

U.S. DEPARTMENT OF COMMERCE
DEPARTMENTAL MANAGEMENT



FY 2018 CONGRESSIONAL SUBMISSION

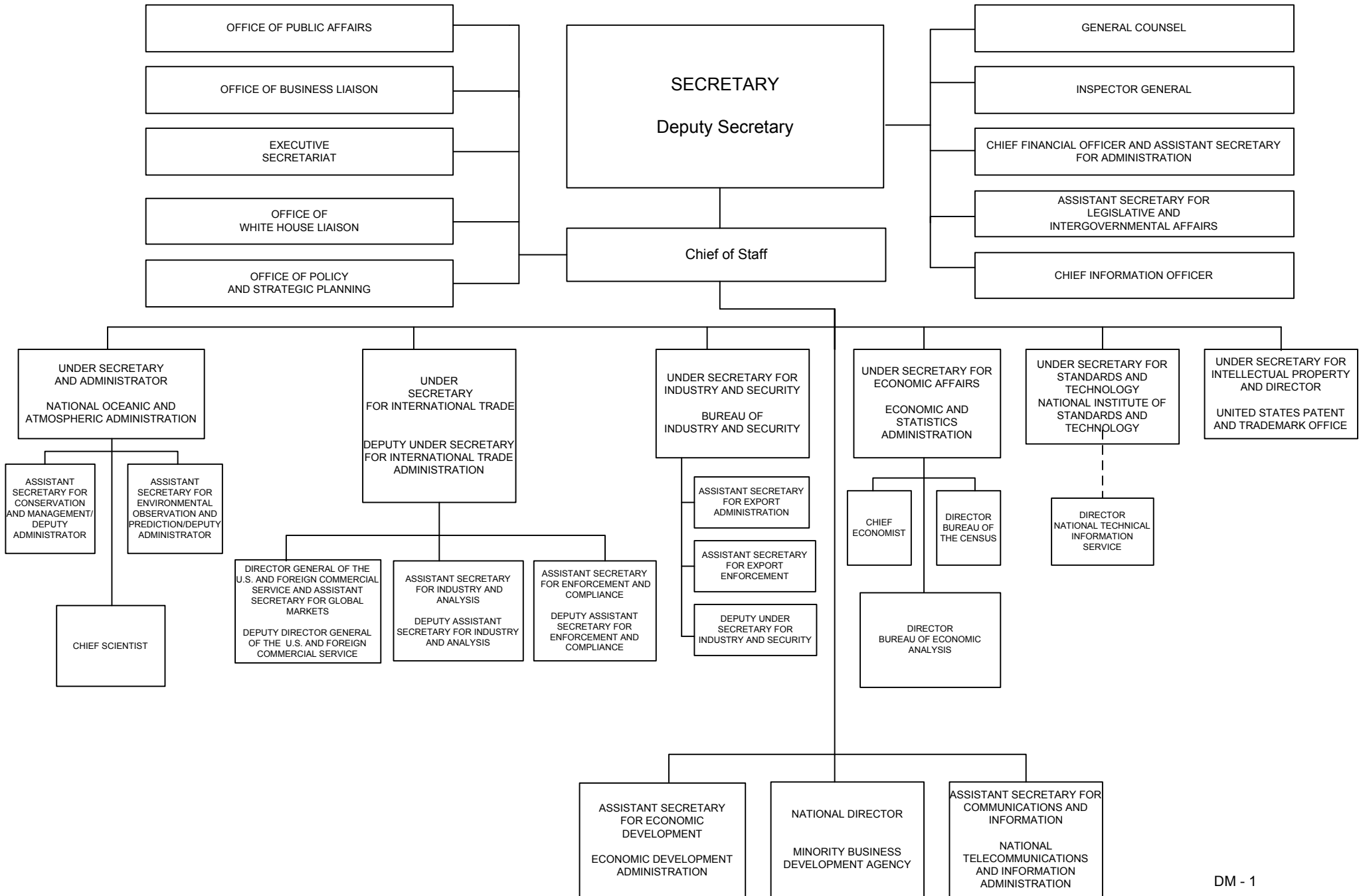
Department of Commerce
 Departmental Management
 Budget Estimates, Fiscal Year 2018
 Congressional Submission

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U.S. DEPARTMENT OF COMMERCE



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**Department of Commerce
Departmental Management**

Executive Summary

The mission of the Department of Commerce (DOC) is to create the conditions for economic growth and opportunity. The Department works with businesses, universities, communities, and the Nation's workers to promote job creation, economic growth, sustainable development, and improved standards of living for Americans.

The DOC Strategic Plan for Fiscal Years (FY) 2014-2018 provides a broad foundation for economic growth and opportunity by focusing on five key priorities:

- **Trade and Investment.** Expanding the U.S. economy through increased exports and foreign direct investment that leads to more and better American jobs.
- **Innovation.** Fostering a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness.
- **Data.** Improve government, business, and community decisions and knowledge by transforming Department data capabilities and supporting a data-enabled economy.
- **Environment.** Ensuring communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment.
- **Operational Excellence.** Delivering better services, solutions, and outcomes that benefit the American people.

The full DOC Strategic Plan for FY 2014-2018 can be accessed via:

<http://www.osec.doc.gov/bmi/budget/>

Departmental Management's (DM) objective is to develop and provide policies and procedures for administrative planning, oversight, coordination, direction, and guidance to ensure implementation of the Department's mission.

DM is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for the development and implementation of Departmental policies, coordinates the bureaus' program activities to accomplish the Departmental mission, provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines. In FY 2018, DM is seeking an increase that would:
 - Support the staffing and associated costs to expand investigations and threat management activities within the Office of Security's Investigations and Threat Management Division.
- The **Working Capital Fund** is a reimbursable fund providing necessary centralized services to the client bureaus. These services include the Office of General Counsel, Chief Information Officer, Executive Direction, Security, Human Resources Management, Civil Rights, Financial Management, Facilities and Environmental Quality, Acquisition Management, Enterprise Services, and Privacy and Open Government.
- The **Herbert C. Hoover Building (HCHB) Renovation and Modernization** account provides no-year funding for the Department's expenses associated with the renovation and

modernization of HCHB. Renovation and modernization of the Department's headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, security upgrades, and historic preservation of some features.

A full-year 2017 appropriation was not enacted at the time the FY 2018 Budget was prepared; therefore, the Budget assumes the Department is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

SUMMARY OF REQUESTED APPROPRIATIONS
(Dollar amounts in thousands)

<u>Appropriation</u>		<u>2017</u>		<u>2018</u>		<u>Increase (+)</u>	
		<u>CR (Annualized)</u>		<u>Estimate</u>		<u>Decrease (-)</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Salaries and Expenses	Pos./ Approp.	200	57,890	220	63,000	20	5,110
	FTE	158		178		20	
HCHB Renovation and Modernization	Pos./ Approp.	5	19,026	5	1,000	0	(18,026)
	FTE	5		5		0	
Total Budget Authority	Pos./ Approp.	205	76,916	225	64,000	20	(12,916)
	FTE	163		183		20	

**Department of Commerce
Departmental Management
FY 2018 PROGRAM INCREASES / DECREASES / TERMINATIONS**
(Dollar amounts in thousands)
(Largest to Smallest)

Increases

Page No. in CJ	Appropriation	Budget Program	Activity/Subactivity	FTE	Budget Authority
DM - 20	Salaries and Expenses	Operations and Administration	Funding for expansion of the Investigations and Threat Management Division (ITMD)	20	5,000
Subtotal, Increases				20	5,000

Decreases

Page No. in CJ	Appropriation	Budget Program	Activity/Subactivity	FTE	Budget Authority
DM - 24	Salaries and Expenses	Operations and Administration	Programmatic Activities Reductions	0	-1,252
DM - 49	Working Capital Fund	Operations and Administration	WCF Program Reductions	0	-4,683
Subtotal, Decreases				0	-5,935

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Department of Commerce
 Departmental Management
 Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2017 CR (Annualized)	200	158	57,890	61,697
less: Obligations from prior years			0	(3,807)
plus: 2018 Adjustments to base	0	0	1,362	1,362
2018 Base	200	158	59,252	59,252
plus: 2018 Program Changes	20	20	3,748	3,748
2018 Estimate	<u>220</u>	<u>178</u>	<u>63,000</u>	<u>63,000</u>

Comparison by activity:	2016 Actual		2017 CR (Annualized)		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Operations and Administration	Pos./BA	199	61,750	200	57,890	200	59,252	220	63,000	20	3,748
	FTE/Obl.	158	60,491	158	61,697	158		178		20	
TOTALS	Pos./BA	199	61,750	200	57,890	200	59,252	220	63,000	20	3,748
	FTE/Obl.	158	60,491	158	61,697	158		178		20	
Adjustments to Obligations:											
Unobligated balance, start of year			(257)		(3,807)						
Unobligated balance, transferred			(2,650)								
Unobligated balance, end of year			3,807								
Unobligated balance, expiring			359								
Financing from Transfers:											
Transfer from other accounts (-)			(3,750)								
Transfer to other accounts (+)											
Appropriation		58,000		57,890		59,252		63,000			3,748

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Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

		2016 Actual		2017 CR (Annualized)		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	81		81		81		81		0	
	FTE/Obl.	81	89,226	81	93,648	81	93,510	81	93,510	0	0
TOTALS	Pos./BA	81		81		81		81		0	
	FTE/Obl.	81	89,226	81	93,648	81	93,510	81	93,510	0	0
Adjustments to Obligations:											
	Recoveries (COMMITTS)		(22)								
	Unobligated balance, start of year (COMMITTS)		(1,016)		(138)						
	Unobligated balance, transferred										
	Unobligated balance, end of year		138								
	Unobligated balance, expiring										
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Reimbursable Authority			88,326		93,510		93,510		93,510		0

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
Total Obligations	149,717	155,345	152,762	156,510	3,748
Offsetting collections from:					
Federal funds	(88,326)	(93,510)	(93,510)	(93,510)	0
Trust funds					
Non-Federal sources					
Recoveries	(22)				
Unobligated balance, start of year	(1,273)	(3,945)			
Unobligated balance, transferred	(2,650)				
Unobligated balance, end of year	3,945				
Unobligated balance, expiring	359				
Budget Authority	<u>61,750</u>	<u>57,890</u>	<u>59,252</u>	<u>63,000</u>	<u>3,748</u>
Financing:					
Transfer from other accounts (-)	(3,750)	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>58,000</u>	<u>57,890</u>	<u>59,252</u>	<u>63,000</u>	<u>3,748</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Adjustments:</u>		
Restoration of FY 2017 Rescission		110
 <u>Other Changes:</u>		
Pay Raises		735
Annualization of FY 2017 Pay Raise Pay raise of 2.1% effective January 1, 2017.		
Total cost in FY 2018 of the FY 2017 pay increase		826,000
Less amount requested in FY 2017		(472,000)
Amount requested in FY 2018 for FY 2017 pay increase		354,000
 FY 2018 Pay Raise A general pay raise of 1.9% is assumed to be effective January 1, 2018.		
Total cost in FY 2018 of pay increase		381,000
Amount requested in FY 2018 for FY 2018 pay increase		381,000
 Civil Service Retirement System (CSRS) The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 6.6% in FY 2017 to 5.1% in FY 2018. The contribution rate will remain the same at 7.00% for FY 2017 and FY 2018.		(23)
FY 2018 (\$21,476,000 x .051 x .070)		76,669
FY 2017 (\$21,476,000 x .066 x .070)		99,219
Total adjustment to base		(22,550)

Department of Commerce
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 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Federal Employees' Retirement System (FERS)		44
<p>The estimated percentage of payroll for employees covered by FERS will increase from 93.4% in 2017 to 94.9% in FY 2018. The contribution rate will remain the same at 13.7% for FY 2017 and FY 2018.</p>		
FY 2018 (\$21,476,000 x .949 x .137)		2,792,159
FY 2017 (\$21,476,000 x .934 x .137)		2,748,026
Total adjustment to base		44,133
Thrift Savings Plan (TSP)		14
<p>The cost of agency contributions for TSP will increase from 93.4% in 2017 to 94.9% in FY 2018. The contribution rate has will remain the same at 4.4% for FY 2017 and FY 2018.</p>		
FY 2018 (\$21,476,000 x .949 x .044)		896,752
FY 2017 (\$21,476,000 x .934 x .044)		882,578
Total adjustment to base		14,174
Federal Insurance Contributions Act (FICA) - OASDI		7
<p>The annual salary subject to the OASDI tax will increase from \$127,200 in FY 2017 to \$130,950 in FY 2018. The percent of salaries below the cap will increase from 93.4% in FY 2017 to 94.9% in FY 2018. The total salaries taxable by OASDI will decrease from 90.6% for FY 2017 to 89.7% in FY 2018. The OASDI tax rate remains the same 6.2% in FY 2018. The combination of the above adjustments results in a net increase of \$6,945.</p>		
FERS payroll subject to FICA tax in FY 2018 (\$21,476,000 x .949 x .897 x .062)		1,133,454
FERS payroll subject to FICA tax in FY 2017 (\$21,476,000 x .934 x .906 x .062)		1,126,731
Subtotal		6,723
Other payroll subject to FICA tax in FY 2018 (\$450,000 x .949 x .897 x .062)		23,750
Other payroll subject to FICA tax in FY 2017 (\$450,000 x .934 x .906 x .062)		23,609
Subtotal		141
Total adjustment to base		6,864
Health Insurance		82
<p>Effective January 2016, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 5.2%. Applied against the FY 2017 estimate of \$1,578,000 the additional amount required is \$82,056.</p>		
Employee Compensation		(30)
<p>The Employees Compensation Fund is based on an actual billing from the Department of Labor.</p>		

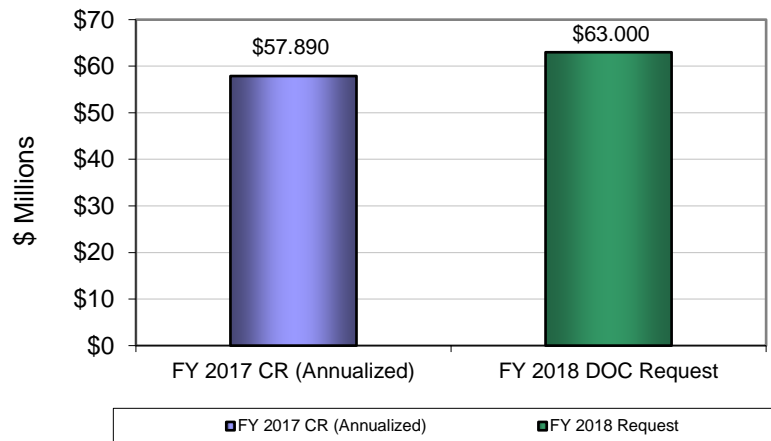
Department of Commerce
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 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Travel, Per Diem GSA has established standard travel per diem rates for destinations within the Continental United States resulting in a 1.4% increase. This percentage applied against the FY 2017 estimate of \$228,000 results in an increase of \$3,192.	3	3
Rental Payments to GSA GSA rates are projected to increase in FY 2018. An additional \$68,972 is required to fund this increase.	69	69
Printing and Reproduction There is an estimated rate increase of 2.0% for printing and reproduction. This percentage was applied to the FY 2017 estimate of \$131,000 to arrive at an increase of \$2,620.	3	3
Working Capital Fund An estimate of \$96,000 is requested to fund cost increases in Departmental Management's Working Capital Fund.	96	96
General Pricing Level Adjustment This request applies OMB economic assumptions for FY 2018 of 2.0% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to communications, utilities, and miscellaneous charges (excluding postage & FTS) (\$4,780); rental payments to others (\$0); other services (\$238,791); supplies and materials (\$5,920); and equipment (\$2,760), for a total increase of \$252,251.	252	252
Subtotal, Other Changes	0	1,252
Total FY 2018 Adjustments to Base	0	1,362

Department of Commerce
 Departmental Management
 Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Compare by activity:		2016 Actual		2017 CR (Annualized)		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	199	61,750	200	57,890	200	59,252	220	63,000	20	3,748
	FTE/Obl.	158	60,491	158		158	0	178	0	20	0
TOTALS	Pos./BA	199	61,750	200	57,890	200	59,252	220	63,000	20	3,748
	FTE/Obl.	158	60,491	158	61,697	158		178		20	

**Department of Commerce
Departmental Management
Salaries and Expenses**



APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration

For FY 2018, Departmental Management (DM) requests a total of \$63,000,000 and 178 FTE for Salaries and Expenses (S&E) (including inflationary adjustments). This funding includes a net increase of \$5,110,000 and 20 FTE, with programmatic changes of \$5,000,000 and 20 FTE and a decrease of \$1,252,000 in programmatic reduction, and an increase of \$1,362,000 in inflationary adjustments.

PROGRAM JUSTIFICATION:

Salaries and Expenses Overview

DM provides Departmental policies, planning, and administrative guidance to ensure the efficient and effective implementation of the Department’s mission statement. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch, for legislative affairs, and private sector groups. Furthermore, DM is the management and administrative control point for the Department. The S&E Appropriation funds the senior officials and support staff responsible for providing leadership in ensuring the accomplishment of the Department’s mission.

S&E Operations and Administration funding supports coordination of bureau program activities and development and implementation of the Department’s internal policies, procedures, and other administrative guidelines. Functions include the oversight, direction and coordination of the Department’s many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments. This funding is also used to assist the Secretary in planning, supervising, and directing resources and programs and executing his obligations under law, providing consistency in the bureaus’ administrative operations. Activities of DM S&E relate to DOC’s Performance Goal of identifying and effectively managing human and material resources critical to the success of the Department’s strategic goals.

Key offices that support these functions are the Office of the Secretary (OS), Deputy Secretary, Small and Disadvantaged Business Utilization (merged into Deputy Secretary in FY 2016), Chief of Staff, Executive Secretariat, Office of Business Liaison, Office of Legislative and Intergovernmental Affairs, Policy and Strategic Planning, and the Office of Public Affairs. Other key offices are as follows:

- The Office of General Counsel (OGC) provides legal advice, guidance and services on matters involving Departmental programs and components and supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
- The Office of the Chief Information Officer (OCIO) leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of IT. OCIO implements Government-wide and Departmental policies, programs and activities in all aspects of IT management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for administration and provides Department-wide coordination and technical support for the development and operation of IT resources, including telecommunications.

The Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) oversees the Department's financial resources, human resources management, and facilities. The CFO/ASA establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations in Commerce's operating units and coordinates implementation of Government-wide and DM reforms. The CFO/ASA also manages the Department's headquarters located in the Herbert C. Hoover Building in Washington, D.C. The following offices fall within CFO/ASA:

- The Office of Security (OSY) plans, develops, and implements policies and procedures for managing and delivering security services for the Department. OSY provides counterespionage, anti-terrorism and emergency management program support, puts forth guidance to Departmental offices and operating units regarding security matters as they relate to the protection of personnel, facilities, property and information. Specifically, OSY establishes and enforces policies and procedures for conducting background investigations and granting security clearances; safeguarding classified and sensitive documents and information; assessing threats and determining risks to Departmental assets; and ensuring proper communications security for classified information.
- The Office of Human Resources Management (OHRM) implements Government-wide and Departmental policies, programs, and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, Department-wide oversight and evaluation of human resources management activities, unemployment and workers' compensation, employee health and safety, employee benefits, and drug testing.
- The Office of Civil Rights (OCR) develops and manages the Department's Equal Employment Opportunity (EEO) policies and programs, and conducts discrimination complaint investigations and adjudications, and provides equal employment program support and affirmative action program support to selected operating units.
- The Office of Financial Management (OFM) implements policies and procedures for Departmental financial management operations, provides consolidated financial reporting, internal controls, and develops and maintains the Commerce Business System, the Department's financial management system. OFM provides complete financial stewardship for all activities included in DM, and oversees and administers all budget functions for the OS. OFM manages the Department's Working Capital Fund (WCF), provides financial support

and guidance Department-wide, and provides Departmental-level management of travel, personal property and fleet motor vehicles.

- The Office of Facility and Environmental Quality (OFEQ) provides Department-level management of real property, energy, and environmental programs. OFEQ provides management of the following HCHB programs and services: publications; printing; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and renovations; labor services; historic preservation; and shipping/receiving.
- The Office of Acquisition Management (OAM) develops, coordinates, and maintains the Department's acquisition regulations, policies, and procedures. OAM provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the OS, selected special projects and related administrative support. Also, OAM performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures and manages Competitive Sourcing A-76/FAIR Act Program. OAM also develops and oversees implementation of integrated, enterprise-wide policies, procedures, and strategies for assessing and managing risk, and conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department.
- The Office of Privacy and Open Government (OPOG) develops and manages Departmental compliance with privacy policies as per the Privacy Act of 1974, the E-Government Act of 2002, and the Federal Information Security Management Act. The office also coordinates the Department's response to incidents involving personally identifiable information, administers the Departmental Freedom of Information Act (FOIA) program, administers and coordinates the Departmental transparency and open government activities, manages the Department's numerous Federal Advisory Committee Act advisory committees, and manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department.
- The Office of Budget's (OB) primary responsibility is helping to prepare and defend the Department's annual budget request. The Office also supports long-range planning, conducts Department-level budget execution activities, supports development of performance measures and annual performance plans, and helps bureaus implement Commerce budget procedures and policies.

SIGNIFICANT INFLATIONARY ADJUSTMENTS:

DM requests an increase of \$1,362,000 and 0 FTE above the FY 2017 CR annualized level to fund inflationary adjustments for base program activities. The increase will fund the estimated 2018 Federal pay raise of 1.9 percent. The increase will also provide inflationary increases for General Pricing Level Adjustments (non-labor activities, including service contracts, utilities, field office lease payments, rent charges from the General Service Administration). In addition, this increase includes inflationary costs for the Departmental Working Capital Fund.

PROGRAM CHANGE(S):

S&E: Commerce is requesting an increase of \$5,000,000 and 20 FTE for investigations and threat management activities.

Additionally, DM proposes a net decrease of \$1,252,000 and 0 FTE. Departmental Management performed an assessment of its offices to determine where reductions. This decrease is achievable primarily due to the reduction of programmatic activities that provided businesses and communities with information about and referrals to relevant Federal, State, and local government programs.

These program changes align and support the Department's strategic plan by providing the staffing, tools and knowledge needed to accomplish the Department's mission, while fostering a more customer-oriented culture.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The Department continues to find alternative solutions to work smarter with fewer resources while increasing efficiency with existing resources.

Performance Goals and Measurement Data:

Performance goals will continue to be met in each DM program.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Salaries and Expenses/Operations and Administration

Object Class	FY 2018 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$2,259
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	510
11.8 Special personnel services payments	0
11.9 Total personnel compensation	2,769
12 Civilian personnel benefits	1,230
13 Benefits for former personnel	0
21 Travel and transportation of persons	88
23.1 Rental payments to GSA	85
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	30
24 Printing and reproduction	4
25.1 Advisory and assistance services	(66)
25.2 Other services	(492)
25.3 Purchases of goods & services from Gov't accounts	(22)
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	24
31 Equipment	98
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,748

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration/Office of Security/ Investigations and Threat Management Division

For FY 2018, the Office of Security (OSY) requests a total of \$5,000,000 and 20 FTE for the Investigations and Threat Management Expansion. This funding includes an increase of \$5,000,000 and 20 FTE in S&E.

PROGRAM JUSTIFICATION:

Investigations and Threat Management Division (ITMD) Expansion Overview

ITMD cross-cuts all Commerce operating units in order to detect critical threats to the Department's U.S. economic advancement mission, and is the sole U.S. Government agency with this focus. The program's investigative findings directly inform key decision-makers (including senior U.S. Government and Secretarial officials) and stakeholders (NSS, ODNI, DOJ) about serious threats to national security or public safety, and enable OSY to target and refine its security services against rapidly emerging threats which would have remained unidentified by other government agencies. The program fulfills U.S. national strategic requirements involving counterintelligence, transnational organized crime, and counterterrorism.

PROGRAM CHANGE(S):

Investigations and Threat Management Division (\$5,000,000, 20 FTE)

An increase of \$5,000,000 and 20 FTE is anticipated to address critical staffing shortfalls commensurate with workload demands from previous expansions that were never fully implemented. Additional personnel and infrastructure is expected to directly reduce risk posed by new and backlogged investigative matters and enhance ITMD's ability to address mission-critical threats across the Department of Commerce enterprise through continued strategic investigations. The increase also devotes resources to requirements levied by Executive Order 13587 (Insider Threat), Executive Order 13773 (Transnational Organized Crime), and national strategies for counterintelligence. This program was previously in the Working Capital Fund.

Using a strategic approach to identify, assess, and manage these threats, ITMD has uncovered matters associated with the Department's mission that went unrecognized by other government agencies. Ultimately, ongoing and anticipated casework is expected to directly decrease the ability of hostile intelligence services to exploit Departmental policy/research and weaken American competitiveness; decrease the ability of organized crime figures to divert Department objectives, corrupt markets, and destabilize U.S. geopolitical interests. Casework will also decrease the ability of persons motivated by ideological or psychologically driven violence whose unimpeded actions may result in loss of life or destruction of Department property.

Funds will be used to recruit additional Criminal Investigators (special agents) to investigate mission critical threats to the Department and its assets, to acquire contract support, to effectively upgrade the case management tool, and to refresh and modernize ITMD's technical gear and forensic equipment. In addition, funds will be used to obtain other support materials to facilitate ITMD personnel travelling to and from the Division's five field offices within the National Capital region and Boulder, CO.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Preventing mission-critical threats from undermining Administration and Secretarial initiatives is key to the Department's effective performance. Without this increase, the Department's ability to effectively execute its mission, achieve important Administration objectives, and support United States national security interest in the near, mid, and long terms is jeopardized. Currently, 35% of ITMD's full investigations represent a high risk to the Department per Office of Program Evaluation and Risk Management (OPERM) standards (priority management attention required, with current controls having significant uncertainties or will not prevent the specific risks), and involve consequences such as death or permanent injury, statutory or major regulatory non-compliance, financial impacts of greater than \$50 million, failure to reach major Departmental goals, and reputation damaged and never fully recoverable. Also, based on historical data it is estimated that 5.1% of ITMD's intakes and inquiries have become full investigations, which leaves up to 23 potentially high risk matters presently in inventory that have yet to be fully addressed. Of 31 investigative matters that are or could be high risk to the Department, ITMD currently has sufficient staff to fully investigate only 6 cases, which leaves 81% not being worked in a timely manner after initial triage. Based on previously uncovered matters, these threats are anticipated to have a direct impact to the Department's major strategic interests. This enhancement directly enables Objective 5.1 of the Department's FY14-18 Strategic Plan, and indirectly supports all other Plan objectives.

Schedule and Milestones:

- November 2017: Case management contract in place
- November 2017: Contract support in place
- October 2017 - April 2018: Hire and onboard five new 1811 Criminal Investigator FTEs

Deliverables:

- Investigative findings
- Strategic threat briefings
- Threat management services

Performance Goals and Measurement Data:

Performance Goal: Measure 1	FY 2016 Est.	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target	FY 2021 Target	FY 2022 Target
With Change			34%	41%	48%	55%	62%
Without Change		42%	49%	56%	63%	70%	77%

Description: Objective is to reduce high risk to key Department activities, which at present accounts for 35% of ITMD's overall investigative caseload. Without the additional resources requested, in FY17 ITMD will remain incapable of adequately addressing 81% of these high risk investigations. Additionally, future high risk investigations are projected to grow approximately 7% per fiscal out-year. Formula is based on a projection of the number of high risk investigative matters and ITMD's current capacity against the enhancement.

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/Office of Security
Sub-program: Investigations and Threat Management Division
Program Change: Expansion

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Supervisory Criminal Investigator	Washington, D.C.	ZA-V	1	\$160,590	\$160,590
Supervisory Criminal Investigator	Washington, D.C.	ZA-IV	1	\$126,958	\$126,958
Supervisory Criminal Investigator	Washington, D.C.	ZA-IV	1	\$126,488	\$126,488
Criminal Investigator	Washington, D.C.	ZA-IV	1	\$125,147	\$125,147
Criminal Investigator	Washington, D.C.	ZA-IV	1	\$119,246	\$119,246
Criminal Investigator	Washington, D.C.	ZA-IV	1	\$117,513	\$117,513
Criminal Investigator	Washington, D.C.	ZA-IV	1	\$115,688	\$115,688
Criminal Investigator	Boulder, CO	ZA-IV	1	\$115,719	\$115,719
Criminal Investigator	Boulder, CO	ZA-III	1	\$99,940	\$99,940
Criminal Investigator	Washington, D.C.	ZA-III	1	\$103,635	\$103,635
Criminal Investigator	Washington, D.C.	ZA-III	1	\$100,736	\$100,736
Criminal Investigator	Washington, D.C.	ZA-III	1	\$93,008	\$93,008
Intelligence & Research Specialist	Washington, D.C.	ZA-IV	1	\$111,421	\$111,421
Intelligence & Research Specialist	Washington, D.C.	ZA-IV	1	\$94,797	\$94,797
Security Specialist	Washington, D.C.	ZA-IV	1	\$120,398	\$120,398
Supervisory Criminal Investigator	Washington, D.C.	ZA-IV	2	\$126,958	\$253,916
Criminal Investigator	Washington, D.C.	ZA-IV	2	\$126,958	\$253,916
Criminal Investigator	Washington, D.C.	ZA-III	1	\$90,350	\$90,350
Subtotal			20		\$2,329,466
Less Lapse			0		\$0
Total Full-time permanent:			20		\$2,329,466
2018 Pay Adjustment	1.4%				\$33,195
2018 Pay Banding Increases					\$71,825
Total			20		\$2,434,486

Personnel Data

	<u>Number</u>
Full-time Equivalent Employment	
Full-time permanent	20
Other than full-time permanent	0
Total	20
Authorized Positions:	
Full-time permanent	20
Other than full-time permanent	0
Total	20

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Security
Program Change: Investigations and Threat Management Division Expansion

Object Class	FY 2018 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$2,434
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	35
11.8 Special personnel services payments	482
11.9 Total personnel compensation	<u>2,951</u>
12 Civilian personnel benefits	1,284
13 Benefits for former personnel	0
21 Travel and transportation of persons	96
22 Transportation of things	33
23.1 Rental payments to GSA	85
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	40
24 Printing and reproduction	10
25.1 Advisory and assistance services	0
25.2 Other services	313
25.3 Purchases of goods & services from Gov't accounts	52
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	38
31 Equipment	98
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	<u>5,000</u>

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration

For FY 2018, Departmental Management (DM) proposes a decrease of \$1,252,000 and 0 FTE.

PROGRAM JUSTIFICATION:

Operations and Administration Overview

S&E Operations and Administration funding supports coordination of bureau program activities and development and implementation of the Department's internal policies, procedures, and other administrative guidelines. Functions include the oversight, direction and coordination of the Department's many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments. This funding is also used to assist the Secretary in planning, supervising, and directing resources and programs and executing his obligations under law, providing consistency in the bureaus' administrative operations. Activities of DM S&E relate to DOC's Performance Goal of identifying and effectively managing human and material resources critical to the success of the Department's strategic goals.

PROGRAM CHANGE(S):

Operations and Administration (-\$1,252,000, 0 FTE)

Departmental Management proposes a decrease of \$1,252,000 and 0 FTE. Departmental Management performed an assessment of its offices to determine where reductions could be made. This decrease is achievable primarily due to the reduction of programmatic activities that provided businesses and communities with information about and referrals to relevant Federal, State, and local government programs.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Operations and Administration
Program Change: Operations and Administration

Object Class	FY 2018 Decrease
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	0
12 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	(41)
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	(10)
24 Printing and reproduction	(6)
25.1 Advisory and assistance services	(66)
25.2 Other services	(923)
25.3 Purchases of goods & services from Gov't accounts	(192)
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	(14)
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	(1,252)

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
11 Personnel compensation:					
11.1 Full-time permanent	20,940	21,476	22,211	24,470	2,259
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	853	757	757	1,267	510
11.9 Total personnel compensation	21,793	22,233	22,968	25,737	2,769
12.1 Civilian personnel benefits	6,451	6,575	6,669	7,899	1,230
13 Benefits for former personnel	75	280	280	280	0
21 Travel and transportation of persons	519	592	595	683	88
23.1 Rental payments to GSA	4,105	4,035	4,104	4,189	85
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	726	919	924	954	30
24 Printing and reproduction	69	131	134	138	4
25.1 Advisory and assistance services	2,893	1,356	1,356	1,290	(66)
25.2 Other services	6,840	9,667	6,208	5,716	(492)
25.3 Purchase of goods and services from Gov't accounts	16,264	15,475	15,571	15,549	(22)
26 Supplies and materials	240	296	302	326	24
31 Equipment	516	138	141	239	98
32 Land Structures	0	0	0	0	0
99 Total obligations	60,491	61,697	59,252	63,000	3,748
Less prior year recoveries	0				
Unobligated balance, start of year	(257)	(3,807)			
Unobligated balance, transferred	(2,650)				
Unobligated balance, end of year	3,807				
Unobligated balance, expiring	359				
Transfers from other accounts	(3,750)	0			
TOTAL BUDGET AUTHORITY	58,000	57,890	59,252	63,000	3,748

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
Full-Time Equivalent Employment:					
Full-time Permanent	118	118	118	138	20
Other than full-time permanent	40	40	40	40	0
Total	158	158	158	178	20
Authorized Positions:					
Full-time permanent	149	150	150	170	20
Other than full-time permanent	50	50	50	50	0
Total	199	200	200	220	20

Note: Other than full-time permanent FTE and positions include political appointees classified as full-time temporary.

Department of Commerce
Departmental Management
Salaries and Expenses
Justification of Proposed Language Changes

-

For necessary expenses for the management of the Department of Commerce provided for by law, including not to exceed \$4,500 for official reception and representation, [~~\$58,000,000~~] \$63,000,000]: *Provided*, That within amounts provided, the Secretary of Commerce may use up to \$2,500,000 to engage in activities to provide businesses and communities with information about and referrals to relevant Federal, State, and local government programs]. *Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.*

Department of Commerce
Departmental Management
Salaries and Expenses
Appropriation Language and Code Citations

FY 2018:

Salaries and Expenses

1. For expenses necessary for the Departmental Management of the Department of Commerce provided for by law.

15 U.S.C. 1501

15 U.S.C. 1501 provides that: "There shall be...the Department of Commerce, and a Secretary of Commerce, who shall be the head thereof..." The sections which follow 15 U.S.C. 1501 establish various Assistant Secretaries and define general powers and duties of the Department.

2. Including not to exceed \$4,500 for official entertainment.

No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Advisory and Assistance Services
 (Dollar amounts in thousands)

	2016 Actual	2017 CR (Annualized)	2018 Estimate
Consulting services	2,893	1,290	1,290
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	<u>2,893</u>	<u>1,290</u>	<u>1,290</u>

Department of Commerce
Departmental Management
Salaries and Expenses
Periodicals, Pamphlets, and Audiovisual Products
(Dollar amounts in thousands)

	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017 CR (Annualized)</u>	<u>2018 Estimate</u>
Periodicals	4	6	6	6
Pamphlets	0	0	0	0
Audiovisuals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4	6	6	6

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Average Grade and Salaries

	2016 <u>Actual</u>	2017 CR <u>(Annualized)</u>	2018 <u>Estimate</u>
Average GS/GM Grade	12.73	12.73	12.73
Average GS/GM Salary	\$109,910	\$112,218	\$114,350

Department of Commerce
 Departmental Management
 Renovation and Modernization
SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2017 CR (Annualized)	5	5	19,026	19,026
less: Obligations from prior years			0	(635)
less: 2018 Adjustment to Base	0	0	(18,026)	(17,391)
2018 Base	5	5	1,000	1,000
plus: 2018 Program Changes	0	0	0	0
2018 Estimate	5	5	1,000	1,000

		2016 Actual		2017 CR (Annualized)		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
HCHB Renovation	Pos./BA	5	19,062	5	19,026	5	1,000	5	1,000	0	0
	FTE/Obl.	5	19,497	5	19,661	5	1,000	5	1,000	0	0
TOTALS	Pos./BA	5	19,062	5	19,026	5	1,000	5	1,000	0	0
	FTE/Obl.	5	19,497	5	19,661	5	1,000	5	1,000	0	0
Adjustments to Obligations:											
Recoveries			(197)								
Unobligated balance, start of year			(873)		(635)						
Unobligated balance, end of year			635								
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Appropriation			19,062		19,026		1,000		1,000		0

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Department of Commerce
 Departmental Management
 Renovation and Modernization
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
Total Obligations	19,497	19,661	1,000	1,000	0
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(197)	0	0	0	0
Unobligated balance, start of year	(873)	(635)	0	0	0
Unobligated balance, end of year	635	0	0	0	0
Budget Authority	<u>19,062</u>	<u>19,026</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Financing:					
Unobligated balance, rescission	0	0	0	0	0
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>19,062</u>	<u>19,026</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>

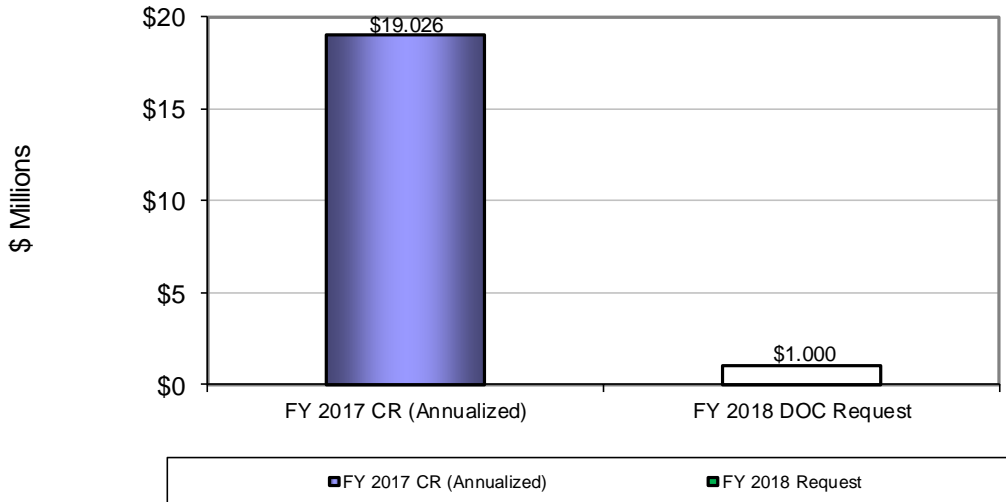
Department of Commerce
 Departmental Management
 Renovation and Modernization
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Adjustments:</u>		
Non-recurring Construction Costs	0	(18,049)
* Note: Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction program costs. Only the personnel funding will be retained in the base.		
Other Changes:		
Pay Raises		18
Annualization of FY 2017 Pay Raise		
Pay raise of 2.1% effective January 1, 2017.		
Total cost in FY 2018 of the FY 2017 pay increase		15,750
Less amount requested in FY 2017		(9,000)
Amount requested in FY 2018 for FY 2017 pay increase		6,750
FY 2018 Pay Raise		
A general pay raise of 1.9% is assumed to be effective January 1, 2018.		
Total cost in FY 2018 of pay increase		11,000
Amount requested in FY 2018 for FY 2018 pay increase		11,000
Health Insurance		1
Effective January 2016, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 5.2%. Applied against the FY 2017 estimate of \$27,000 the additional amount required is \$1,404.		
General Pricing Level Adjustment		4
This request applies OMB economic assumptions for FY 2018 of 2.0% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to other services, (\$3,980).		
Subtotal, Other Changes	0	23
Total FY 2018 Adjustments to Base	0	(18,026)

Department of Commerce
 Departmental Management
 Renovation and Modernization
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:		2016 Actual		2017 CR (Annualized)		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	5	19,062	5	19,026	5	1,000	5	1,000	0	0
	FTE/Obl.	5	19,497	5	19,661	5	1,000	5	1,000	0	0
TOTALS	Pos./BA	5	19,062	5	19,026	5	1,000	5	1,000	0	0
	FTE/Obl.	5	19,497	5	19,661	5	1,000	5	1,000	0	0

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization



APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: HCHB Renovation and Modernization

The **Herbert C. Hoover Building (HCHB) Renovation and Modernization** account provides no-year funding for the Department’s expenses associated with the renovation and modernization of HCHB. Renovation and modernization of the Department’s headquarters by the General Services Administration (GSA) will extend the building’s useful life through infrastructure upgrades, security upgrades, and historic preservation of some features.

The renovation and modernization project will upgrade infrastructure, modernize tenant spaces, remove safety hazards, and improve energy efficiency as Commerce optimizes utilization of HCHB space. The GSA and Commerce are each responsible for certain aspects of the project's costs.

For FY 2018, base funding is requested to continue to support five FTEs and the associated costs to benefits, rent, utilities, supplies, and training. These positions perform functions such as providing assistance to management on program and operations efficiency and productivity, serving as project managers for Information Technology and space planning, assisting with communication, and acting as the Contracting Officer’s Representative for the HCHB support contracts.

Department of Commerce
 Departmental Management
 Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
11 Personnel compensation:					
11.1 Full-time permanent	633	646	664	664	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	8	8	8	8	0
11.9 Total personnel compensation	<u>641</u>	<u>654</u>	<u>672</u>	<u>672</u>	<u>0</u>
12.1 Civilian personnel benefits	196	204	205	205	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	23	29	29	29	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	4	4	4	4	0
24 Printing and reproduction	1	1	1	1	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	18,577	18,714	34	34	0
25.3 Purchase of goods and services from Gov't accounts	26	26	26	26	0
26 Supplies and materials	2	2	2	2	0
31 Equipment	27	27	27	27	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	<u>19,497</u>	<u>19,661</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Less prior year recoveries	(197)	0	0	0	0
Unobligated balance, start of year	(873)	(635)	0	0	0
Unobligated balance, end of year	<u>635</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BUDGET AUTHORITY	19,062	19,026	1,000	1,000	0

Department of Commerce
 Departmental Management
 Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2016 Actual	2017 CR (Annualized)	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
Full-Time Equivalent Employment:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0
Authorized Positions:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0

Department of Commerce
Departmental Management
Renovation and Modernization
Appropriation Language and Code Citations

[For necessary expenses for the renovation and modernization of Department of Commerce facilities, \$19,062,000, to remain available until expended.] *For necessary expenses for the renovation and modernization of Department of Commerce facilities, \$1,000,000, to remain available until expended: Provided, That unobligated balances of available discretionary funds appropriated for the Department of Commerce in this Act or previous appropriations Acts may be transferred to, and merged with, this account: Provided further, That any such funds appropriated in prior appropriations Acts transferred pursuant to the authority in the preceding proviso shall retain the same period of availability as when originally appropriated: Provided further, That the transfer authority provided in the first proviso is in addition to any other transfer authority contained in this Act: Provided further, That no amounts may be transferred from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency or disaster relief requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That any transfer pursuant to the authority provided under this heading shall be treated as a reprogramming under section 504 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.*

Department of Commerce
 Departmental Management
 Renovation and Modernization
 Average Grade and Salaries

	2016 <u>Actual</u>	2017 CR <u>(Annualized)</u>	2018 <u>Estimate</u>
Average GS/GM Grade	13.6	13.6	13.6
Average GS/GM Salary	\$128,895	\$131,602	\$134,102

Department of Commerce
 Departmental Management
 Working Capital Fund
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollars amounts in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
2017 Operating Budget	716	529		224,170
less: MBDA Bureau Specific Interagency Agreement for IT Services and Support				(2,303)
plus: 2018 Adjustments to Base	0	0		4,683
2018 Base	716	529		226,550
plus: 2018 Program Changes	0	0		(4,683)
2018 Estimate	716	529		221,867

		2016 Actual		2017 Operating Budget		2018 Base		2018 Estimate		Increase/(Decrease) Over 2018 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
	Operations and Administration	Pos./BA	768		716		716		716		0
		FTE/Obl.	581	216,170	529	232,887	529	226,550	529	221,867	0
			581	216,170	529	232,887	529	226,550	529	221,867	(4,683)
TOTALS		Pos./BA	768		716		716		716		0
		FTE/Obl.	581	216,170	529	232,887	529	226,550	529	221,867	0
			581	216,170	529	232,887	529	226,550	529	221,867	(4,683)
Adjustments to Obligations:											
	Recoveries			(4,216)							
	Unobligated balance, start of year			(4,028)	(8,717)						
	Unobligated balance, end of year			8,717							
Total Reimbursable Authority				216,643	224,170		226,550		221,867		(4,683)

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Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Minority Business Development Agency (MBDA) Interagency Agreement (IAA): Bureau specific IT Services and Support. These services will no longer be needed by MBDA due to its proposed termination.		(2,303)
Other Changes:		
Pay Raise	0	2,163
Annualization of FY 2017 Pay Raise		
The 2017 President's Budget assumed a pay raise of 1.6% effective Jan. 1, 2017. The 2017 pay raise has been increased from 1.6% to 2.1% effective Jan. 1, 2017.		
Total cost in FY 2018 of the FY 2017 pay increase		1,935,500
Less amount requested in FY 2017		<u>(1,106,000)</u>
Amount requested in FY 2018 for FY 2017 pay increase		829,500
FY 2018 Pay Raise		
A general pay raise of 1.9% is assumed to be effective Jan. 1, 2018.		
Total cost in FY 2018 of pay increase		<u>1,333,000</u>
Amount requested in FY 2018 for FY 2018 pay increase		1,333,000

Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

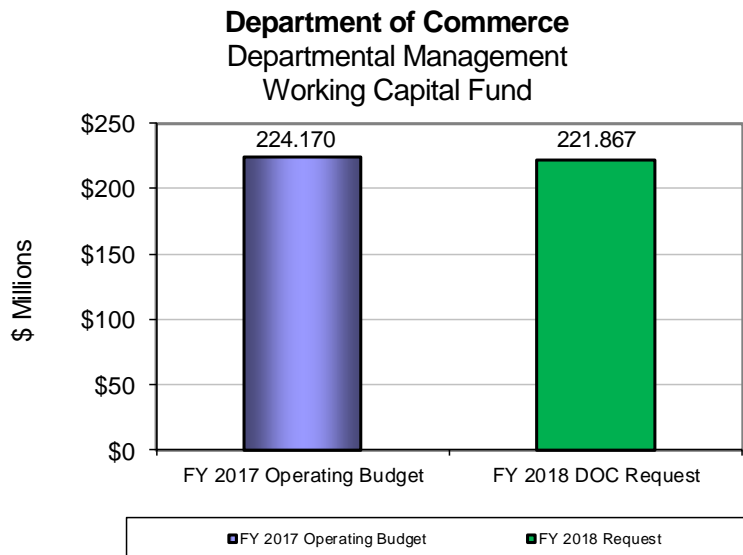
	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Civil Service Retirement System (CSRS)	...	(72)
The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 6.6% in FY 2017 to 5.1% in FY 2018 for regular employees. The contribution rate will remain the same at 7% for regular employees.		
Regular:		
FY 2018 (\$68,139,305 x .051 x .07)		243,257
FY 2017 (\$68,139,305 x .066 x .07)		314,804
Total adjustment to base		<u>(71,547)</u>
Federal Employees' Retirement System (FERS)	...	140
The cost of agency contributions for FERS will increase due to the increase in the number of employees covered by FERS from 93.4% in FY 2017 to 94.9% in FY 2018 for regular employees. The estimated percentage of payroll for law enforcement employees covered by FERS will remain the same in FY 2018. The contribution rate will remain the same 13.7% for regular employees and 30.1% for law enforcement employees.		
Regular:		
FY 2018 (\$68,139,305 x .949 x .137)		8,858,995
FY 2017 (\$68,139,305 x .934 x .137)		8,718,969
Total adjustment to base		<u>140,026</u>
Law Enforcement:		
FY 2018 (\$2,643,695 x 1.0 x .301)		795,752
FY 2017 (\$2,643,695 x 1.0 x .301)		795,752
Total adjustment to base		<u>0</u>
Total adjustment to base		140,026

Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Thrift Savings Plan (TSP)	...	45
The cost of agency contributions to the TSP will increase slightly due to the number of employees covered increasing from 93.40% in FY 2017 to 94.90% in FY 2018 for regular employees and will remain at 100% in FY 2018 for law enforcement employees. The contribution rates will remain at 4.4% in FY 2018.		
Regular:		
FY 2018 ($\$68,139,305 \times .949 \times .044$)		2,845,225
FY 2017 ($\$68,139,305 \times .934 \times .044$)		2,800,253
Total adjustment to base		44,972
Law Enforcement:		
FY 2018 ($\$2,643,695 \times 1.0 \times .044$)		116,323
FY 2017 ($\$2,643,695 \times 1.0 \times .044$)		116,323
Total adjustment to base		0
Total adjustment to base		44,972
Federal Insurance Contributions Act (FICA) - OASDI	...	22
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. The percent of salaries below the cap will decrease from 93.5% to 92.6% in FY 2018. The OASDI tax rate will remain 6.2% in FY 2018.		
Regular:		
FERS payroll subject to FICA tax in FY 2018 ($\$68,139,305 \times .949 \times .926 \times .062$)		3,712,501
FERS payroll subject to FICA tax in FY 2017 ($\$68,139,305 \times .934 \times .935 \times .062$)		3,689,333
Subtotal		23,168
Law Enforcement:		
FERS payroll subject to FICA tax in FY 2018 ($\$2,643,695 \times 1.0 \times .926 \times .062$)		151,780
FERS payroll subject to FICA tax in FY 2017 ($\$2,643,695 \times 1.0 \times .935 \times .062$)		153,255
Subtotal		(1,475)
Other Salaries:		
Other payroll subject to FICA tax in FY 2018 ($\$1,362,472 \times .949 \times .926 \times .062$)		74,233
Other payroll subject to FICA tax in FY 2017 ($\$1,362,472 \times .934 \times .935 \times .062$)		73,770
Subtotal		463
Total adjustment to base		22,156

Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Health Insurance	...	215
Effective January 2017, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 4.6%. Applied against the FY 2017 estimate of \$4,681,207, the additional amount required is \$215,336.		
Travel, Per Diem.	6
General Services Administration has issued revised travel per diem rates resulting in a 1.4% increase. This percentage applied against the FY 2017 estimate of \$437,298 results in an increase of \$6,122.		
Rental Payments to GSA	...	124
GSA rates are projected to increase in FY 2018. An additional \$123,997 is required to fund this increase.		
Other Services:		
General Pricing Level Adjustment	...	2,040
This request applies OMB economic assumptions for FY 2018 of 2.% to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to transportation of things (\$3,300); rental payments to other (\$0); communications (\$62,873); printing (\$6,340); other services (\$1,875,530); Federal Protective Service (\$0); supplies and materials (\$26,320); and equipment (\$64,720).		
Subtotal, Other Changes	0	4,683
Total FY 2018 Adjustments to Base	0	2,380



ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: OPERATIONS AND ADMINISTRATION

For FY 2018, Departmental Management (DM) requests a total of \$221,867,000 and 529 FTE for the Working Capital Fund (WCF) Operations and Administration. This funding includes a net increase in the FY 2018 Base of \$2,379,608 and 0 FTE (including inflationary adjustments) from the FY 2017 Operating Budget of \$224,170,000 and 581 FTE, and programmatic reductions in the amount of \$4,682,608 and 0 FTE.

BASE JUSTIFICATION:

Working Capital Fund Overview:

The U.S. Department of Commerce (DOC) WCF was established on June 28, 1944. The WCF's mission is to provide centralized services to the Department's bureaus in the most efficient and economical manner possible. The WCF was established without fiscal year limitation. It operates as a revolving fund and does not receive a yearly appropriation from Congress. Goods and services are financed by charging operating expenses back to the customers. The overall financial goal is to remain at a breakeven position. Organizational units provide the administrative support needed to accomplish DOC's overall mission. This mission focuses on promoting job creation, economic growth, sustainable development, and improved living standards for all Americans.

The Secretary of Commerce is vested with managing the WCF. Department Organizational Order 10-5 delegated this responsibility to the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA). The CFO/ASA, acting through the Office of Financial Management, monitors the financial activities of the WCF service providing offices. This year the majority of offices reporting to the CFO/ASA have projects listed in the fund. In addition, the Executive Direction, the Office of General Counsel, and the Office of the Chief Information Officer, which do not report directly to the CFO/ASA, also provide services through the fund.

The objectives of the WCF are to provide overall leadership, coordination in furtherance of the Department's mission and to develop and implement the Department's internal policies, procedures, and other administrative guidelines. Objectives include providing administrative oversight and

operational support in the recruitment, training, retention, and management of a diverse and highly effective workforce with the skills and abilities required to achieve the Department's mission. In addition, the WCF provides administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities and providing administrative oversight and operational support to ensure the effective management and security of the facilities and property used to administer the Department's programs.

The services are provided by: The Office of General Counsel (OGC); Executive Direction; Office of the Chief Information Officer (OCIO); Office of Human Resources Management (OHRM); Office of Civil Rights (OCR); Office of Financial Management (OFM); Office of Acquisition Management (OAM); Office of Privacy and Open Government (OPOG); Office of Security (OSY); Enterprise Services (ES) and Office of Facilities and Environmental Quality (OFEQ).

A key focus of the Operational Excellence section of the Department of Commerce's (DOC) FY 2014 - 2018 Strategic Plan is to ensure that customers across DOC have access to high quality mission enabling services in the core functional areas of Human Resources (HR), Acquisition, Financial Management (FM), and Information Technology (IT). The Department's Management Council (DMC) has evaluated alternative governance and service delivery models for mission enabling services and identified Enterprise Services as a best practice and effective strategy for improving these services across the Department.

Significant Adjustments-to-Base (ATBs):

DM requests an increase of \$4,682,608 and 0 FTE above the FY 2017 CR annualized level to fund inflationary adjustments for base program activities. The increase will fund the estimated 2018 Federal pay raise of 1.9 percent and increases for non-labor activities, including service contracts, utilities and rent charges from the General Service Administration. The ATBs will be offset by program reductions within the WCF account.

PROGRAM CHANGE FOR FY 2018:

Program Reductions (Program Change: 0 FTE (0 POS) and -\$4.683 million): Departmental Management proposes a decrease of \$4.7 million and 0 FTE to fund the Adjustments to Base. The reductions include filling positions at lower grades, reducing contracts, supplies and overtime.

Proposed Actions:

A reduction of \$4.7 million and 0 FTE is being proposed. As the Department continues to find alternative solutions to work smarter with less while increasing efficiency with existing resources, Departmental Management assessed priorities and programs to identify areas for reduction. A review of the organization's activities along with prioritization of functions was made resulting in identification of areas for reduction. The reductions include vacancies left unfilled (but not removed – may be filled at a later date depending on greatest need), filling positions at lower grades, reduction of travel expenses, reduction of supplies and equipment, and reducing non-critical contracts such as administrative support and technical support.

Statement of Need and Economic Benefits:

The benefits to these reductions reside with the bureaus. As a result of these reductions, the bureaus will be able to reduce their overall funding requirement or reinvest the savings in high priority programs that support the Department's mission.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration

Program Change: Program Reductions

		FY 2018
Object Class		Increase/(Decrease)
11	Personnel compensation	
11.1	Full-time permanent	(\$2,131)
11.3	Other than full-time permanent	(32)
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	(2,163)
12	Civilian personnel benefits	(328)
13	Benefits for former personnel	0
21	Travel and transportation of persons	(6)
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	(6)
25.1	Advisory and assistance services	0
25.2	Other services	(1,401)
25.3	Purchases of goods & services from Gov't accounts	(687)
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	(27)
31	Equipment	(65)
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	(4,683)

Department of Commerce
 Departmental Management
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2016 Actual	2017 Operating Budget	2018 Base	2018 Estimate	Increase/ (Decrease) Over 2018 Base
11 Personnel compensation:					
11.1 Full-time permanent	64,903	69,772	71,832	69,701	-2,131
11.3 Other than full-time permanent	940	1,011	1,040	1,008	-32
11.5 Other personnel compensation	2,315	2,467	2,540	2,540	0
11.9 Total personnel compensation	68,158	73,250	75,413	73,250	-2,163
12.1 Civilian personnel benefits	21,839	23,069	23,397	23,069	-328
13 Benefits for former personnel	52	55	77	77	0
21 Travel and transportation of persons	621	899	905	899	-6
22 Transportation of things	69	165	168	168	0
23.1 Rental payments to GSA	7,476	7,470	7,594	7,594	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	3,906	4,608	4,671	4,671	0
24 Printing and reproduction	229	317	323	317	-6
25.1 Advisory and assistance services	2,244	2,454	2,494	2,494	0
25.2 Other services	64,390	79,768	72,200	70,799	-1,401
25.3 Purchase of goods and services from Gov't accounts	38,463	36,281	34,664	33,977	-687
25.7 Operation and maintenance of equipment	0	0	0	0	0
26 Supplies and materials	2,645	1,316	1,343	1,316	-27
31 Equipment	6,075	3,236	3,301	3,236	-65
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	3	0	0	0	0
99 Total obligations	216,170	232,887	226,550	221,867	-4,683
Prior year recoveries	(4,216)	0	0	0	0
Unobligated balance, start of year	(4,028)	(8,717)	0	0	0
Unobligated balance, end of year	8,717	0	0	0	0
TOTAL REIMBURSABLE AUTHORITY	216,643	224,170	226,550	221,867	-4,683

Department of Commerce
 Departmental Management
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

	2016	2017	2018	2018	Increase/ (Decrease)
<u>Personnel Data</u>	<u>Actual</u>	<u>Operating Budget</u>	<u>Base</u>	<u>Estimate</u>	<u>Over 2018 Base</u>
Full-Time Equivalent Employment:					
Full-time permanent	547	495	495	495	0
Other than full-time permanent	34	34	34	34	0
Total	<u>581</u>	<u>529</u>	<u>529</u>	<u>529</u>	<u>0</u>
Authorized Positions:					
Full-time permanent	724	672	672	672	0
Other than full-time permanent	44	44	44	44	0
Total	<u>768</u>	<u>716</u>	<u>716</u>	<u>716</u>	<u>0</u>

Department of Commerce
Departmental Management

	2016 Actual			2017 Operating Budget			2018 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Offices:									
Human Resources Management	83	63	16,245	71	51	13,914	71	51	13,914
Civil Rights	11	8	2,448	12	9	2,728	12	9	2,728
Financial Management	70	53	34,500	65	48	32,837	65	48	32,837
Security	144	109	25,051	126	91	28,808	126	91	28,808
Facilities and Environmental Quality	72	54	22,954	72	54	19,006	72	54	19,006
Acquisition Management	20	15	5,086	10	5	4,000	10	5	4,000
Office of Privacy and Open Government	4	3	878	4	3	910	4	3	910
Office of Program Evaluation and Risk Management ^{1/}	4	4	651	0	0	0	0	0	0
General Counsel	244	184	39,740	236	176	47,174	236	176	47,174
Chief Information Officer	60	45	40,478	48	33	35,679	48	33	33,376
Office of the Chief Financial Officer & Assistant Secretary for Administration	47	36	25,171	0	0	0	0	0	0
Enterprise Services	0	0	0	54	43	35,534	54	43	35,534
Commerce Data Service	0	0	1,498	0	0	0	0	0	0
Executive Direction ^{2/}	9	7	1,470	18	16	3,580	18	16	3,580
Total Working Capital Fund	768	581	216,170	716	529	224,170	716	529	221,867

^{1/} Office of Program Evaluation and Risk Management merged with Acquisition Management.

^{2/} Executive Protection Unit moved from Office of Security to Executive Direction

Department of Commerce
 Departmental Management
 Working Capital Fund
 DISTRIBUTION BY BUREAU
 (Dollar amounts in thousands)

	<u>2016 Actual</u>	<u>2017 Operating Budget</u>	<u>2018 Estimate</u>
Office of the Secretary	11,790	12,657	12,753
International Trade Administration	32,316	32,114	32,358
Economic Development Administration	4,994	3,706	3,734
National Telecommunications and Information Administration	7,774	8,158	8,220
National Technical Information Service	1,454	1,692	1,705
Bureau of the Census	34,740	38,370	39,043
Bureau of Economic Analysis	2,956	3,477	3,115
National Oceanic and Atmospheric Administration	54,320	58,257	58,699
National Institute of Standards and Technology	22,744	25,471	25,664
Minority Business Development Agency	5,266	4,518	554
Bureau of Industry and Security	12,434	12,275	12,369
Office of Inspector General	3,178	2,790	2,811
Patent and Trademark Office	<u>15,227</u>	<u>17,703</u>	<u>17,837</u>
Total Commerce Bureaus	209,193	221,188	218,862
Other Agencies	<u>6,977</u>	<u>2,982</u>	<u>3,005</u>
Total	216,170	\$224,170	\$221,867

2018 Estimate reflects changes to the Bureau distribution to reallocate Economic and Statistic Administration associated costs to the Bureau of Economic Analysis and Census. The Minority Business Development Agency reflects a bureau specific reduction in addition to a billing adjustment for three quarters of the year which were spread to the remaining bureaus.

Department of Commerce
 Departmental Management
 Working Capital Fund
 Advisory and Assistance Services
 (Dollar amounts in thousands)

	2016 <u>Actual</u>	2017 <u>Operating Budget</u>	2018 <u>Estimate</u>
Consulting services	2,244	2,454	2,494
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,244	2,454	2,494

Department of Commerce
 Departmental Management
 Working Capital Fund
 Average Grade and Salaries

	2016 <u>Actual</u>	2017 CR <u>(Annualized)</u>	2018 <u>Estimate</u>
Average GS/GM Grade	13.6	13.7	13.7
Average GS/GM Salary	\$112,675	\$115,042	\$117,227

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FY 2018 Performance Planning and FY 2016 Reporting Backup

Strategic Goals and Objectives

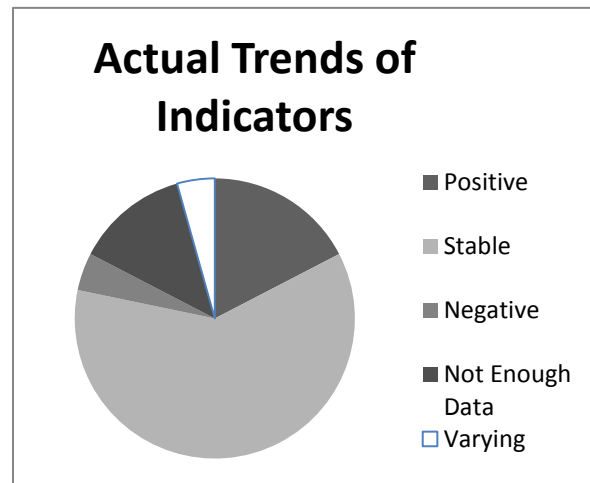
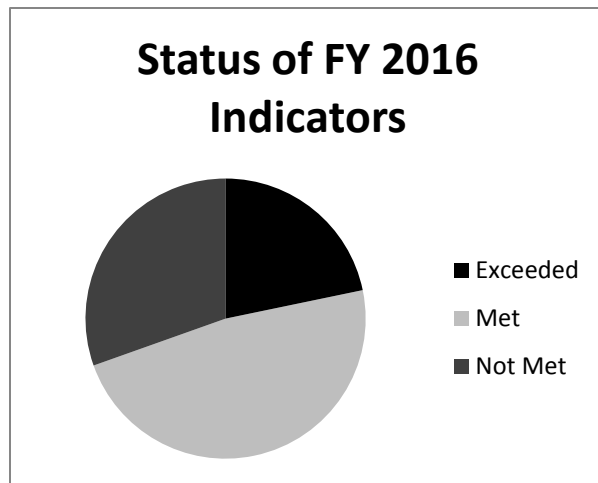
The Department's Strategic Plan for Fiscal Years 2014 to 2018 provides a broad foundation for economic growth and opportunity by focusing on the following five strategic goals and their corresponding objectives:

Trade and Investment: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs	
1.1. Increase opportunities for U.S. companies by opening markets globally	ITA, NOAA, NTIA, USPTO,
1.2. Increase U.S. exports	BIS, EDA, ESA, ITA, MBDA, NIST, DM
1.3. Increase high-impact inward foreign direct investment into the United States	EDA, ESA, ITA
1.4. Strengthen fair competition in international trade for U.S. firms and workers	ITA
Innovation: Foster a more innovative U.S. economy one that is better at inventing, improving, and commercializing products and technologies	
2.1. Accelerate advanced manufacturing	EDA, NIST
2.2. Strengthen the Nation's digital economy	ITA, NIST, NTIA, USPTO
2.3. Catalyze innovation ecosystems	EDA, ESA, ITA, MBDA, NIST, USPTO, DM
Environment: Help communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment	
3.1. Advance the understanding and prediction of changes in the environment	NIST, NOAA,
3.2. Build a Weather-Ready Nation	ESA, NOAA
3.3. Strengthen the resiliency of communities and regions	EDA, ESA, NIST, NOAA
3.4. Foster healthy and sustainable marine resources, habitats, and ecosystems	NOAA
3.5. Enable U.S. businesses to adapt and prosper by developing environmental and climate-informed solutions	ESA, ITA, NIST, NOAA,
Data: Maximize the positive impacts of Commerce data on society	
4.1. Deliver increasing amounts of data to governments, businesses, and the public in formats that are easier to access and use	DM, All Bureaus
4.2. Position the Department of Commerce to meet society's future data needs	ESA
4.3. Create a data-driven government	EDA, ESA, ITA, MBDA
Operational Excellence: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service	
5.1. Empower and engage Commerce employees	DM, All Bureaus
5.2 Support a service-oriented culture that responds to the needs of external and internal customers	DM, All Bureaus
5.3 Manage for results	DM, All Bureaus
5.4 Improve facilities, support services, and information technology products and services to drive mission success	DM, All Bureaus

The Department of Commerce FY 2014-2018 Strategic Plan can be found at: <http://www.osec.doc.gov/bmi/budget/>. Departmental Management leads the following specific priorities:

Goal	Objective Number	Objective Name	Leader
Operational Excellence: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service	5.1	Empower and engage Commerce employees	Rod Turk , Chief Information Officer, Departmental Management;
	5.2	Support a service-oriented culture that responds to the needs of external and internal customer	
	5.3	Manage for results	Chris Heflin , Director of Performance Excellence, Departmental Management
	5.4	Improve facilities, support services, and information technology products and services to drive mission success	

Summary of Overall DM Performance



In FY 2016 DM had a total of 23 indicators for which it targets. DM exceeded (>100%) the targets of 5 indicators (22%), met (90-100%) the targets of 11 indicators (48%), and did not meet (<90%) the targets of 7 indicators (30%).

Of the 23 indicators, 20 had trends (three or more years of data)

Of those indicators with trends, DM had 4 indicators (20%) with positive trends, 14 indicators (70%) with stable trends, 1 indicator (5%) with a negative trend, and 1 indicators (5%) with varying trends.

Summary of Indicator Performance

Objective 5.1: Empower and engage Commerce employees

Indicator	Target	Actual	Status ¹	Trend
Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey	67%	69%	Exceeded	Stable
Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey	64%	63%	Met	Stable

Objective 5.2: Support a service-oriented culture that responds to the needs of external and internal customers

Percentage of high-volume processes with customer feedback elements	100%	100%	Met	Not enough data
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Objective 5.3: Manage for Results

Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS)	61%	60%	Met	Stable
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Objective 5.4: Improve facilities, support services, and information technology products and services to drive mission success

Cybersecurity Cross Agency Priority (CAP) Goal average for the Department	80%	85%	Exceeded	Not enough data
Percentage of internal customers satisfied with core mission support processes	70%	73%	Exceeded	Not enough data
Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2015 A-123 Assessment of internal controls	Eliminated two significant deficiencies, however, one repeat significant deficiency (FISCAM) remains Completed FY 2016 A-123 assessment of Internal Controls	Not Met	Stable
Unmodified audit opinion	Unmodified	Unmodified	Met	Stable
For each administrative / business system, maintain compliance and alignment with OMB initiatives	Compliance	Compliance maintained	Met	Stable
Dollars awarded using high-risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	\$324M	Met	Positive
Savings achieved through more effective acquisition practices (millions)	\$18	\$25	Exceeded	Varying
Cost / Schedule Overruns (OCIO)	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and was within a 30% schedule variance.	Not Met	Stable
Continuous Monitoring (OCIO)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	The Enterprise Security Operations Center reached complete operational capability in August 2016 and is now ingesting data feeds from all Commerce bureaus Overall:79% (based on average of all individual ISCM metrics)	Not Met	Stable

Indicator	Target	Actual	Status ¹	Trend
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Strong Authentication (OCIO)	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% Privileged users and 85% unprivileged users)	88%	Met	Stable
Trusted Internet Connection Consolidation (OCIO)	Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (100%)	100%	Met	Stable
Trusted Internet Connection Capabilities (OCIO)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	85%	Not Met	Stable
Security Compliance Reviews (OCIO)	Perform IT Security Compliance Reviews of all OUs and 20 assessments	100%	Met	Stable
Mission-Critical Occupation Staffing (OHRM)	5%	8%	Met	Stable
Permanent Attrition (OHRM)	7%	7%	Met	Stable
Hiring Timeline - days (OHRM)	65	101	Not Met	Negative
Candidate Quality (OHRM)	70%	62%	Not Met	Positive
Disability Hires (OHRM)	10%	15.1%	Exceeded	Varying
Veteran Hires (OHRM)	27.5%	13.9%	Not Met	Positive

1. Per the Department's instructions, Exceeded = Greater than 100% of target, Met = 90-100% of target, and Not Met = Less than 90% of target.

Detailed Indicator Plans and Performance

Current / Recurring Indicators

Objective 5.1: Empower and engage Commerce employees

Indicator	Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey							
Category	Key							
Type	Customer Service							
Description	The Employee Engagement Index consists of 15 FEVS questions, concentrating on factors that lead to an engaged workforce (e.g., supporting employee development, communicating agency goals).							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target					67%	67%	69%	69%
Actual	70%	70%	70%	70%	68%	69%		
Status					Exceeded	Exceeded		
Trend	Maintain standard, Stable trend							
Adjustments to targets	Commerce exceeded the 67% goal for 2016, set for all agencies by OMB, OPM, and the White House, as part of the People and Culture Cross Agency Priority (CAP) Goal of the President's Management Agenda (PMA). The FY 2017 and FY 2018 targets are based on the 2016 FEVS Employee Engagement index results							

Indicator	Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey							
Category	Key							
Type	Customer Service							
Description	The New Inclusion Quotient (New IQ) consists of 20 FEVS questions with the highest correlation to inclusive environments. The New IQ is built on the concept that individual behaviors, repeated over time, form the habits that create the essential building blocks of an inclusive environment. The New IQ has four questions in common with the Employee Engagement Index, and workplace inclusion is a contributing factor to organizational performance.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target					66%	64%	64%	64%
Actual		65%	64%	64%	63%	63%		
Status					Met	Met		
Trend	Maintain Standard, Stable trend							

Objective 5.2: Support a service-oriented culture that responds to the needs of external and internal customers

Indicator	Percentage of high-volume processes with customer feedback elements							
Category	Key							
Type	Process							
Description	Complete and effective customer feedback loops will be identified for the Department's 20 highest volume externally facing processes. Process owners must demonstrate how customer feedback is used to inform operational improvements and decisions before the loop will be counted as complete.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target						100%	100%	100%
Actual						100%		
Status						Met		
Trend	Not enough data to determine a trend							
Notes	The Federal Digital Strategy Team identified four DoC processes with high volume customer contacts (patents, trademarks, weather information and the 2020 Census). All four get feedback from advisory groups and two get on-going feedback from customers. The approaches for all four will be upgraded in FY 2016/2017. In addition, the universe for this indicator will be expanded in FY 2016 to include all high volume customer service processes of DoC.							

Objective 5.3: Manage for Results

Indicator	Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS)							
Category	Key							
Type	Customer Service							
Description	This index is made up of 13 FEVS questions, which taken together indicate the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target					61%	61%	61%	61%
Actual	61%	61%	61%	61%	60%	60%		
Status					Met	Met		
Trend	Maintain standard, Stable trend							
Actions to be taken	DoC will incorporate the Strategic Plan and performance management briefings into a new on-boarding program for employees. News about the Strategic Plan will be on pages of the intranet, as well as opportunities to serve on teams that are executing strategies. DoC is developing a new recognition program for innovation in plan implementation.							
Notes	DoC is using a new process to identify priorities for developing additional evidence of program performance.							

Objective 5.4: Improve facilities, support services, and information technology products and services to drive mission success

Indicator	Cybersecurity Cross Agency Priority (CAP) Goal average for the Department							
Category	Key							
Type	Intermediate Outcome							
Description	The Cybersecurity CAP Goal uses the Federal Information Security Management Act (FISMA) of 2002 performance metrics to measure agency progress in implementing the Administration's priority cybersecurity capabilities. The index will average the following scores: percentage of hardware assets covered by Information Security Continuous Monitoring (ISCM); percentage of external network traffic consolidated through a Trusted Internet Connection (TIC); percentage of TIC Reference Architecture v2.0 critical capabilities implemented; and percentage use of Personal Identity Verification (PIV) cards for local access.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target					83%	80%	95%	95%
Actual					84% ¹	85% ¹		
Status					Exceeded	Exceeded		
Trend	Not enough data to determine a trend							
1. Reflects average score across ISCM = Information Security Continuous Monitoring; ICAM = Identity, Credentialing, and Access Management; APMD = Anti-Phishing and Malware Defense								
Actions to be taken	Several enterprise level initiatives will continue to improve performance in the CAP areas including enhanced hardware asset management capabilities being implemented on the Department's high impact systems via the expansion of the Enterprise Continuous Monitoring Operations (ECMO) program, as well as enhanced hardware and software asset management capabilities as a result of the implementation of tools being made available through the Continuous Diagnostics and Mitigation (CDM) program. NOAA's TIC build-out will result in the Department's improved performance in a number of the APMD metrics.							
Adjustments to targets	FY 2017 target changed from 90% to 95% in light of expected progress on initiatives described above.							

Indicator	Percentage of internal customers satisfied with core mission support processes							
Category	Key							
Type	Customer Service							
Description	Customer satisfaction will be monitored for core mission support services in the Department's Human Resources, IT, Acquisitions, and Financial Management portfolios. Data will be gathered continuously through transactional feedback as well as periodic, targeted pulse surveys. This measure is expected to come online in FY 2016.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target						70%	75%	80%
Actual						73%		
Status						Exceeded		
Trend	Not enough data to determine a trend							
Actions to be taken	FY 2016 was baseline measurement year. Measurement is from annual survey where the respondents indicating "unsatisfied" or "very unsatisfied" are subtracted from the total number of respondents to derive overall satisfaction percentage. OCIO to continue work to improve customer responsiveness and satisfaction for core mission support processes.							
Adjustments to targets	Set targets for 2017 (75%) and FY 2018 (80%).							

Indicator	Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management							
Category	Supporting (Non-Strategic Plan)							
Type	Intermediate Outcome							
Description	This indicator ensures that the Department of Commerce is accountable to the American people, and that no Significant Deficiencies, formerly known as "Reportable Conditions," (i.e. deficiencies in the design or operation of internal controls) remain unaddressed. To determine if financial information is being provided in a timely and accurate manner, the Department will assess whether those individuals who can best use the information are receiving it within timeframes that render it relevant and useful in their day-to-day decisions							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target	Eliminate any significant deficiency within 1 year of determination Complete FY 2011 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2012 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2013 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2014 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2015 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2016 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2017 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2018 A-123 assessment of internal controls
Actual	Eliminated significant deficiency Completed FY 2011 A-123 Assessment	FY 2012 Audit identified one material weakness and one significant deficiency. Completed FY 2012 A-123 assessment of internal controls	Eliminated the material weakness but two significant deficiencies remain Completed A-123 assessments	Eliminated one repeat significant deficiency out of two, added one additional significant deficiency. Completed FY 2014 A-123 assessment of Internal Controls.	Eliminated one repeat significant deficiency out of two, added a new significant deficiency. Completed FY 2015 A-123 assessment of Internal Controls.	Eliminated two significant deficiencies, but one repeat significant deficiency (FISCAM) remains Completed FY 2016 A-123 assessment of Internal Controls		
Status	Met	Not Met	Not Met	Not Met	Not Met	Not Met		
Trend	Maintain standard, Stable trend							
Explanation for Not Met	Two significant deficiencies were eliminated during FY 2016, but one repeat significant deficiency remains. Each year the Financial Information System Controls Audit Manual (FISCAM) areas are audited via the IG contractor. The Department has not eliminated the significant deficiency for IT general controls related to FISCAM. One significant deficiency was eliminated during FY 2015 but it was replaced by another. Each year the same five Financial Information System Controls Audit Manual (FISCAM) areas are audited via the IG contractor. The composition of the audit findings in the five areas changed from 14 to 15 which is why one was eliminated and another was added.							
Actions to be taken /	The Department will continue to monitor the progress of corrective actions to ensure that they stay on track.							

Indicator	Unmodified audit opinion								
Category	Supporting (Non-Strategic Plan)								
Type	Efficiency								
Description	This indicator reflects the result of the Financial Statement Audit. The goal is to receive an “unmodified” audit opinion. There are several types of audit opinions: (1) unmodified, in which the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements; (2) modified, in which Auditor encounters a situation that does not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented; and (3) disclaimer, which is issued when the Auditor cannot form, and consequently refuses to present, an opinion on the financial statements.								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Target			Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Actual			Unmodified	Unmodified	Unmodified	Unmodified			
Status			Met	Met	Met	Met			
Trend	Maintain Standard, Stable trend.								
Actions to be taken	The Department will continue to monitor the progress of corrective actions to ensure that they stay on track. It will also continue to conduct internal control assessments to help identify issues that may have an impact on the audit opinion early enough to correct them before they become audit findings								

Indicator	For each administrative / business system, maintain compliance and alignment with OMB initiatives								
Category	Supporting (Non-Strategic Plan)								
Type	Process								
Description	This indicator reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight) data center consolidation requirements, and cloud computing requirements (Infrastructure as a Service; Software as a Service).								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Target			Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
Actual			Maintained compliance	Maintained compliance	Maintained compliance	Maintained compliance			
Status				Met	Met	Met			
Trend	Maintain standard; Stable trend.								
Actions to be taken	The BAS project intends to follow the shared service process as stated in OMB Memorandum M-13-08								

Indicator	Dollars awarded using high-risk contracting authorities							
Category	Supporting (Non-Strategic Plan)							
Type	Intermediate Outcome							
Description	High-risk contracting authorities such as noncompetitive contracting, cost-reimbursement contracts, and time-and materials and labor-hour contracts pose special risks of overspending. While these contract authorities are important tools when used appropriately, GAO and OIG oversight reviews indicate that they are often used without an appropriate basis or sufficient management and oversight to limit taxpayer risk. This element will measure the Department's progress in managing risk through reducing the use of high-risk contracting authorities.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target			Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities
Actual			\$228M	\$279M	\$367M	\$324M		
Status			Met	Met	Met	Met		
Trend	Positive trend							

Indicator	Savings achieved through more effective acquisition practices (millions)							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	Sound acquisition practices help guard against inefficiency and waste and improve the ability to obtain quality supplies and services that are on time and within budget. There are many ways to achieve savings through more effective acquisition practices, including: ending contracts that do not meet program needs; negotiating more favorably priced contracts; developing more strategic acquisition approaches; and reengineering ineffective business processes. This element will measure the Department's progress in reducing spending through more effective acquisition practices.							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target			\$18	\$18	\$18	\$18	\$18	\$16.9
Actual			\$29	\$18.1	\$17	\$25		
Status			Exceeded	Exceeded	Met	Exceeded		
Trend	Maintain Standard, Varying Trend							
Actions to be taken	The target is being affected/modified in FY 2016 and FY 2017 due to the Department's transition to Shared Services.							
Adjustments to targets	DM is adjusting Cost Saving Targets in FY 2016 and 2017 based on re-baselined savings in the following initiatives: cellular services, old target 3.5 M, new target \$0.9M; reverse action, old target \$1.5M, new target \$1.1M; Office Supplies, old target \$0.6M, new target \$0.3M							

Indicators – (OCIO)	A. Cost / Schedule Overruns B. Continuous Monitoring C. Strong Authentication D. Trusted Internet Connection Consolidation E. Trusted Internet Connection Capabilities F. Security Compliance Reviews
Category	Supporting (Non-Strategic Plan)
Type	Outcome
Description	<p>VALUE: The Department’s significant annual investment in information technology (IT) solutions and assets requires careful management and monitoring. Through the use of Earned Value Management and Operational Analysis systems in the development and/or operational phases are monitored to ensure the required functionality is delivered on schedule and at the cost projected. Program offices regularly report on the progress and status of their efforts against the cost, schedule, and performance goals. DOC has changed the wording of this measure from “Improve the management of information technology,” to better reflect an objective measure as opposed to a goal.</p> <p>In addition to the above, and beginning in FY 2015, the Department embarked upon updating its IT infrastructure and initiating an IT Shared Services Initiative aimed at consolidating commodity services across bureaus to gain economies of scale, improve service delivery, and improve customer satisfaction. As part of this effort, six IT shared services were identified and prioritized for deployment in the FY2016-FY2017 timeframe. As these IT shared services are deployed, OCIO will focus on the delivery and measurement of achieved functionality and improvements in customer satisfaction and value delivered to our customers and stakeholders.</p> <p>CYBER: The successful implementation of each program critical to the Department’s missions depends on the adequacy and security of the Department’s information technology systems. If systems security were to be compromised, the effective accomplishment of the Department’s mission would be in jeopardy. The Department follows the NIST Risk Management Framework (RMF) process to ensure that information and systems are adequately protected throughout their lifecycle. This includes a rigorous assessment of security controls to provide the necessary assurance that an information system can securely process, store, or transmit information. The assessment encompasses all management, operational, and technical controls that protect a system. By following the RMF process, the Department continuously monitors the status of its systems and the adequacy of the controls.</p> <p>In FY 2016, the Department of Commerce (DOC) worked aggressively to enhance its IT security posture and improve its performance in the Cyber Security Cross Agency Priority (CyberCAP) areas as well as other FISMA areas. An enterprise view of the real-time security posture of DOC’s systems is being enabled through the Enterprise Cybersecurity Monitoring and Operations (ECMO) program and Enterprise Security Operations Center (ESOC). Additional monitoring tools will be integrated in FY 2017 as a result of DOC’s participation in the DHS’s Continuous Diagnostics and Mitigation (CDM) program. DOC met six Anti-Phishing and Malware Defense (APMD) metrics by deploying new network protection tools as well as making a phishing exercise tool available at the enterprise level. DOC will continue to improve its APMD performance through enhanced training exercises and use of additional tools and supporting processes for anti –virus protection, intrusion prevention systems, scanning mobile devices, and the implementation of an enterprise Dynamic Execution Environment (DEE). DOC made progress in Strong Authentication / PIV use through stricter enforcement of technical requirements to use PIV for logical access. A PIV-interoperability solution has been identified to aid in providing PIV badges to DOC populations</p>

that were previously unable to receive them. Additional improvements will be realized through DOC's ongoing efforts to cultivate a culture of analytics and IT security awareness.

A. Cost / Schedule Overruns								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	All investments within 10% of cost and schedule.	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%
Actual	IT investments had cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments had cost/ schedule overruns and performance shortfalls averaging less than 10%	75% of major IT investments had cost/schedule overruns and performance shortfalls averaging less than 10%	On average, for its major IT investments in the development stage, the Department achieved its cost target of being within 10% variance (under budget) and was within a 25% schedule variance.	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and was within a 30% schedule variance.	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and was within a 30% schedule variance.		
Status	Met	Met	Not Met	Not Met	Not Met	Not Met		
Trend	Maintain Standard, Stable trend.							
Explanation if Not Met	There are six investments / projects – primarily IT infrastructure projects – that are chronically behind schedule and over budget that bring the overall average variance of the Department's major investments down. The variance typically occurs when a management decision is made to add new projects and change the priority and resources left available for current (primarily infrastructure projects).							
Actions to be taken	Major Investments with chronic or exceptionally high cost and schedule variances will be brought in for TechSTAT and/or Commerce IT Review Board Reviews. In addition, we will evaluate whether it is appropriate to develop a formal department wide policy laying out the criteria for when re-baselining is valid.							
Adjustments to targets	The target was based on OMB's goals							

B. Continuous Monitoring								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)
Actual				Enterprise Security Operations Center achieved functional initial operating capability on 9/25/2014. Current deployment of enterprise monitoring capability at 113% of projected deployment.	The Enterprise Security Operations Center is operating 24X7 and is ingesting data feeds from NOAA, DOC HQ, NTIA and BEA. The Enterprise Cybersecurity Monitoring & Operations (ECMO) deploys continuous Monitoring Agents on 100% of targeted assets for FY16. Hardware Asset Management - 76%; Software Asset Management:84%; Vulnerability Management:74%; Configuration Management:91%	The Enterprise Security Operations Center reached complete operational capability in August 2016 and is now ingesting data feeds from all Commerce bureaus Hardware Asset Management:71%; Software Asset Management: 77%; Vulnerability Management: 91%; Configuration Management: 99%; Overall:79% (based on average of all individual ISCM metrics)		
Status				Met	Not Met	Not Met		
Trend	Stable trend.							
Explanation if Not Met	A change in ISCM calculations, taking the lowest of multiple questions, also resulted in percentage drops. While there were improvements in FY 2016, OUs continue to add automated capabilities. With the implementation of CDM Phase 1 tools scheduled through FY 2017 and focused on these key ISCM areas, DM hopes to meet the targets by Q1 of FY 2018. DHS will deliver continuous monitoring capabilities via the awarded CMaaS integrator to complement existing efforts under the ECMO program. High Systems endpoints are not yet integrated with the enterprise continuous monitoring platform.							
Actions to be taken	DHS Continuing Diagnostics and Mitigation (CDM) Task Order 2 for hardware and software asset management and Vulnerability and Secure configuration management tools and services was awarded on 9/21/15. Currently the awardee, Northrup Grumman, beginning the pilot for CDM Phase 1 tools in preparation for implementation throughout the DOC CDM Phase 1 implementation is expected to be complete by the end of FY 2017. Re: ECMO -- Implementation of tools and processes by DHS by the end of FY17. Completion of FIPS-199 High Systems integration project by end of FY 2017.							
Adjustments to targets	Dependent on CDM award.							
Notes	ESOC and DOC-CIRT achieved 24/7 coverage with new central reporting schemas. DHS Continuous Diagnostics and Mitigation Program to provide tools and services for hardware and software asset management and vulnerability and configuration management was awarded and now being piloted.							

C. Strong Authentication								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target	Increase security training completion rate to 80% for privileged users (role-based)	Increase security training completion rate to 80% for privileged users (role-based)	Percentage of systems in production with valid Accreditation and Authorization (A&A) is 100%	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Strong Authentication - ensure only authorized privileged and unprivileged users have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)	Strong Authentication - ensure only authorized privileged and unprivileged users have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)	Strong Authentication - ensure only authorized privileged and unprivileged users have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)
Actual	89% completion rate of security training for privileged users (role-based).	Trained Authorizing Officials and System Owners throughout the Department with quarterly workshops. Achieved greater than 85% of required security training for privileged users (role-based).	99% of systems in production with valid Accreditation and Authorization	Strong Authentication aggregated totals for non-privileged and privileged access is 72% as of 9/29/2014 which represents a 100% increase from FY2013.	Privileged users:86% Unprivileged users:81%	Privileged users: 90% Unprivileged users: 86%		
Status	Met	Met	Met	Met	Exceeded	Met		
Trend	Maintain standard, stable trend.							
Explanation if Not Met	As of FY2016 Q4, Privileged User target had not been met; Privileged users met 99.8% performance at FY2017 Q1.							

D. Trusted Internet Connection Consolidation								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)	Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)
Actual				TIC Consolidation 100% via MTIPS for all OUs except NOAA who is in process of establishing TICAP services	TIC Consolidation is at 98% via MTIPS and TICAP.	TIC Consolidation is at 100% via MTIPs and TICAP for all bureaus.		
Status				Met	Met	Met		
Trend	Stable trend.							
Notes	DOC exceeded the CAP goal of 95% of external network traffic passing through a Managed Trusted Internet Protocol Services (MTIPS) provider. This means that an increasing amount of internet traffic passes through trusted internet connections.							

E. Trusted Internet Connection Capabilities								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)
Actual				NOAA TIC 2.0 compliance at 87.5%, planned date to reach 100% is 9/30/2015.	NOAA's TIC 2.0 compliance at 83% (43/52) based on critical controls and planned to be 98% in Q2FY16	NOAA's TIC 2.0 compliance at 85% (44/52) based on the DHS FY16 TIC Capability Validation (TCV) report critical controls		
Status				Met	Not Met	Not Met		
Trend	Stable trend.							
Explanation if Not Met	Two primary reasons for missing TIC 2.0 goal for FY 2016: 1) Gap in security standard policy and methods of enforcement supporting TCV compliance; and 2) Gap in standard agreements between organization and NOAA CSD supporting TCV compliance. Since September, 2016 NOAA Cyber Security Division has conducted several reviews to close these gaps. Our full initial independent assessment for TIC 2.0 is going to start second week of April of this year and hope to meet our goal in FY 2017.							

F. Security Compliance Reviews

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target	Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM	Perform IT Security Compliance reviews	Perform IT Security compliance review of all OUs and 30 assessments	Perform IT Security compliance review of all OUs and 22 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments
Actual	Performed IT Security Compliance reviews	Completed 29 security assessments. Conducted IT security compliance checks of all Department operating units and in-depth internal control review meetings with five selected operating units as part of the Department's IT internal control review program	Security compliance review of all OUs and 34 assessments	Completed Security compliance reviews of all OUs and 22 assessments	Completed Security Compliance Reviews of all OUs and 15 assessments	Conducted 87 analyses, reviews, and assessments and compliance checks for participating bureaus.		
Status	Met	Met	Met	Met	Met	Met		
Trend	Maintain standard, stable trend.							
Notes	The parameters constituting an "assessment" changed between FY 2016 & 2017, hence the significant variance in actual performance vs the FY 2016 target. For 2017 & 2018, parameters will revert back to 2015 method.							

Indicators (OHRM)	A. Mission-Critical Occupation Staffing B. Permanent Attrition C. Hiring Timeline D. Candidate Quality E. Disability Hires F. Veteran Hires							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	These indicators represent a combination of measures focusing on strategic recruitment and retention, and the Department's efforts to achieve and maintain an inclusive, engaged, and productive workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. Such an assessment is critical to ensure that the workforce contains the necessary skill sets to carry out the Department's mission.							
A. Mission-Critical Occupation (MCO) Staffing (Average deviation of populations from targets)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				5%	5%	5%	5%	5%
Actual				5%	10%	8%		
Status				Met	Met	Met		
Trend	Maintain Standard, Stable Trend							
Notes	An average 5% deviation from a given target equates to a staffing level of 95% to 105% of what would be the 100% target. An average deviation of 10% (or 90% to 110% of what would be the 100% target) is considered met for the purposes of this report. In HRstat, an average deviation of 10% is considered "almost met."							

B. Permanent Attrition (rate of permanent employees that intentionally separated, without agency incentive or action)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target			11%	11%	7%	7%	7%	7%
Actual			6%	7%	7%	7%		
Status			Exceeded	Exceeded	Met	Met		
Trend	Stable trend							
Adjustments to targets	During FY 2015, the measure parameters were refined to better align with employee engagement by excluding nature of action codes, such as death and separations initiated by agency action, that do not reflect an employee's deliberate desire and intention to leave the agency. Based on the analysis of Commerce-wide and Government data, the target was revised.							

C. Hiring Timeline (Average number of calendar days to complete hiring actions)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target	80	80	80	65	65	65	65	65
Actual	83	84	103	91	88	101		
Status	Met	Met	Not Met	Not Met	Not Met	Not Met		
Trend	Negative							
Explanation if Not Met	The 36 days beyond the target can be mostly attributed to the time the job announcement remained open (10 days longer than standard), issuing the official job offer (6 days longer), the manager's review and interview of applicants (5 days longer), issuing the tentative offer and security processing (5 days longer), HR drafting the announcement (3 days longer), and HR finalizing and posting job opportunity announcement on USAJOBS (3 days longer).							

D. Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				70%	70%	70%	70%	70%
Actual	61%	61%	62%	63%	64%	62%		
Status				Met	Met	Not Met		
Trend	Maintain standard, Stable trend							
Explanation if Not Met	This target is based on the % of managers that provided a rating of 8 or higher on a scale of 1 - 10 to the question "Applicants referred had the skills to perform the job" in the Chief Human Capital Officer's Management Satisfaction Survey. Less than 62% of managers in CENSUS, EDA, NIST, NOAA, NTIA, and NTIS provided a rating of 8 or higher in this question, which contributed to not meeting the target of 70%.							

E. Disability Hires (Percentage of new hires that have a disability)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				9.0%	10.0%	12.5%	13.0%	13.5%
Actual			12.3%	7.3%	12.3%	15.1%		
Status				Not Met	Exceeded	Exceeded		
Trend	Positive trend							
Notes	The FY 2017 target has been established as 13.0% based on incremental increases of .5% between FY 2016 to FY 2018.							

F. Veteran Hires (Percentage of new hires that are veterans)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target				16.4%	20.2%	27.5%	25.9	TBD
Actual			13.4%	12.5%	13.7%	13.9%		
Status				Not Met	Not Met	Not Met		
Trend	Positive trend							
Explanation if Not Met	<p>While there was a slight increase in veterans hiring over the previous fiscal year, one possible reason for not reaching the veterans hiring goal is due to the lack of available resources and/or personnel for targeted outreach and recruitment. While some bureaus do well because they have allocated the necessary resources and staff (Census, USPTO), others which lack those resources, impacts the department's overall hiring efforts.</p> <p>OPM establishes the annual goal is established based on the previous year's hiring "average" of agencies of similar numbers of employees (Commerce is grouped with Interior, Transportation, and the Social Security Administration). Transportation and the Social Security Administration tend to fill 35% or more of their vacancies annually with veterans. Both DOT and SSA have Corporate Outreach and Recruitment Offices which participate in numerous veterans recruitment and outreach activities.</p>							
Adjustments to targets	Annual targets for Commerce are based upon the previous year's average for the group of agencies with populations of 40,000 to 80,000, as established by the President's Council on Veteran Employment. Since averages are determined based on previous year's actual hiring rate, the FY 2018 target will not be established until after FY 2017.							

Resource Requirements Table

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 CR Annualization	FY 2018 Base	Increase / Decrease	FY 2018 Request
Goal 5: Operational Excellence										
Total Funding	57.5	56.2	51.1	55.5	56.0	57.7	57.9	59.3	3.7	63.0
Total FTE	173	151	155	152	156	158	158	158	20	178
FTE does not include staff funded by the Working Capital fund.										