountability.

Treasury Franchise Fund

Program Summary by Budget Activity

Dollars in Thousands

Budgetary Resources	FY 2023 Actual	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Treasury Shared Services Program	$565,021	$561,498	$570,423	$8,925	1.6%
Centralized Treasury Administrative Services	$145,653	$166,068	$175,414	$9,346	5.6%
Administrative Support Services	$230,846	$260,146	$266,958	$6,812	2.6%
Information Technology Services	$258,974	$252,795	$267,953	$15,158	6.0%
Subtotal, Treasury Franchise Fund	**$1,200,495**	**$1,240,507**	**$1,280,748**	**$40,241**	**3.2%**
Recoveries from Prior Years	$18,890	$11,805	$12,405	$600	5.1%
Unobligated Balances from Prior Years	$153,222	$199,000	$213,000	$14,000	7.0%
Subtotal, Other Resources	**$172,112**	**$210,805**	**$225,405**	**$14,600**	**6.9%**
Total Program Operating Level	**$1,372,606**	**$1,451,312**	**$1,506,153**	**$54,841**	**3.8%**
Reimbursable FTE	2,062	2,252	2,263	11	3.8%
Total Full-time Equivalents (FTE)	**2,062**	**2,252**	**2,263**	**11**	**3.8%**

Summary

The Treasury Franchise Fund (TFF) supports effective administrative and information technology services through commitment to service, efficient operations, openness to change, and values-based behavior. The TFF achieves cost savings by leveraging economies of scale which promote efficient use of resources by shared service providers.

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 shared service 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 2025 Congressional Budget Justification reflects revised estimates for 2024 along with funding estimates for FY 2025. The revised estimates in FY 2024 for ARC Administration (Admin) and ARC Information Technology (IT) include increases in resources to support customer projects, system investments and non-pay increases. Additionally, the FY 2024 revised estimates include increases in TSSP to reflect customer specific costs requested by customers for additional services that are outside of the standard shared offerings such as the Human Resource Information Technology (HRIT) transformation from the Internal Revenue Services (IRS) to Departmental Offices OCIO in support of the Inflation Reduction Act (IRA) implementation effort. This initiative will facilitate modernization of the IRS HRIT systems and improve employee experience aligned with delivery of commodity applications through Treasury's enterprise centralized/shared service offerings. The FY 2024 revised estimate also supports the centralization and adoption of cloud services offered through the shared services program. The platform offers common management and security services built on top of Commercial Cloud Service Providers.

In FY 2025, TSSP will continue to make investments critical to strengthen the cyber posture across the shared services platform and resources to support increase adoption of enterprise

Information Technology (IT) applications.
The Departmental Offices continues to work on improving hiring and recruitment in FY 2025, so the CTAS budget submission reflects making investment in technology to improve the onboarding process for federal and contracting resources.

In FY 2025, ARC Admin is preparing to expand its leadership role through Treasury's Future of Federal Financial Management vision (FM Vision) and the Financial Management Quality Service Management Office (FM QSMO) marketplace. ARC Admin will continue to support the marketplace for scalable growth by simplifying the delivery of complex financial management services. ARC Admin's FY 2025 request includes a balance of continuous improvement, strategic investments in solutions of the future in the FM QSMO marketplace and continuing to increase adoption to federal agencies.

ARC IT's objectives are centered around consistently implementing, optimizing, securing, and scaling technology and services from end-to-end in alignment with federal technology priorities, including Executive Order 14028 Improving the Nation's Cybersecurity and subsequent OMB Memoranda.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 President's Budget	**2,233**	**$1,010,200**
Program Changes:		
Program Increases	**19**	**230,307**
Centralization of IT Commodity Applications and Services (TSSP)	20	181,714
IRS Human Resources Information Technology Modernization (TSSP)	9	20,000
Support Customer Projects and System Investments (ARC Admin)		12,150
Revised Estimates and Operating Costs (ARC Admin)	(13)	9,332
Revised Estimates and IT Maintenance (ARC IT)		5,978
Treasury Recruitment Services Program (TSSP)	3	1,133
FY 2024 Revised Estimate	**2,252**	**$1,240,507**
Changes to Base:		
Maintaining Current Levels (MCLs):		22,796
Pay Annualization (2024 5.2% average pay raise)		3,786
Pay Raise (2025 2.0% average pay raise)		4,425
Non-Pay (2025 2.2% non-pay inflation)		14,585
Subtotal Changes to Base		22,796
FY 2025 Current Services	**2,252**	**$1,263,303**
Program Changes:		
Program Increases:	**11**	**16,119**
Existing Program Growth (ARC IT)		9,337
IT Systems Modernization and Program Support (CTAS)	1	5,382
Existing and New Customer Growth (ARC Admin)	10	850
Centralization of IT Commodity Applications and Services (TSSP)		550
Subtotal Program Changes	**11**	**$16,119**
FY 2025 Estimate	**2,263**	**$1,279,422**

Budget Adjustments

Adjustments to FY 2024 Original Estimate ………..…………..… +$230,307,000/ +19 FTE

Centralization of IT Commodity Applications and Services (TSSP) +$181,714,000 / +20 FTE

The updated TSSP FY 2024 includes adjustments to support customer specific projects requested by customers for additional services that are outside of the standard shared offerings. Majority of the increase in customer specific costs are related to the centralization of costs for IT initiatives such as an enterprise contract for cloud services, centralization of Continuous Diagnostics and Mitigation (CDM) investments, investments in the Treasury Enterprise Network Services (TENS) task orders that includes the core services enabling the enterprise offerings for TENS-Wide Area Network (WAN) and TENS-Voice with built-in security that allows the bureaus to comply with enterprise standards. This is not an increase in costs to the TFF customers, instead Treasury and its customers can achieve better pricing through centralized procurement. The increase in spending to support the centralization of IT initiatives to include:

- Cloud Enterprise Services: $67.7 million
- CDM: $64.1 million
- WANS: $49.9 million

IRS Human Resources Information Technology Modernization (TSSP) +$20,000,000 / +9 FTE

The revised estimate includes the continue support to modernize the IRS HRIT system and improve employee experience aligned with delivery of commodity applications through TSSP. The IRS HRIT portfolio includes approximately 100 applications, 100 workflows and multiple supplemental Excel and Access-based processes. This initiative is a multi-year effort over a 9-year period which started in late FY 2023. The initial phase of this multi-year project includes working with the IRS to conduct a rationalization exercise to assess all legacy HR technology and underlying the gaps to determine the best technology solutions.

Support Customer Projects and Investments (ARC Admin) +$12,150,000 / +0 FTE

The updated ARC Admin revised estimate includes adjustment to support customer projects and system investments to meet demands of customers. Without these resources, customers will experience delays in projects, impacting mission success and other federal priorities.

Revised Estimates and Operating Costs (ARC Admin) +$9,332,000 / -13 FTE

FY 2024 revised estimate includes adjustments to reflect updated pay estimates and increased cost pressures in non-labor related to ongoing maintenance costs of applications supporting the Admin services (Financial Management, Human Resources, Procurement and Travel).

Revised Estimates and IT Maintenance (ARC IT) +$5,978,000 / +0 FT

ARC IT revised estimate includes adjustments to reflect updated pay estimates accounting for increasing payroll costs and increased cost pressures in non-labor related to ongoing maintenance cost of computing solutions.

Treasury Recruitment Service Program (TSSP) +$1,133,000 / +3 FTE

To support the Workforce Priority of the President's Management Agenda, a new shared services program was developed to improve the hiring and recruitment efforts across the Department. The Treasury Recruitment Service Program will amplify bureau-level recruitment efforts by leveraging Departmental resources and brand. Also, the program is designed to build coalitions with interagency and external stakeholders regarding talent outreach and recruitment.

Maintaining Current Levels (MCLs)……………………………….…. +$22,796,000 / +0 FTE
Pay Annualization (5.2% in 2024) +$3,786,000 / +0 FTE:
Funds are required for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in FY 2025) +$4,425,000 / +0 FTE:
Funds are required for a 2.0 percent average pay raise in January 2024.

Non-Pay (2.2% in FY 2025) +$14,585,000 / +0 FTE
Funds are required for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Increases……………………………………..…………. +$16,119,000 / +11 FTE
Existing Program Growth (ARC IT), +$9,337,000 / +0 FTE
FY 2025 estimates for ARC IT include additional funding to supports the growing systems costs to operate IT programs, including contracts, supplies, and equipment growth. Growth drivers include modernization costs related to transition from legacy platforms and services to more modern, cloud-based solutions, as well as costs associated with compliance with Executive Order 14028, Improving the Nation's Cybersecurity.

IT Systems Modernization and Program Support (CTAS), +$5,382,000 / +1 FTE
Within the Centralized Treasury Administrative Services (CTAS) program, funding in FY 2025 is needed for additional information technology costs (e.g., licenses, hardware) for onboard staff and contractors. Funding is also needed for contractual adjustments (above standard inflation) for building security and a new fleet manager information system to comply with regulatory requirements, and staffing for the Privacy, Transparency, and Records office that supports Departmental Offices.

Existing and New Customer Growth (ARC Admin) +$850,000 / +10 FTE
FY 2025 estimates for ARC Admin include strategic investments in solutions and continuous improvements offered by the Financial Management Marketplace. These investments will position ARC to leverage the marketplace to support customer growth and advance the Financial Management Quality Service Management Office's (FM QSMO) goal to increase the number of agency subcomponents using common financial management solutions.

Centralization of IT Commodity Applications and Services (TSSP) +$550,000 / +0 FTE
Treasury will continue to pursue centralization of IT Commodity Applications and enterprise solutions across the Department. Investing in enterprise solutions and implementing best practices can significantly improve the Department's security posture and reduce the risk of security incidents.

Legislative Proposals

The TFF has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Treasury Shared Services	Average Cost Per FTE	1,580	1,951	1,960	DISC	DISC
Treasury Shared Services	Annual Effective Spend Rate [%}	96	93	99	96	96
Treasury Shared Services	Customer Satisfaction [%]	80	73	83	80	80
Centralized Treasury Administrative Services	Annual Effective Spend Rate [%]	96	96	97	96	96
Centralized Treasury Administrative Services	Customer Satisfaction [%]	80	78	72	80	80
Administrative Support Services	Customer Unmodified Audit Opinions [%]	100	100	100	100	100
Administrative Support Services	Percentage of shared service level agreement performance metrics met or exceeded [%]	94	97	91	94	94
Administrative Support Services	Customer Satisfaction with ARC Admin Services [%]	93	90	85	80	80
Information Technology Services	% of IT Portfolio (TFF) Software and Hardware Currency	B	76	85	85	95
Information Technology Services	% of On-Premises Target Service Level Agreements	B	94	97	80	80

Key: B – Baseline; DISC: Discontinued

Description of Performance

The TSSP annual effective spend rate provides insight to the financial management and oversight of the TSSP programs. It measures how much of the resources collected from customers are being obligated for service delivery in the fiscal year. This measure captures the efficient use of resources by the service providers. In FY 2023, 95 percent of the funds collected from customers for the shared services was obligated, which was slightly below the 96 percent target rate set for the fiscal year. The target will remain at 96 percent for FY 2024 and FY 2025.

In FY 2023, the TSSP survey results yielded an 83 percent overall customer satisfaction rating, which is above the 80 percent target. Strategic partnerships with TSSP governance councils, meeting monthly with Treasury budget directors and the use of the TSSP Roadshows provides expanded customer engagement opportunities to the various stakeholders to better communicate the expected changes to program budgets and the impact to their upcoming service level agreements. Treasury will continue to build on these transparency initiatives to maintain and improve the customer satisfaction scores. The target for this measure is set at 80 percent for both FY 2024 and 2025.

The CTAS FY 2023, the annual effective spend and customer satisfaction rates were 97 and 72 percent respectively. The annual effective spend target was met however the customer satisfaction score was slightly below the FY 2023 target score of 80. The targets set for the annual effective spend rate and customer satisfaction measures are mirrored after the TSSP target to maintain consistency in overall financial management of the two shared services providers within Departmental Offices. The targets set in both FY 2024 and 2025 is 96 and 80 percent, for the annual effective spend rate and customer satisfaction measures respectively.

In FY 2023, ARC Admin received an unmodified opinion on franchise operations for the 21st consecutive year and met its performance target of 100 percent of customer unmodified audit opinions (33). By meeting this metric consistently year after year, ARC has improved public confidence in federal stewardship, operations, and reporting.

In FY 2023, ARC IT established a baseline for software/hardware currency and on-premises target service level agreements met. The goal of these new measures is to reduce the use of End of Life technology, which in turn further minimizes technical debt and risk for our customers, and measure how well technical teams are performing and closing out the requests and incidents. The FY 2024 and 2025 targets reflect operational commitments to customers and allows room for improvement.

This year, TFF is working to align budget activities and performance measures to the new objectives in the Treasury FY 2023 – 2027 Strategic Plan. This work will include benchmarking performance and may result in changes to performance measures in the FY 2025 budget.

Treasury Forfeiture Fund

Program Summary by Budget Activity

Dollars in Thousands

Budgetary Resources	FY 2023 Actual		FY 2024 Revised Estimate		FY 2025 Estimate		FY 2024 to FY 2025 $ Change		FY 2024 to FY 2025 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Interest	0	$193,972	0	$175,000	0	$179,000	0	$4,000	NA	2.29%
Restored Prior Year Sequestration Reduction	0	$70,641	0	$88,224	0	$45,390	0	($42,834)	NA	-48.55%
Forfeited Revenue	0	$1,353,822	0	$621,321	0	$633,049	0	$11,728	NA	1.89%
Recovery from Prior Years Unpaid	0	$126,901	0	$40,000	0	$40,000	0	$0	NA	0.00%
Recovery from Prior Years Paid	0	$5	0	$0	0	$0	0	$0	NA	NA
Unobligated Balances from Prior Years	0	$876,333	0	$1,635,357	0	$1,758,512	0	$123,155	NA	7.53%
Total Revenue/Offsetting Collections	**0**	**$2,621,674**	**0**	**$2,559,902**	**0**	**$2,655,951**	**0**	**$96,049**	**NA**	**3.75%**
Expenses/Obligations										
Mandatory Obligations	27	($687,035)	27	($471,000)	28	($480,420)	1	($9,420)	3.70%	2.00%
Secretary's Enforcement	0	($20,070)	0	($35,000)	0	($35,000)	0	$0	NA	0.00%
Strategic Support	0	($40,988)	0	($100,000)	0	($100,000)	0	$0	NA	0.00%
Total Expenses/Obligations	**27**	**($748,093)**	**27**	**($606,000)**	**28**	**($615,420)**	**1**	**($9,420)**	3.70%	1.55%
Rescissions/Cancellations										
Sequestration Reduction	0	($88,224)	0	($45,390)	0	($46,287)	0	($897)	NA	1.98%
Permanent Cancellation	0	($150,000)	0	($150,000)	0	$0	0	$150,000	NA	-100.00%
Total Rescissions/Cancellations	**0**	**($238,224)**	**0**	**($195,390)**	**0**	**($46,287)**	**0**	**$149,103**	**NA**	**-76.31%**
Net Results	**27**	**$1,635,357**	**27**	**$1,758,512**	**28**	**$1,994,244**	**1**	**$235,732**	**3.70%**	**13.41%**
Contingent Liabilities		**($1,142,981)**		**($1,200,000)**		**($900,000)**		**$300,000**	NA	-25%

* The Treasury Forfeiture Fund is staffed by Departmental Offices (DO) employees and positions are funded via reimbursable agreement. The FTE are shown here for clarity, but are also reflected in DO chapter in the reimbursable FTE total.

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 Department of the Treasury and Department of Homeland Security agencies. The Fund was established in 1992. The enabling legislation for the Fund (31 U.S.C. 9705) defines the purposes for which Treasury forfeiture revenue may be used.

Explanation of TEOAF Spending Categories

Mandatory Obligations ($480,420,,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.

TEOAF allocates significant resources to supporting seizure cases in which the seized assets represent the proceeds of fraud schemes. The resulting forfeiture deposits are used to compensate the victims (entities or individuals) defrauded by the violators. Supporting these cases is particularly important now due to the volume of COVID-19 related financial fraud, network intrusion, phishing and sales of counterfeit vaccines online and via Darknet marketplaces.

TEOAF remains committed to supporting continuously significant volume of COVID-19 related crimes, to ensure that the agencies have the resources to target and intercept these massive schemes and return the money to the defrauded government agencies, private entities, and individuals.

Secretary's Enforcement Fund ($35,000,000 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 ($100,000,000 from revenue/offsetting collections)

Strategic Support authority, established in 31 U.S.C. 9705(g)(4)(B), allows TEOAF to fund priorities related to 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 ($900,000,000 from 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. Future/anticipated equitable sharing expenses/payments are also recorded as contingent liabilities. TEOAF considers the amounts recorded as contingent liabilities as unavailable and consideration of contingent liabilities provides a more accurate representation of the financial position of the Fund.

Legislative Proposals

TEOAF has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Asset Forfeiture	Percent of Forfeited Cash Proceeds Resulting from High-Impact Cases	89.65	91.03	84.28	80	80

Description of Performance

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 cases 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 2024 and FY 2025, 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 2023 Actual Obligations	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Manufacturing	$896,804	$2,018,815	$1,156,062	($862,753)	-42.74%
DC Replacement Facility	$25,957	$1,525,210	$63,930	($1,461,280)	-95.81%
Total Program Operating Level	**$922,761**	**$3,544,025**	**$1,219,992**	**($2,324,033)**	**-65.58%**
Total Full-time Equivalents (FTE)	**1,904**	**1,925**	**1,925**	**0**	**0.00%**

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 2: Enhance National Security, Goal 3: Protect Financial Stability and Resiliency, Goal 4: Combat Climate Change, and Goal 5: Modernize Treasury Operations.

BEP's FY 2025 President's Budget request funds the following projects:

1. **DC Replacement 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 facility located in Washington, D.C. A provision in the Agriculture Improvement Act of 2018 (P.L. 115-334) authorized the transfer of a U.S. 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. The property transfer Memorandum of Agreement (MOA) between USDA and Treasury was finalized in early 2020. P.L. 117-328 provided authority for BEP to construct public improvements in the area surrounding the facility to mitigate traffic impacts. The formal transfer of administrative control from USDA to Treasury occurred in 2022. According to a GAO report[1], a replacement facility will save an estimated $568 million over 10 years, as compared to the cost of renovating the existing facility. BEP will reduce its annual operating costs by at least $38 million through production, material handling, and other operational/support efficiencies. The FY 2025 budget estimate reflects the BEP's continued commitment to the next generation of currency manufacturing and building the replacement facility. The revised FY 2024 estimate reflects the most recent estimates of construction costs of the new DC Replacement Facility (DCRF) based on the 95 percent design.

The revised FY 2024 estimate includes $1,525 million and the FY 2025 estimate contains $63.9 million for the next phases of the DCRF project.

2. **Annual Print Order / (formally Yearly Currency Order (YCO)) Reduction**: The FY 2024 Annual Print Order was initially projected to be 6.8 billion notes which was reflected in the FY 2024 President's Budget. Subsequently, the FRB transmitted the actual print order which is 5.56

[1] U.S. Government Accountability Office (2018), *Bureau of Engraving and Printing Options for and Costs of a Future Currency Production Facility*. [Data file] Available from https://www.gao.gov/assets/gao-18-338.pdf.

billion notes for FY 2024. The reduction in the FY 2024 order is due to the needs of installing new equipment and testing for the next family of banknotes. This decrease to the overall FY 2024 estimates corresponds to the reduced need for materials related to the lower print order. The FY 2025 budget includes an increase above the revised FY 2024 level due to the expected increase in the Annual Print Order to 6.8 billion notes.

3. Banknote Design and Development: In FY 2024 and FY 2025, BEP will continue to work with the federal government's Advanced Counterfeit Deterrent (ACD) Steering Committee to develop the next family of banknotes to include new and effective security features to deter counterfeiting and a raised tactile feature to provide meaningful access to blind and visually impaired individuals.

4. Retooling: BEP established a new Multi-Year Retooling initiative which includes $936 million for FY 2024. The initiative accelerates its multi-year effort to retool its manufacturing processes with state-of-the-art intaglio printing presses, electronic inspection systems, and finishing equipment. This increase in capability will support BEP in meeting the FRB's annual print order. The FRB and BEP have jointly developed short-, medium-, and long-term strategic equipment replacement plans for the U.S. Currency Program (USCP). Successful implementation of advanced technology improves productivity, reduces environmental impact, and enhances counterfeit deterrence of U.S. currency notes. In FY 2024, the major retooling initiatives include:

- Continuing to upgrade and complete automation of the $100 finishing line to integrate Single Note Inspection (SNI) technology. The capability to inspect single notes provides a significant improvement over BEP's traditional sheet inspection process.
- Hot Foil Press machines to support the $50 and $100 Catalyst Design to add features to the notes. These machines are for the Western Currency Facility (WCF) and DCRF.
- The Non-sequential Large Examining and Printing Equipment (ns-LEPE) systems to replace the Currency Overprinting Processing Equipment and Packaging COPE-PAK and legacy LEPE systems. The ns-LEPEs are capable of manufacturing larger sheet sizes allowing 50 versus 32 banknotes on each sheet and provides additional production capability. These machines are state-of-the-art, specifically designed for BEP, combining multiple currency production processes at once: full sheet examination, letterpress printing functions, product verification, and cutting and packaging currency.
- Inspection Finishing System (IFS) / SNI Finishing System ensures only the highest quality sheets move to the numbering operation; sheets are thoroughly examined by a state-of-the-art computer system integrated with cameras and sophisticated bespoke software. It also sorts finished numbered notes from the defective Off-line Currency Inspection System (OCIS) sheets, reclaiming good notes from destruction.
- Rotary Screen Presses to support the introduction of the $10 Catalyst Design, with options for additional presses for the new DCRF and WCF.
- Replacement Offset Presses for the utilization of the latest technology to reduce operational costs and improve efficiencies. The new presses are expected to help achieve overall excellence in production, personnel management, processes, and technology.
- Replacement Intaglio Presses to improve efficiency by incorporating the latest printing, electronics, and inspection technology into the production process at the new BEP facility. The new presses will be integrated into an overall facility design that is expected to

maximize efficiency, reduce environmental impact, take advantage of technological efficiencies and automation thereby reduce overall costs.

5. Human Capital/Talent Management: The FY 2024 revised budget estimate reflects BEP's commitment to the next generation of currency manufacturing, ensuring successful knowledge transfer and continuity of operations, and building of a state-of-the-art currency manufacturing facility. The increase in FTE will be used in coordination with BEP's workforce planning process which is updated on an ongoing basis. This plan identifies the Bureau's mission critical occupations and outlines and identifies current and future skill gaps. In turn, it will target positions needed to support the next family of banknotes including all associated support staff. Additionally, over 30 percent of our current workforce positions are encumbered by retirement eligible employees. The workforce planning process and supported FTE increase will provide and support the suggested retention timeframes for the capture and transfer of workforce requirements.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 President's Budget	**1,888**	**$2,446,753**
Program Changes		
Program Decreases	0	(47,517)
Currency Production Decrease - Materials	0	(47,517)
Program Increases	37	1,144,789
Other Programs	0	10,000
FTE Increase	37	6,178
DC Replacement Facility	0	281,511
Retooling	0	847,100
FY 2024 Revised Estimate	**1,925**	**$3,544,025**
Changes to Base		
Maintaining Current Levels (MCLs)	0	19,729
Pay Annualization (2024 5.2% average pay raise)	0	3,984
Pay Raise (2025 2.0% average pay raise)	0	4,657
Non-Pay (2025 2.2% non-pay inflation)	0	11,088
Subtotal Changes to Base	0	19,729
FY 2025 Current Services	**1,925**	**$3,563,754**
Program Changes		
Program Decreases	0	(2,386,279)
Retooling	0	(925,000)
DC Replacement Facility	0	(1,461,279)
Program Increases:	0	42,517
Currency Production Increase	0	42,517
Subtotal Program Changes	0	($2,343,762)
FY 2025 Estimate	**1,925**	**$1,219,992**

Budget Adjustments

FY 2024 Adjustments

Program Decreases ....-$47,517,000 / -0 FTE

Currency Production Decrease- Materials, - $47,517,000 / -0 FTE

The Annual Print Order has been adjusted to reflect the new revised commitment of 5.56 billion notes which is a reduction from the proposed 6.8 billion notes identified in the FY 2024 President's Budget. This also includes a reduction to overtime.

Program Increases ………………………………………………+ $1,144,789,000 / +37 FTE

Other Programs, +$10,000,000 / +0 FTE

This is for entering into reciprocal agreements with the U.S. Mint to sell each other's products. In the past, these expenses were offset by revenue and the net was billed/collected.

FTE Increase, +$6,178,000 / +37 FTE

This increase is supported by BEP's systematic workforce planning efforts.

DC Replacement Facility, + 281,511,000 / +0 FTE

This reflects the new budget estimate based on a 65 percent design completion which includes a program contingency. The total funding required for FY 2024 is $1,525 million.

Retooling, +$847,100,000 / +0 FTE

To support the retooling program by replacing aging equipment and preparing to equip the bureau with the correct mix of production machinery to be fully successful and ready to deploy the next generation of notes. Major equipment includes: Offset Presses, Rotary Screen Presses, Hot Foil Presses, ns-LEPE(s), IFS/SNI systems, and New Intaglio Presses.

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Maintaining Current Levels (MCLs) ....+$19,729,000 / +0 FTE

Pay Annualization (5.2% in 2024) +$3,984,000 / +0 FTE

Funds are required for annualization of the FY 2024 5.2% average pay raise.

Pay Raise (2.0% in the FY 2025) +$4,657,000 / +0 FTE

Funds are required for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$11,088,000 / +0 FTE

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

FY 2025 Adjustments

Program Decreases...-$2,386,279,000 / -0 FTE

Retooling, - $925,000,000 / -0 FTE

To reflect the resources from the multi-year retooling investment which are no longer needed in FY 2025.

DC Replacement Facility, -$1,461,279,000 / -0 FTE

This reflects the FY 2025 funding requirement to support the project based on 65 percent design. The total funding required for FY 2025 is $64 million.

Program Increases ....+$42,517,000 / +0 FTE
<u>Currency Production, + $42,517,000 / +0 FTE</u>
The Annual Print Order will increase from the 2024 production volume of 5.56 billion to 6.8 billion notes.

Legislative Proposals

The BEP does not have any legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Manufacturing	Currency Notes Delivered Returned due to Defects (Parts per Million)	0.0016	16.60	25.20	<1ppm	<1ppm
Manufacturing	FEVS Satisfaction Index (percentile)	71	NA	73	>65	>65
Manufacturing	Lost Time Accident Rate (per 100 employees)	1.59	0.95	0.77	<1.80	<1.80
Manufacturing	Manufacturing Cost for Currency (Dollars per Thousand Notes Delivered)	$61.81	$63.96	$59.81	$74.19	$76.00

Note: For Currency Notes Defects in FY-22 a quality incident with up to 204,059 notes having mismatched serial numbers from a DCF Production Line were shipped in February of 2021. (One of our oldest pieces of equipment and does not have in-line inspection systems) These defective notes continue to come in FY-23 and FY-24 resulting in high defect rates.

Description of Performance

($1,219,992,000 from reimbursable sources)
The BEP has one budget activity: Manufacturing. This budget activity supports all of BEP's strategic goals.

Currency Notes Returned Due to Defects (in parts per million or ppm) is an indicator of BEP's ability to provide a quality product. The target for this performance metric is <1 ppm. BEP normally achieves this target. As many as 203,000 $20 notes were printed and delivered to the FRB with mismatched serial numbers. Elimination of these notes may require as many as 600,000 notes to be removed from circulation in the full serial number range. As of September 30, 2023, 253,000 such notes have been removed and shredded. We expect this removal to continue over the next few years. As the root cause has been corrected, BEP's target for this performance metric will be held constant at <1 ppm for FY 2024 and FY 2025 for ongoing operations.

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. This measure uses the Department's standard FEVS Global Satisfaction Index with a target of 65 percent or greater. In FY 2024 and 2025, 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 in the workplace. BEP's FY 2023 Lost Time Accident rate was at 0.77 cases per 100 employees, lower than the target of 1.80 cases per 100 employees. This performance resulted from continued focus on following safe work practices and avoiding hazards. For FY 2024, 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. The 1.8 case rate represents approximately one injury per facility per month. BEP's target will be held at 1.80 cases per 100 employees for FY 2024 and FY 2025.

Manufacturing Cost 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 and timing of denominations ordered. This indicator is strongly affected by the portion of the order devoted to high-value notes, which are more expensive to produce. Actual performance against standard costs depends on BEP's ability to meet spoilage, efficiency, and capacity utilization goals. The final FY 2023 cost was $59.81 per 1,000 notes produced. BEP's target for this performance metric is $74.19 in FY 2024. The notional target for FY 2025 is set at $76.00 per 1,000 notes produced.

The Federal Reserve Print Order establishes the performance target for measuring BEP's success in delivering the total number of currency notes needed by the Federal Reserve Board on an annual basis. The BEP met its FY 2023 target of delivering 100 percent of the currency notes ordered, with BEP delivering 5.7 billion notes to the Federal Reserve banks. Recent currency orders now include a range, with a minimum quantity of notes by denomination, as well as a maximum or upper limit. The FY 2024 initial quantity request is 5.56 billion notes. Additionally, the FRB will accept any additional notes that BEP can produce and deliver up to a maximum of 6.63 billion notes in calendar year 2024. The FY 2025 Print Order is estimated at 6.8 billion notes.

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Actual Obligations	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Manufacturing	$4,748,670	$5,278,722	$5,718,478	$439,756	8.33%
Total Program Operating Level	**$4,748,670**	**$5,278,722**	**$5,718,478**	**$439,756**	**8.33%**
Total Full-time Equivalents (FTE)	**1,598**	**1,705**	**1,705**	**0**	**0.00%**

Summary

In Fiscal Year (FY) 2025, the United States Mint's (Mint) total estimated budgetary requirements for operations, metal, and capital investments are $5.7 billion. This budget will support the production of 6.5 billion circulating coins, as well as the production of bullion coins 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, integrity, and accountability. The Mint has three strategic goals to help fulfill its mission and values: 1) Advance our circulating mission through innovation and technology; 2) Foster a safe and engaged workforce; and 3) Revitalize products and customer base.

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 (FRBs), 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. At the end of FY 2023, the Mint's net budget authority calculations resulted in a negative net when compared to the obligations incurred. Negative net results can occur when obligations are made late in the year for production and sales that will result in offsetting collections in subsequent years. Mint's total expenses/obligations in FY 2023 includes year-end metal expenditures that were incurred with no corresponding collections. Mint is a Revolving Fund that mainly does business with the public and uses balances in the account to ensure that operating supplies and materials are procured in order to produce inventories for future sales. The Mint's key priorities for FY 2025 include:

- Circulating - Efficiently and effectively mint and issue approximately 6.5 billion circulating coins in FY 2025 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 2024 President's Budget	**1,705**	**$4,077,700**	**$607,022**	**$4,684,722**
Program Changes				
Program Decreases:	**0**	**(330,000)**	**0**	**(330,000)**
Metal Due to Forecasted Decrease in Circulating Production	0	(330,000)	0	(330,000)
Program Increases:	**0**	**912,300**	**11,700**	**924,000**
Metal Due to Forecasted Increase in Bullion Production	0	837,300	0	837,300
Metal Due to Forecasted Increase in Numismatic Production	0	75,000	0	75,000
IT Service Operating Program	0	0	10,600	10,600
Cyber Security	0	0	1,100	1,100
Subtotal Program Changes	0	582,300	11,700	594,000
FY 2024 Revised Estimate	**1,705**	**$4,660,000**	**$618,722**	**$5,278,722**
Changes to Base				
Maintaining Current Levels (MCLs)	0	0	14,756	14,756
Pay Annualization (2024 5.2% average pay raise)	0	0	3,335	3,335
Pay Raise (2025 2.0% average pay raise)	0	0	3,898	3,898
Non-Pay (2.2% non-pay inflation)	0	0	7,522	7,522
Subtotal Changes to Base	0	0	14,756	14,756
Total FY 2025 Current Services	**1,705**	**$4,660,000**	**$633,478**	**$5,293,478**
Program Changes				
Program Decreases:	**0**	**0**	**(5,000)**	**(5,000)**
IT Service Operating Program	0	0	(5,000)	(5,000)
Program Increases:	**0**	**430,000**	**0**	**430,000**
Metal Due to Forecasted Increase in Bullion Production	0	400,000	0	400,000
Metal Due to Forecasted Increase in Numismatic Production	0	30,000	0	30,000
Subtotal Program Changes	**0**	**$430,000**	**($5,000)**	**$425,000**
Total FY 2025 Estimate	**1,705**	**$5,090,000**	**$628,478**	**$5,718,478**

FY 2025 Budget Adjustments

Adjustment to Estimate

Program Decreases…………………………….………………… -$330,000,000 / -0 FTE

Metal due to Forecasted Decrease in Circulating Demand -$330,000,000 / -0 FTE

Orders from the FRB are expected to decline significantly, which will have a vast impact on circulating demand in FY 2024. The FY 2024 FRB coin orders are projected to be significantly lower than in prior years. The most current forecast for 6.5 billion circulating coins is the lowest forecast in recent history. Such levels will have a significant impact on the Mint's production plan and overall seigniorage. The sharp decrease also directly results in a sizeable reduction in our raw material orders. As such, the Mint's budget for metal has been reduced to better align with the current production forecast. The FY 2025 forecast is projected to remain steady at this reduced level. The Mint will continue to ensure coin production that responds to the needs of the FRB.

Program Increases…………………………………….………………… +$924,000,000 / +0 FTE
Metal due to Forecasted Increase in Bullion Demand +$837,300,000 / +0 FTE
FY 2024 forecasted bullion coin demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

Metal due to Forecasted Increase in Numismatic Demand +$75,000,000 / +0 FTE
FY 2024 forecasted numismatic demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

IT Services +$10,600,000 / +0 FTE
In FY 2024, the Mint's primary IT Services contract that provides contractor support for all IT operations (except Cyber) will complete its period of performance and must be re-competed. The anticipated scope of the new contract is expected to increase, eliminating service deficiencies experienced under the old contract. IT operations are complex and changing vendors can have negative impacts for the end user experience. As such a bridge ($5 million) is necessary to ensure a smooth transition.

Cybersecurity +$1,100,000 / +0 FTE
Increased penetration testing (pen testing), a security measure and exercise where a cyber-security expert attempts to find and exploit vulnerabilities in a computer system, is needed to ensure the integrity of Mint systems. The purpose of this simulated attack is to identify system defense weaknesses which could be susceptible to attackers.

Change to Base
Maintaining Current Levels (MCLs)... +$14,756,000 / +0 FTE
Pay Annualization (5.2% in 2024) +$3,335,000 / +0 FTE
Funds are requested for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in FY 2025) +$3,898,000 / +0 FTE
Funds are requested for a 2.0 percent average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +$7,522,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Changes
Program Decreases………………………………….…………………… -$5,000,000 / -0 FTE
IT Services -$5,000,000 / -0 FTE
Funding is reduced by the amount of the bridge contract that was included in the previous year's budget. This is a one-time cost not required in future years.

Program Increases……………………………….……………… +$430,000,000 / +0 FTE
Metal due to Forecasted Increase in Bullion Demand +$400,000,000 / +0 FTE
FY 2025 forecasted bullion coin demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

Metal due to Forecasted Increase in Numismatic Demand +$30,000,000 / +0 FTE
FY 2025 forecasted numismatic demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

Legislative Proposals

Alternative metal compositions for circulating coins
The *Coin Modernization, Oversight, and Continuity Act of 2010* (Public Law 111-302) (Act) authorized the Department of the Treasury to conduct research and development activities with regard to alternative metallic materials for circulating coins. The Act also requires a biennial report to Congress that includes information on the production costs for circulating coins, recommendations for changes to coin composition, and recommendations for changes to coin production. The budget proposes legislation enabling changes to coin metal composition if they: a) reduce cost; b) are seamless; and c) have as minimal an adverse impact as possible on stakeholders and the public. Two alternative compositions to the current cupronickel alloy used in nickels, dimes, quarters, and half dollars are currently under consideration at the Mint for movement: 80/20 composition, which has been fully tested; and, a leaner potentially seamless alternative, C99750T-M, which is still in development.

While the Mint continues its extensive research, it recommends this proposal to give the Secretary the authority to prescribe the metal compositions of circulating coins under certain conditions. Currently, the metal composition of each coin is prescribed by statute. A revision to current law that would authorize the Secretary to have flexibility and agility to implement small changes to the circulating coin metal compositions could result in incremental material savings for the Mint with little or no impact to stakeholders, including the vending industry and general public.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Manufacturing	Seigniorage per Dollar Issued ($)	0.37	0.30	0.26	0.12	0.12
Manufacturing	Safety Incident Recordable Rate	0.71	1.29	1.18	2.04	1.98
Manufacturing	Customer Satisfaction (%)	84.50	80.20	86.90	85.00	85.00
Manufacturing	Numismatic Sales Units (million units)	3.70	4.70	3.40	3.78	3.64
Manufacturing	Circulating Ship Complete on Time (%)	100.00	100.00	100.00	97.50	97.50

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 to "Revitalize products and customer base" and the Mint's internal strategic objective linked to this goal, "Customer experience."

In FY 2023, the CSI was 86.9 percent, which exceeded its 85.0 percent target. The Mint Customer Satisfaction Index score dropped in FY 2021 and FY 2022 due to operational changes necessitated by the COVID-19 pandemic and related causes. During FY 2022, the Mint's e-commerce contractor implemented improvements to its work-from-home solution, finding better ways to manage the remote workforce which helped improve the CSI scores in FY 2023. In FY 2024, the Mint will shift warehouse and fulfillment operations to a more modern and Mint-dedicated facility that will house customer service operations in the same facility. The new facility will increase capacity in both fulfillment and customer service operations to provide more efficient operations. The Mint proposes a CSI target of 85.0 for both FY 2024 and FY 2025.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results in achieving the Mint's internal strategic plan goal to "revitalize products and customer base." The Mint's numismatic products include annual proof and uncirculated sets, gold coins, silver coins, and products derived through legislation such as commemorative coins. The degree of popularity of commemorative coins and other coin programs featuring unique gold, silver, platinum, and palladium coins can at times strongly impact the comparability of year-over-year sales results.

Numismatic product sales for FY 2023 totaled 3.4 million units, exceeding its 3.0 million unit target primarily as a result of increases in silver coin products. In FY 2024, the Mint expects an increase in units as a result of manufacturing constraints that delayed some FY 2023 products, pushing sale dates into FY 2024. The Mint proposes a target of 3.78 million numismatic sales units for FY 2024 and 3.64 in FY 2025, which is in line with pre-COVID trends and represents a return to normal sales levels.

Safety Incident Recordable Rate

The safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Safety and Health Administration (OSHA) 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 to "Foster a safe, flexible, diverse, and engaged workforce."

In FY 2023, the total recordable case rate reached 1.18, well below the Mint's FY 2023 target of 2.10, and significantly below the most recently published industry average rate of 5.2 published in 2015 by the U.S. Bureau of Labor Statistics for the comparable Non-Automotive Metal Stamping industry. During FY 2023, the Mint continued implementing and updating risk management guidelines to prioritize resources and mitigating risks in advance of injuries or catastrophic events at each plant. Mint facility leadership and employees continued to interact daily on the importance of safety. The performance targets for the safety incident recordable rates are 2.04 for FY 2024 and 1.98 for FY 2025.

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, "Advancing the circulating mission through innovation and technology." At the end of FY 2023, Seigniorage per Dollar Issued was $0.26, which fell below the performance target of $0.33, as a result of a decrease in circulating coins shipped. The Mint expects a significant decline in orders from the FRB. Based on the low forecasted revenue amounts, the Mint proposes annual seigniorage per dollar issued performance targets of $0.12 for FY 2024 and FY 2025.

Circulating On-time Delivery
Circulating On time Delivery is the percentage total of scheduled circulating coin orders shipped on time to the FRBs. Each month, the FRB provides the Mint a report detailing the next month's requirements for coinage. Based on this report, the Mint establishes a shipment schedule that is captured in its manufacturing system. Changes to the schedule are only made when the FRB provides formal documentation of a requested adjustment to scheduled orders. The Mint will continue to respond to FRB orders as needed, as well as make every effort to have the appropriate amount of coinage available to accommodate timely shipments. Performance over the past few years has consistently averaged around 100 percent. On time delivery for FY 2023 was 100 percent. The Mint is proposing performance targets for circulating on-time delivery remain at 97.5 percent for both FY 2024 and FY 2025.

Office of the Comptroller of the Currency

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Actual Obligations	FY 2024 Revised Estimate	FY 2025 Estimate	FY 2024 to FY 2025 $ Change	FY 2024 to FY 2025 % Change
Supervise	$1,059,145	$1,176,121	$1,193,166	$17,045	1.45%
Regulate	$126,758	$140,758	$142,798	$2,040	1.45%
Charter	$22,625	$25,124	$25,488	$364	1.45%
Total Cost of Operations	**$1,208,528**	**$1,342,002**	**$1,361,451**	**$19,449**	**1.45%**
Total Full-time Equivalents (FTE)	**3,475**	**3,639**	**3,639**	**0**	**0.00%**

Summary

The Office of the Comptroller of the Currency (OCC) was created by Congress in 1863 to charter national banks; oversee 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, 2023, the OCC supervised 765 national bank charters, 49 federal branches and agencies, and 248 federal savings associations. In total, the OCC supervises approximately $16.2 trillion in financial institution assets.

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 nationwide staff of bank examiners conducts on-site and off-site reviews of banks and provides sustained supervision of these institutions' operations. Examiners have used enhanced off-site tools and processes during the pandemic to support their supervision responsibilities. 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).

The OCC's operations are funded primarily (approximately 96 percent) from semiannual assessments levied on national banks and federal savings associations. Revenue from investments in Treasury securities and other income comprise the remaining four percent.

Legislative Proposals

OCC has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Supervise	Percentage of National Banks and Federal Savings Associations with Composite CAMELS Rating 1 or 2	96	96	95	90	90
Supervise	Percentage of National Banks and Federal Savings Associations That Are Categorized as Well Capitalized	99	99	99	95	95
Supervise	Percentage of National Banks and Federal Savings Associations with Consumer Compliance Rating of 1 or 2	98	98	98	94	94
Supervise	Total OCC Costs Relative to Every $100,000 in Bank and Federal Savings Associations Assets Regulated ($)	6.79	6.78	7.04	7.86	7.86
Charter	Percentage of Licensing Applications and Notices Completed within Established Timeframes	98	98	99	95	95

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 national banking system through regular examinations of supervised institutions and other monitoring.

Composite Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity (CAMELS) rating reflects banks' financial condition. As of September 30, 2023, 95 percent of national banks and federal savings associations had composite CAMELS rating of either 1 or 2. The OCC strives for timely and effective approval of corporate applications to complete corporate transactions and introduce new financial products and services. The OCC completed 98 percent of applications and notices within established timeframes as of September 30, 2023.

Department of the Treasury International Programs

FY 2025 Executive Summary

The President's FY 2025 Budget (the Budget) requests $2.481 billion for the Department of the Treasury's International Programs. Our programs bolster American leadership in the international financial institutions (IFIs). The resources requested will support developing countries as they tackle myriad challenges from food insecurity to inadequate infrastructure and establish paths to sustainable economic growth and job creation that are resilient to shocks. A thriving global economy increases opportunities for the American people by opening new markets for U.S. exports and investment that will strengthen U.S. economic prosperity, while also supporting stability which enhances our national security.

Eighty years ago, in the midst of World War II, the United States and our allies established the World Bank and the International Monetary Fund (IMF) on the principle that international economic growth and stability, development, and cooperation foster global peace and security. Today, with conflicts raging in multiple regions of the globe, American leadership at the IFIs is more important than ever. We are leveraging our leadership to press the IFIs to be more responsive to economic and development needs at national levels and to challenges that cross borders and reduce growth and increase poverty. The work of the IFIs is especially vital for countries that are affected by crises within their borders or spillovers from crises and conflict in other countries.

The multilateral development banks (MDBs) have become a primary source of policy support, technical assistance, and finance for many emerging markets and developing countries (EMDCs), helping to promote market-based economic growth, job creation, and private capital mobilization. Since assuming the World Bank Presidency in 2023, Ajay Banga has begun to catalyze these tools to deliver on the Bank's core development objectives and evolve the Bank to meet the global challenges the world faces today. The IMF, through its surveillance, macroeconomic policy advice, and high standards of lending that promote sound economic reforms, has helped to prevent and minimize the spread of economic and financial crises that can have negative cross-border effects. In this way, the IMF's work to maintain global economic stability also mitigates significant risks to the U.S. economy.

Our leadership in these multilateral institutions is measurable and effective. Throughout the decades, the United States has maintained its position as the largest shareholder of the IMF, the World Bank, all but one of the regional development banks where the U.S. is a member, and in multilateral funds and facilities. Because of our leadership, the IFIs share core American values of transparency and accountability, anti-corruption, and economic development driven by the private sector and free enterprise. At a time when many developing countries have access to alternative, non-transparent sources of lending, including from China, we must continue to lead the IFIs so that they remain high quality and reliable partners to borrower countries.

Developing countries are facing an increasing number of challenges that have also become more complex in recent years. Some countries are still struggling to recover from the COVID-19 pandemic. Others are racing to rebuild infrastructure damaged by natural disasters or conflict, while grappling with energy and food shortages driven by factors such as extreme weather events and Russia's war against Ukraine. In many countries, these challenges are intertwined and compound each other.

While each country may confront a unique combination of problems, they all seek the same solution: high-quality, transparent sources of financing to support sustainable economic growth and recovery, grounded in market development and strong job creation. Importantly, they seek financing that will not leave them in debt distress. And they deeply value the policy advice, technical assistance, and extensive knowledge that the institutions provide. The United States is a proactive shareholder, and over the years we have helped shape the IFIs to focus on results and impact, while also requiring strong macroeconomic policies, accountability, and anti-corruption measures. Additionally, the United States exercises its leadership in multilateral debt initiatives to support vulnerable and low-income countries in debt distress—including by bringing China to the table—so that they can find a comprehensive solution with all of their creditors.

Our role in the IFIs is a cost-effective way for us to effectively lead the response to global crises, but not shoulder these burdens alone. The United States is a catalyst, and our investments lead other countries to reciprocate, resulting in more value-for-money for each dollar spent. Together with other donors, we encourage the IFIs to explore more innovative ways to provide support in a leveraged manner, including through loans and loan guarantees that can expand lending capacity at a fraction of the cost to the American taxpayer.

As a complement to our work in the multilateral system, Treasury engages directly with EMDCs through the results-driven Office of Technical Assistance (OTA). For over 30 years, OTA has helped finance ministries and central banks of developing and transitional countries effectively manage public finances and safeguard their financial sectors. Treasury's technical assistance promotes anti-corruption, good governance in public financial management, sound approaches to financing infrastructure, and strong financial sector oversight and regulation.

We seek Congress's support as we continue to lead, and indeed have nurtured a broad coalition, to make sure the IFIs remain cutting-edge and able to respond with agility and effectiveness to the most pressing development challenges that can affect our own national security. We are calling on the IFIs to redouble efforts to spur economic growth, reduce poverty, improve food security, expand quality infrastructure investment, and address global and regional challenges that spill over borders, including to the United States. We also request resources so that we can continue to support multilateral debt restructuring initiatives and promote good governance in developing countries through high-quality technical assistance.

Ultimately, Treasury's international work, both multilateral and bilateral, is in the national interest of the United States. By addressing fragility (i.e., weak capacity to maintain peace and foster development), promoting good governance and transparent and effective social service delivery, and creating private sector-led economic opportunities, Treasury's International Programs lower conflict risks and migration pressures, diminish the need for emergency humanitarian assistance, and reduce the potential influence of malign actors in developing countries and emerging markets.

In sum, the resources we seek will strengthen our leadership abroad, making us more secure at home while helping to lay a solid foundation overseas that will attract U.S. exports and investment and bring economic opportunities back to the American people.

Multilateral Development Banks

The Budget requests $2.168 billion for the multilateral development banks (MDBs) to support their continuing efforts to help developing countries reduce poverty, increase economic growth and job creation, develop their private sectors, invest in human capital, and promote good governance. These resources would also bolster the MDBs' financing to support developing countries in addressing increasingly complex and severe global challenges through efforts to increase pandemic preparedness, build infrastructure that is resilient to shocks, respond to shocks in food and energy supplies, and manage economic spillovers from conflict, including Russia's war against Ukraine. Financing from the MDBs is the best option for developing countries because it is transparent and comes with strong accountability through robust risk mitigation and anti-corruption measures.

U.S. contributions to the MDBs provide excellent value-for-money. Our contributions help to catalyze additional resources from other shareholders and the private sector. With this capital, the MDBs leverage funding from capital markets, which significantly increases overall MDB financing and enables the use of a wide range of innovative instruments, including loans, guarantees, equity, insurance, and knowledge products. We are working with these banks to find innovative solutions to responsibly stretch their balance sheets and provide critical financing even more efficiently and effectively.

As an additional multiplier of U.S. contributions, MDB work to de-risk and incentivize private sector investments supports U.S. priorities in developing countries. Many of these institutions frequently partner with American companies in their programs, whether through consulting or project design and execution, due to the technical expertise that U.S. firms can bring to the table. Our work with the MDBs to address global challenges more quickly and at greater scale will generate even more of these opportunities.

A key theme of this Budget request is the paramount importance of our participation in capital increases and replenishments and delivering on commitments to U.S. leadership in these institutions. The credibility of the United States as a global leader compels steadfast partners to meet our commitments. Doing otherwise could irreversibly erode our influence and ability to chart the course of these institutions and lead in implementing key reforms. Additionally, not participating in capital increases could result in diminishing U.S. shareholding and voting power—an outcome that could be exploited by China, among others, to grow their influence in these institutions and the regions in which they operate.

Treasury's requests for the MDBs include:

International Bank for Reconstruction and Development (IBRD): $233.3 million, including $206.5 million for the last of six installments to subscribe to the U.S. share of the paid-in portion of the IBRD 2018 general and selective capital increases. It also includes $26.8 million to support loan guarantees that could enable $2 billion in IBRD financing for partner countries' clean energy transitions while also reducing their reliance on China. The Budget includes a request for a program limitation that would allow the United States to subscribe to up to $1.421 billion in callable capital. The Administration also requests authorization to vote in favor of amending the IBRD Articles of Agreement to remove an outdated statutory limit on IBRD lending. This removal will not affect prudent IBRD risk management or U.S. oversight of the same. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2025 President's Budget Appendix.

International Development Association (IDA): $1.43 billion in support of IDA programs in the world's low-income countries over the twentieth replenishment period (IDA-20, covering the period July 1, 2022–June 30, 2025), including support for a second U.S. pledge payment to IDA-20. The Administration also proposes legislative language to exempt securities issued by IDA from regulation by the Securities and Exchange Commission. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2025 President's Budget Appendix.

African Development Bank (AfDB): $54.6 million for the fifth of eight installments to subscribe to the U.S. share of the paid-in portion of the seventh general capital increase. The Administration also requests authorization to participate in a general callable capital increase. The Budget includes a request for a program limitation that would allow the United States to subscribe to up to $8.656 billion in callable capital issued for the seventh general capital increase and general callable capital increase.

African Development Fund (AfDF): $197 million in support of AfDF programs in the poorest countries in Africa over the sixteenth replenishment period (AfDF-16, covering the period 2023–2025). The Administration requests authorization to subscribe to the AfDF-16 replenishment in the amount of $591 million.

Asian Development Fund (AsDF): $43.6 million in support of AsDF programs in the poorest countries in Asia over the twelfth replenishment period (AsDF-13, covering the period 2021–2024).

Asian Development Bank (AsDB): $84.4 million for the subsidy cost of $1 billion of loan guarantees to support the Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP), which will unlock an additional $4-5 billion in additional AsDB lending for mitigation and adaptation investments.

European Bank for Reconstruction and Development (EBRD): $50 million for an initial payment to subscribe to the U.S. share of the EBRD general capital increase. The Administration requests authorization to subscribe to shares issued as part of the EBRD general capital increase in the amount of $439.1 million.

Inter-American Investment Corporation (IIC, also referred to as IDB Invest): $75 million for an initial subscription to a capital increase for IDB Invest. The Administration also requests authorization to subscribe to up to 58,942 additional shares issued as part of the IDB Invest capital increase.

International Monetary Fund (IMF) Facilities and Trust Funds

The Budget seeks authorization and appropriations for an increase in the U.S. quota subscription to the International Monetary Fund (IMF) as well as a reduction in the amount of the U.S. commitment under the New Arrangements to Borrow (NAB). The Budget also seeks two authorization requests, both without a request for appropriations: an extension of the existing authorization for U.S. participation in the IMF's NAB, and authorization to lend to two IMF facilities – the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).

Quality Infrastructure

Global Infrastructure Facility (GIF): The Budget requests $5 million for a first-time contribution to the GIF, a World Bank financial intermediary fund that provides funding and technical assistance to design and structure high-quality infrastructure projects that attract and enable MDB and private sector co-financing (i.e., financing alongside MDBs), in line with the Administration's goals under the Partnership for Global Infrastructure and Investment.

Energy and Environment

Clean Technology Fund (CTF): The Budget requests $150 million for a contribution to the CTF to support developing countries' adoption of clean technologies in energy and transportation. The CTF complements the United States' bilateral efforts to promote a just energy transition and deployment of clean technology in targeted countries. Using $150 million for subsidy costs would enable a concessional loan to the CTF with an estimated value of $414.2 million.

Global Environment Facility (GEF): The Budget requests $150.2 million to cover the third installment of our pledge to the GEF's eighth replenishment (GEF-8). The GEF is a multilateral trust fund that provides mainly grant-based funding to assist developing and transitional countries in addressing global environmental challenges in five focal areas: (1) biodiversity; (2) chemicals and waste; (3) climate change; (4) land degradation (primarily deforestation and desertification); and (5) international waters. The GEF is a global leader in promoting the conservation of terrestrial and marine habitats.

Food Security

International Fund for Agricultural Development (IFAD): The Budget requests $54 million for the first of three installment payments to support IFAD programming during its thirteenth replenishment period (IFAD-13, covering the period 2025–2027). IFAD is dedicated to alleviating rural poverty, hunger, and malnutrition, and to supporting rural people to increase their incomes, productivity, and resilience.

Technical Assistance – Office of Technical Assistance

The Budget requests $40 million for Treasury's Office of Technical Assistance (OTA). Funding will enable OTA to respond to growing demand for technical assistance from EMDCs in key priority areas for the United States. Such areas include supporting our national security agenda by combating terrorist financing and financial crimes, helping countries fund and sustain their own development through improved domestic resource mobilization and debt management, promoting financial stability, and creating the conditions for private sector-led economic growth, including through increased investment in critical infrastructure.

Debt Restructuring and Relief

G20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative (the Common Framework), and Paris Club debt restructuring: The Budget requests $10 million for the United States' participation in debt restructuring and relief programs through multilateral initiatives including the Paris Club and G20. Since the COVID-19 pandemic, the United States has been participating in a G20 initiative—the Common Framework, which helps low-income countries restructure their debts through a multilateral framework, and where non-Paris Club creditors – including China – must provide comparable treatment. Given the rising debt burdens of many low-income countries, U.S. participation in the Common Framework and the Paris Club is critical, as these programs proactively work toward longer-term sustainability for low-income countries and aim to avoid prolonged and costly debt crises overseas which can have ramifications on the U.S. economy.

The Budget for this section also includes a recission of $111 million, obligated in FY 2021, for Sudan. These funds were to allow U.S. participation in debt relief under the Heavily Indebted Poor Country (HIPC) Initiative for Sudan in 2024, but the country's ongoing civil war has put an indefinite pause on this relief for the near term.

Treasury International Assistance Programs (TIAP)

The Budget requests $15 million in additional resources to establish a new account that would enable Treasury to meet new and emergent needs that can occur outside of the U.S. budget cycle through international financial institutions (IFIs), financial intermediary funds and trust funds administered by IFIs, and other international organizations, as well as debt restructuring and technical assistance. Requested resources will be used to support global macroeconomic and financial stability and international development, and to advance U.S. strategic priorities and leadership, including countering the influence of malign actors. Funding under TIAP will support Treasury in advancing U.S. leadership in galvanizing action and mobilizing resources from global partners, including key international organizations and stakeholders from both the public and private sector, and providing contingency resources in the event of an urgent call for debt restructuring and increased demand for technical assistance due to unexpected events and economic disruptions.

Summary Tables

Table 1: Treasury International Programs – Summary of Previous Appropriations and FY 2025 Request

In $ thousands	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request	FY 2024 Annualized CR to FY 2025	
				$ Change	% Change
Multilateral Development Banks	**1,906,315**	**1,906,315**	**2,168,215**	**261,900**	**13.7%**
International Bank for Reconstruction and Development (IBRD)	206,500	206,500	233,322	26,822	13.0%
International Development Association (IDA)	1,430,256	1,430,256	1,430,256	0	0.0%
African Development Bank (AfDB)	54,649	54,649	54,649	0	0.0%
African Development Fund (AfDF)	171,300	171,300	197,000	25,700	15.0%
Asian Development Fund (AsDF)	43,610	43,610	43,610	0	0.0%
Asian Development Bank (AsDB) Programs	0	0	84,378	84,378	-
European Bank for Reconstruction and Development (EBRD)	0	0	50,000	50,000	-
Inter-American Investment Corporation (IIC, or IDB Invest)	0	0	75,000	75,000	-
IMF Facilities and Trust Funds	**20,000**	**20,000**	**0**	**-20,000**	**-100.0%**
Quality Infrastructure	**0**	**0**	**5,000**	**5,000**	**-**
Global Infrastructure Facility (GIF)	**0**	**0**	5,000	5,000	**-**
Energy and Environment	**275,200**	**275,200**	**300,200**	**25,000**	**9.1%**
Clean Technology Fund (CTF)	125,000	125,000	150,000	25,000	20.0%
Global Environment Facility (GEF)	150,200	150,200	150,200	0	0.0%
Food Security	**53,000**	**53,000**	**54,000**	**1,000**	**1.9%**
International Fund for Agricultural Development (IFAD)	43,000	43,000	54,000	11,000	25.6%
Global Agriculture and Food Security Program (GAFSP)	10,000	10,000	0	-10,000	-100.0%
Office of Technical Assistance (OTA)	**38,000**	**38,000**	**40,000**	**2,000**	**5.3%**
Debt Restructuring	**72,000**	**72,000**	**-101,000**	**-173,000**	**-240.3%**
G-20 Common Framework for Debt Treatments, and Paris Club	52,000	52,000	10,000	-42,000	-80.8%
Offsets, rescissions	0	0	-111,000	-111,000	-
Tropical Forest and Coral Reef Conservation Act (TFCCA)	20,000	20,000	0	-20,000	-100.0%
Treasury International Assistance Programs	**0**	**0**	**15,000**	**15,000**	**-**
TOTAL	**2,364,515**	**2,364,515**	**2,481,415**	**116,900**	**4.9%**

Table 2: Unmet Commitments at International Financial Institutions
FY 2019 – FY 2025
(in $ thousands)

Institution	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Projected[1]
IDA Pledges	485,264	485,264	426,574	337,318	209,508	209,508	160,508
IDA MDRI	1,006,855	1,236,345	1,503,865	1,801,195	2,115,145	2,438,695	2,765,115
AfDF Pledges	154,191	154,191	154,191	114,191	114,191	139,893	87,193
AfDF MDRI	157,904	172,014	196,711	225,879	262,343	292,963	323,853
AsDF[2]	283,943	283,904	283,904	274,191	202,692	202,692	253,546
GEF	131,951	110,843	102,391	88,006	88,006	88,006	69,506
IFAD	3,833	3,833	3,833	3,833	3,833	3,833	0
MIF/ IDB Lab	25,710	25,710	25,710	25,710	25,710	25,710	25,710
MIGA	6,867	6,867	6,867	6,867	6,867	6,867	6,867
TOTAL	**2,256,517**	**2,478,970**	**2,704,045**	**2,877,189**	**3,028,295**	**3,408,167**	**3,692,299**
Total MDRI[3]	1,164,759	1,408,359	1,700,576	2,027,074	2,377,488	2,731,658	3,088,968
Total ex-MDRI	1,091,758	1,070,611	1,003,469	850,115	650,807	676,509	603,330

[1] This column lists the projected levels of unmet commitments if the FY 2024 and FY 2025 President's Budget requests are enacted.

[2] Due to the delay in securing authorization to subscribe to AsDF-13, Treasury submitted a modified encashment schedule to AsDB in March 2023 with a backloaded payment structure. As a result, unmet AsDF commitments in “FY 2023 Enacted,” “FY 2024 Annualized CR,” and “FY 2024 Projected” appear substantially lower than projections in previous Congressional Budget Justifications. The variations are a technical issue that have no bearing on the overall U.S. pledge to AsDF-13, which remains $174.44 million, or Treasury’s intent to fulfill that pledge.

[3] Unmet Multilateral Debt Relief Initiative (MDRI) commitments to IDA and AfDF will continue to increase unless Congress appropriates resources to cover amounts that come due annually.

SUMMARY OF FY 2025 APPROPRIATIONS LANGUAGE

Note.—A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

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, $312,294,000, of which not less than $9,000,000 shall be available for the administration of financial assistance, in addition to amounts otherwise available for such purposes: Provided, That of the amount appropriated under this heading— (1) not to exceed $650,000 is for official reception and representation expenses, of which not less than $300,000 shall be available for expenses to host and support G20 related events and shall remain available until September 30, 2026, and of which not to exceed $350,000 shall be for other 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 $42,000,000 shall remain available until September 30, 2026, 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 Cybersecurity and Critical Infrastructure Protection, including entering into cooperative agreements; (E) operations and maintenance of facilities; (F) international operations; and (G) investment security

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, $230,533,000, 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 $16,000,000 shall remain available until September 30, 2026.

CYBERSECURITY ENHANCEMENT ACCOUNT

For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, $150,000,000, to remain available until September 30, 2027: 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 $6,000,000 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 CAPITAL INVESTMENTS PROGRAM

For development and acquisition of automatic data processing equipment, software, and services; for the hire of zero emission passenger motor vehicles and for supporting charging or fueling infrastructure; for expenses related to realignment of leased office space within the District of Columbia; and for repairs and renovations to buildings owned by the Department of the Treasury, $14,470,196, to remain available until September 30, 2027: Provided, That these funds shall 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 transfer authority shall be in addition to any other transfer authority provided in this Act.

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, $50,174,000, 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, 2026, 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, $21,000,000, 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 2025, so as to result in a total appropriation from the general fund estimated at not more than $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; $179,026,000, of which $5,000,000 shall remain available until September 30, 2026; 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, $324,908,000. Of the amount appropriated under this heading— (1) not less than $210,000,000, 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, 2026, 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 $3,153,750 may be used for the cost of direct loans, of which up to $10,000,000, 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: 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 2016–2020 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]2020 Island areas Decennial Census data for any territory or possession of the United States; (2) not less than $25,000,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, 2026, 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 $35,000,000 is available until September 30, 2026, for the Bank Enterprise Award program; (4) not less than $9,000,000 is available until September 30, 2026, 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; (5) up to $35,908,000 is available 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 the development of tools to better assess and inform CDFI investment performance and CDFI program impacts, and up to $300,000 is for administrative expenses to carry out the direct loan program; and (6) up to $10,000,000 is available until September 30, 2026, 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, That commitments to guarantee bonds and notes under such section 114A shall not exceed $500,000,000: Provided further, That such section 114A shall remain in effect until December 31, 2026: 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 2016–2020 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, 2010, and 2020 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census.*

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 $25,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, $215,689,000, of which not to exceed $94,600,000 shall remain available until September 30, 2027.

BUREAU OF THE FISCAL SERVICE

SALARIES AND EXPENSES

For necessary expenses of operations of the Bureau of the Fiscal Service, $396,159,000; of which not to exceed $8,000,000, to remain available until September 30, 2027, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, $235,000, 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, $159,679,000; of which not to exceed $6,000 shall be available 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 remain available until September 30, 2026.

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 2025 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $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, $2,780,606,000, of which not to exceed $100,000,000 shall remain available until September 30, 2026, of which not less than $11,000,000 shall be for the Tax Counseling for the Elderly Program, of which not less than $26,000,000 shall be available for low-income taxpayer clinic grants, including grants to individual clinics of up to $200,000, of which not less than $55,000,000, to remain available until September 30, 2026, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance, and of which not less than $236,000,000 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 $7,000,000 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, $5,437,622,000; of which not to exceed $250,000,000 shall remain available until September 30, 2026; of which not less than $60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed $35,000,000 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 "Technology and Operations Support" heading.*

TECHNOLOGY AND OPERATIONS SUPPORT

For necessary expenses to operate 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; $4,100,826,000, of which not to exceed $275,000,000 shall remain available until September 30, 2026; 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, 2027, for research; 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 major information technology investments in the Internal Revenue Service 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 2026, a summary of cost and schedule performance information for its major information technology systems.

ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE

SEC. 101. *Not to exceed 8 percent of any funds made available in this Act or any other provision of law to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance notification to 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. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this Act or any other provision of to appoint, without regard to sections 3304 and 3309 through 3319 of title 5, United States Code, qualified candidates to positions in the competitive service in occupations for which the Secretary of the Treasury (or the Secretary's delegate) ("the Secretary") has determined in writing that that there is a critical hiring need or severe shortage of highly qualified candidates: Provided, That the Secretary shall consult with the Office of Personnel Management (OPM) on the positions to recruit (including quantity), as well as candidate recruitment, assessment, and selection policies; issue guidance to human resources practitioners in the Internal Revenue Service on use of this authority; use OPM qualification standards in all appointments made; and exercise this authority consistent with the requirements in any collective bargaining agreement between the Internal*
Revenue Service and a labor organization which has been granted exclusive recognition under chapter 71 of title 5, United States Code: Provided further, That no later than 180 days after expiration of this authority, the Secretary shall, in consultation with the Director of OPM, provide a report to Congress that includes demographic data of individuals hired pursuant to this authority; salary information of individuals hired pursuant to this authority; and how IRS exercised this authority consistent with merit systems principles: Provided further, That the appointment authority under this section shall expire September 30, 2027.
SEC. 112. *Notwithstanding section 1344 of title 31, United States Code, funds appropriated to the Internal Revenue Service in this Act may be used to provide passenger carrier transportation and protection between the Commissioner of Internal Revenue's residence and place of employment.*

SEC. 113. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this Act or any other provision of law, subject to such policies as the Secretary (or the Secretary's delegate) may establish, to take such personnel actions as the Secretary (or the Secretary's delegate) determines necessary to administer the Internal Revenue Code of 1986, including (1) in addition to the authority under section 7812(1) of the Internal Revenue Code of 1986, appointing not more than 200 individuals to positions in the Internal Revenue Service under streamlined critical pay authority subject to the requirements and conditions under section 9503 of title 5, United States Code, except that subsection 9503(a)(3) of such title shall not apply; and (2) appointing not more than 300 individuals to positions in the Internal Revenue Service at any one time for which (A) the rate of basic pay may be established by the Secretary of the Treasury (or the Secretary's delegate) at a rate that does not exceed the salary set in accordance with section 104 of title 3, United States Code; and (B) the total annual compensation paid to an employee in such a position, including allowances, differentials, bonuses, awards, and similar cash payments, may not exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3, United States Code: Provided, That the authority provided under this paragraph shall expire on September 30, 2031.*

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY (INCLUDING TRANSFERS OF FUNDS)

SEC. 113. *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. 114. *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, "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 prior notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That no such transfer may increase or decrease any such appropriation by more than 2 percent: Provided further, That, upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate, not to exceed 5 percent of any appropriation made available under the heading "Office of Terrorism and Financial Intelligence" and "Financial Crimes Enforcement Network" may be transferred between such appropriations.*

SEC. 115. *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 prior 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. 116. *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. 117. *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. 118*. 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 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. 119. *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 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. 120. *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 2025 until the enactment of the Intelligence Authorization Act for Fiscal Year 2025.*

SEC. 121. *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. 122*. During fiscal year 2025— (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*. 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. 124. *(a) Not later than 60 days after the end of each quarter, 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 Research shall make officials available to testify on the contents of the reports required under subsection (a).
***SEC. 125**. In addition to amounts otherwise available, there is appropriated to the Special Inspector General for Pandemic Recovery, $5,327,000, to remain available until expended, for necessary expenses in carrying out section 4018 of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136).*
***SEC. 126.** Not to exceed 5 percent of any appropriation made available in this Act for the Department of the Treasury may be transferred to the Department's information technology system modernization and working capital fund (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91), for the purposes specified in section 1077(b)(3) of such Act, upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That amounts transferred to the IT WCF under this section shall remain available for obligation through September 30, 2028.*
***SEC. 127.** Up to $1,000,000 of any appropriation in this title may be transferred to the Special Inspector General for Pandemic Recovery appropriation upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate.*
***SEC. 128.** Amounts made available under section 601(f)(3) of the Social Security Act (42 U.S.C. 801(f)(3)) shall be available for any necessary expenses of the Department of the Treasury Office of Inspector General with respect to section 601 of that Act, subtitle A of title V of division N of the Consolidated Appropriations Act, 2021, and section 3201 of the American Rescue Plan Act of 2021, in addition to amounts otherwise available for such purposes.*

Mandatory Outlays for the 2025 President's Budget – Treasury Chapter

(Dollars in Millions, Includes Legislative Proposals)

Outlays (Dollars in Millions)	FY 2023 Actual	FY 2024 Estimated	FY 2025 Estimated	FY 2025 $ Change	FY 2025 % Change
INTEREST PAYMENTS					
Payment to the Resolution Funding Corporation	920	920	920	0	0.0%
Interest on Uninvested Funds	21	24	23	(1)	-4.2%
Restitution of Forgone Interest	3,292	0	0	0	0.0%
Federal Interest Liabilities to States	0	1	1	0	0.0%
Interest Paid to Credit Financing Accounts	11,883	13,692	13,379	(313)	-2.3%
Refunding Internal Revenue Collections, Interest	10,229	4,242	3,133	(1,109)	-26.1%
Interest on Public Debt	879,307	1,143,615	1,209,636	66,021	5.8%
Other Interest	(52,186)	(65,253)	(65,865)	(612)	0.9%
Subtotal, INTEREST PAYMENTS	$853,466	$1,097,241	$1,161,227	$63,986	5.8%
MANDATORY ACCOUNTS					
MANDATORY PROGRAMS					
Capital Magnet Fund, Community Development Financial Institutions	118	318	259	(59)	-18.6%
Check Forgery Insurance Fund	20	3	2	(1)	-33.3%
Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund	1	0	1	1	0.0%
Claims, Judgments, and Relief Acts	2,011	2,020	2,069	49	2.4%
Community Development Financial Institutions Fund Program Account	11	11	3	(8)	-72.7%
Comptroller of the Currency	1,144	1,183	1,191	8	0.7%
Continued Dumping and Subsidy Offset	8	19	2	(17)	-89.5%
Debt Collection Fund	167	199	209	10	5.0%
Federal Reserve Bank Reimbursement Fund	633	732	721	(11)	-1.5%
Federal Tax Lien Revolving Fund	0	1	1	0	0.0%
Financial Agent Services	1,151	1,366	1,533	167	12.2%
Financial Integrity Fund	0	0	5	5	0.0%
Financial Research Fund	94	110	141	31	28.2%
Fiscal Service, Salaries and Expenses [1]	1	1	2	1	100.0%
GSE Mortgage-backed Securities Purchase Program Account	0	2	1	(1)	-50.0%
Guam World War II Claims Fund	0	1	1	0	0.0%
Gulf Coast Restoration Trust Fund	119	270	285	15	5.6%
IRS, Informant Payments	77	421	104	(317)	-75.3%
IRS, Miscellaneous Retained Fees	7	3	3	0	0.0%
IRS, Private Collection Agent Program	188	294	284	(10)	-3.4%
Office of Financial Stability	26	4	0	(4)	-100.0%
Office of Inspector General	3	0	0	0	0.0%
Presidential Election Campaign Fund	47	190	0	(190)	-100.0%
Reimbursements to Federal Reserve Banks	163	253	199	(54)	-21.3%
Small Business Lending Fund Program Account	1	2	1	(1)	-50.0%
Social Impact Demonstration Projects	1	2	8	6	300.0%
Special Inspector General for the Troubled Asset Relief Program	6	7	0	(7)	-100.0%
Terrorism Insurance Program	7	28	74	46	164.3%
Travel Promotion Fund	28	220	100	(120)	-54.5%
Treasury Forfeiture Fund	1,101	592	788	196	33.1%
Troubled Asset Relief Program, Housing Programs	125	0	0	0	0.0%
Subtotal, MANDATORY PROGRAMS	$7,258	$8,252	$7,987	($265)	-3.2%
TAX DIRECT SPENDING					
Advanced Manufacturing Investment Credit	0	1,938	2,010	72	3.7%
Build America Bond Payments, Recovery Act	2,470	2,316	2,289	(27)	-1.2%
Child and Dependent Care Tax Credit	228	70	7	(63)	-90.0%
Clean Vehicle Credit	0	206	560	354	171.8%
Credit for Previously-owned Clean Vehicles	0	301	407	106	35.2%
Elective Payment for Energy Property and Electricity Produced from Certain Renewable Resources, Etc	0	8,697	12,309	3,612	41.5%
First-Time Homebuyer and Home Seller Credits [2]	0	0	11,287	11,287	0.0%
Internal Revenue Collections for Puerto Rico	362	374	379	5	1.3%
Payment of Government Losses in Shipment	0	21	16	(5)	-23.8%
Payment to Issuer of New Clean Renewable Energy Bonds	38	38	37	(1)	-2.6%
Payment to Issuer of Qualified Energy Conservation Bonds	30	30	30	0	0.0%
Payment to Issuer of Qualified School Construction Bonds	533	532	529	(3)	-0.6%
Payment to Issuer of Qualified Zone Academy Bonds	115	40	39	(1)	-2.5%
Payment to United States Virgin Islands and Puerto Rico for Disaster Tax Relief	0	51	0	(51)	-100.0%
Payment Where Adoption Credit Exceeds Liability for Tax [2]	0	0	0	0	0.0%
Payment Where American Opportunity Credit Exceeds Liability for Tax [2]	2,612	2,459	2,428	(31)	-1.3%
Payment Where Certain Tax Credits Exceed Liability for Corporate Tax	3,097	1,250	250	(1,000)	-80.0%
Payment Where Child Tax Credit Exceeds Liability for Tax [2]	29,049	28,722	214,940	186,218	648.3%
Payment Where Earned Income Credit Exceeds Liability for Tax [2]	55,468	56,387	70,761	14,374	25.5%
Payment Where Health Coverage Tax Credit Exceeds Liability for Tax	11	2	0	(2)	-100.0%
Refundable Premium Tax Credit [2]	99,281	86,787	82,147	(4,640)	-5.3%
Refundable Savers Credit [2]	0	0	0	0	0.0%
Subtotal, TAX DIRECT SPENDING	$193,294	$190,221	$400,425	$210,204	110.5%

(table continues next page)

Outlays (Dollars in Millions)	FY 2023 Actual	FY 2024 Estimated	FY 2025 Estimated	FY 2025 $ Change	FY 2025 % Change
PANDEMIC RESPONSE AND RECOVERY PROGRAMS					
Air Carrier Worker Support	8	5	1	(4)	-80.0%
Community Development Financial Institutions Fund Program, Emergency Support	1,290	268	117	(151)	-56.3%
Coronavirus Relief, Fiscal Recovery, and Critical Capital Projects Funds	3,047	2,325	3,500	1,175	50.5%
Economic Impact Payments	2,178	589	132	(457)	-77.6%
Economic Stabilization Program Account	12	16	3	(13)	-81.3%
Emergency Capital Investment Fund	297	75	185	110	146.7%
Emergency Rental Assistance	3,626	180	12	(168)	-93.3%
Homeowner Assistance Fund	281	67	28	(39)	-58.2%
State Small Business Credit Initiative	1,252	2,504	462	(2,042)	-81.5%
Transportation Services Economic Relief	20	17	0	(17)	-100.0%
U.S. Coronavirus Refundable Credits [2]	51,522	34,629	12,995	(21,634)	-62.5%
Subtotal, PANDEMIC RESPONSE AND RECOVERY PROGRAMS	$63,533	$40,675	$17,435	($23,240)	-57.1%
FUNDING THE INTERNAL REVENUE SERVICE AND IMPROVING TAXPAYER COMPLIANCE					
Departmental Offices, Salaries and Expenses	9	26	24	(2)	-7.7%
IRS, Business Systems Modernization [2]	495	1,106	1,795	689	62.3%
IRS, Direct Efile Taskforce	4	8	0	(8)	-100.0%
IRS, Enforcement [2]	103	1,182	2,241	1,059	89.6%
IRS, Energy Security	0	166	180	14	8.4%
IRS, Taxpayer Services [2]	946	945	1,295	350	37.0%
IRS, Technology and Operations Support [2]	1,109	3,071	3,435	364	11.9%
Treasury Inspector General for Tax Administration	13	54	40	(14)	-25.9%
Subtotal, FUNDING THE INTERNAL REVENUE SERVICE AND IMPROVING TAXPAYER COMPLIANCE	$2,679	$6,558	$9,010	$2,452	37.4%
OFFSETS TO MANDATORY OUTLAYS					
Treasury Mandatory Offsetting Receipts	(6,976)	(9,741)	(10,943)	(1,202)	12.3%
Treasury Offsetting Collections	(20,160)	(2,299)	(2,574)	(275)	12.0%
TOTAL OFFSETS	($27,136)	($12,040)	($13,517)	($1,477)	12.3%
TOTAL, DEPARTMENT OF THE TREASURY	**$1,093,094**	**$1,330,907**	**$1,582,567**	**$251,660**	**18.9%**
Non-Budget Mandatory Outlays and Offsets (Non-add)					
Federal Financing Bank, Interest Payments and Other Operating Expenses [3]	$2,720	$5,527	$7,808	$2,281	41.3%
Federal Financing Bank, Offsetting Collections [3]	(2,952)	(5,683)	(7,949)	(2,266)	39.9%

[1] The Budget proposes, beginning in 2025, to authorize the Bureau of the Fiscal Service to retain and use fees collected as it administers the surety bond program for the federal government.

[2] See the Greenbook for information about a Budget proposal for this account: https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals.

[3] The Federal Financing Bank serves as a means of financing other federal agencies' debt and credit activity pursuant to its authorizations, the budgetary impacts of the financed activities are captured in the Budget presentations of the other government accounts.

Total Department of the Treasury (Treasury) Mandatory Budget

The Treasury Mandatory Budget includes $1,583 billion in outlays for interest payments and mandatory appropriations net of offsetting receipts and collections in 2025. These accounts and the estimated outlays are summarized in the table above. For more detailed descriptions of each account, please see the Department of the Treasury chapter in the 2025 *Appendix*, Budget of the U.S. Government at: https://www.whitehouse.gov/omb/budget/.

Interest Payments - $1,161 billion

These are permanent, indefinite funds for interest payments. This category of spending is largely interest on the public debt, which consists of all interest paid on Treasury securities sold to the public and to Federal Government trust funds, revolving funds, and deposit funds. Treasury interest payment accounts also consist of interest paid to credit financing accounts, interest on refunds of internal revenue collections, and payments to the Resolution Funding Corporation. Other interest mainly includes interest receipts paid to Treasury from credit financing accounts and interest earnings on other Federal loans and invested balances.

Mandatory Programs - $8 billion
These are accounts for which the Congress has given Treasury permanent authority to expend funds as appropriations. These include appropriations that fund a number of mandatory programs under Treasury jurisdiction and certain payments mandated by law, such as claims or judgments against the Government.

The Department is also a custodian for a number of government accounts and funds listed in this section and further detailed in the 2025 *Appendix*, Budget of the U.S. Government.

Tax Direct Spending - $400 billion
Tax direct spending accounts have permanent authority to pay refundable tax credits. These credits allow for refunding amounts that exceed a taxpayer's tax liability, resulting in an outlay of budget authority. These tax credits include Payment Where Child Tax Credit Exceeds Liability for Tax, Refundable Premium Tax Credit, and Payment Where Earned Income Credit Exceeds Liability for Tax.

Pandemic Response and Recovery Programs - $17 billion
Treasury is responsible for administering multiple relief and recovery programs authorized and appropriated in 2020 and 2021 through the Families First Coronavirus Response Act, CARES Act, Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. Outlays in 2025 include ongoing estimated refundable tax credits against certain employment tax provisions enacted as responses to the pandemic, and financial assistance to States, Tribes, and local governments for fiscal recovery and critical capital projects. For more information about Treasury's continuing administration of pandemic response programs please see the chapter for Departmental Offices.

Funding the Internal Revenue Service and Improving Taxpayer Compliance - $9 billion
The Inflation Reduction Act of 2022 (IRA) enacted $80 billion in mandatory appropriations for the Internal Revenue Service (IRS), Treasury Departmental Offices, and the Treasury Inspector General for Tax Administration (TIGTA). In most cases, these amounts are available until 2031 and Treasury will be spending these funds over the remaining years of availability. For more information about Treasury's implementation of these provisions of the IRA, please see respective chapters for IRS, Departmental Offices, and TIGTA.

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). Offsetting receipts offset gross budget authority and outlays at the agency or bureau level. Offsetting collections offset gross budget authority and outlays at the account level.

Treasury's mandatory offsetting receipts include Government Sponsored Enterprises (GSE) fees and estimated proceeds from Air Carrier Equity related transactions. Treasury's mandatory offsetting collections include the payments made to accounts such as the Office of Comptroller of the Currency and the Exchange Stabilization Fund.