

**U.S. DEPARTMENT OF COMMERCE**  
**DEPARTMENTAL MANAGEMENT**



**FY 2019 CONGRESSIONAL SUBMISSION**



Department of Commerce  
 Departmental Management  
 Budget Estimates, Fiscal Year 2019  
 Congressional Submission

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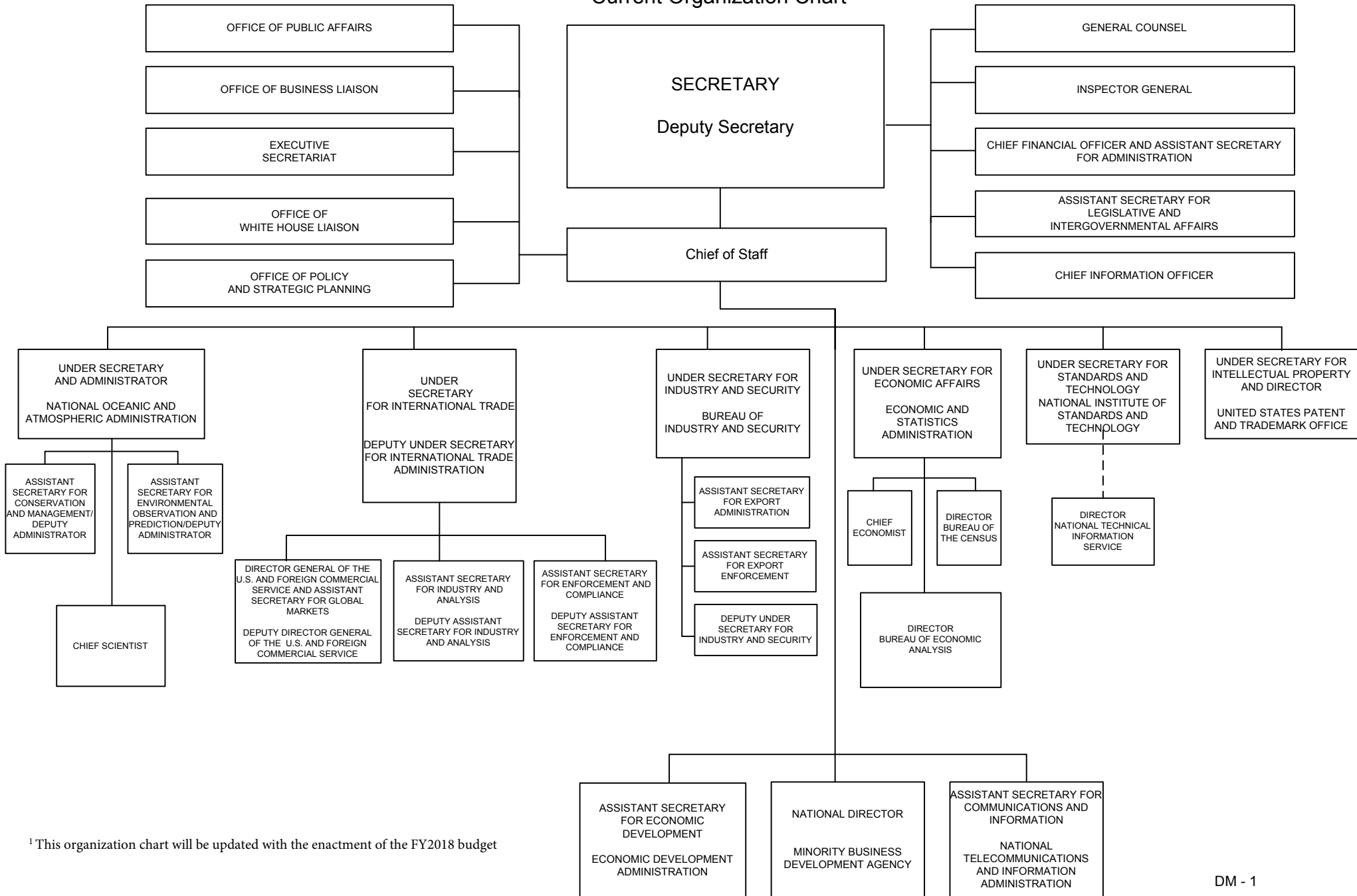
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# U.S. DEPARTMENT OF COMMERCE

## Current Organization Chart<sup>1</sup>



<sup>1</sup> This organization chart will be updated with the enactment of the FY2018 budget

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**Department of Commerce  
Departmental Management  
Budget Estimates, Fiscal Year 2019**

Executive Summary

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, and provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines.

The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client bureaus. These services include the Office of Financial Management, Office of General Counsel, Executive Direction, Office of the Chief Information Officer, Office of Human Resources Management, Office of Civil Rights, Office of Acquisition Management, Office of Privacy and Open Government, Office of Security, Enterprise Services, and Office of Facilities and Environmental Quality.

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 FY 2019 request reflects the Department's continued focus on improving building infrastructure components including Information Technology, telecommunications, security improvements, emergency power requirements, and fire and life safety improvements operating beyond their useful life and deteriorating.

## Department of Commerce Information Technology (IT) Resource Statement for FY 2019

In accordance with the requirements outlined in the Office of Management and Budget (OMB) Circular A-11, Sec 51.3 Analysis of resources, the Department of Commerce (DOC) Chief Financial Officer (CFO) and Chief Information Officer (CIO) affirm the following IT Resource Statements:

- 1) The Department CIO has reviewed and approved all major IT investments as part of planning budgetary estimates in all years of the Department's President's budget submission.
- 2) The Department CIO has a critical role in reviewing and prioritizing planned IT support for major programs and significant increases and decreases in IT resources reflected in the Department's FY 2019 President's budget submission.
- 3) The Department CIO has approved the Major investments and has developed a plan describing the changes it will make to ensure that all baseline Federal Information Technology Acquisition Reform Act (FITARA) responsibilities are fully implemented.
- 4) The IT Portfolio (Per OMB Circular No. A-11 Preparation, Submission, and Execution of the Budget Section 55.6) includes appropriate estimates of all IT resources included in the Department's President's budget submission.
- 5) The Department CIO has approved Major investments and will work to ensure the use of incremental development across the Department.

Department of Commerce  
 Departmental Management  
 FY 2019 PROGRAM INCREASES / DECREASES / TERMINATIONS  
 (Dollar amounts in thousands)  
 (Largest to Smallest)

**Increases**

Page No.	Appropriation	Budget Program	Activity/Subactivity	Pos.	Budget Authority
DM - 30	Renovation and Modernization	HCHB Renovation	HCHB Renovation	0	1,872
Subtotal, Increases				0	1,872

**Decreases**

Page No.	Appropriation	Budget Program	Activity/Subactivity	Pos.	Budget Authority
Subtotal, Decreases				0	0

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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
2018 Annualized CR	193	178	57,606	57,663
less: Obligations from prior years			0	(57)
plus: Inflationary/Adjustments to base	0	0	1,388	1,388
2019 Base	193	178	58,994	58,994
less: 2019 Program Changes	0	0	0	0
2019 Estimate	193	178	58,994	58,994

Comparison by activity/subactivity: with totals by activity		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	200	58,000	193	57,606	193	58,994	193	58,994	0	0
	FTE/Obl.	158	61,506	178	57,663	178		178		0	
TOTALS	Pos./BA	200	58,000	193	57,606	193	58,994	193	58,994	0	0
	FTE/Obl.	158	61,506	178	57,663	178		178		0	
Adjustments to Obligations:											
	Unobligated balance, start of year		(3,807)		(57)						
	Unobligated balance, transferred		(300)								
	Unobligated balance, end of year		57								
	Unobligated balance, expiring		544								
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Appropriation			58,000		57,606		58,994		58,994		0

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

		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	77		78		78		78		0	
	FTE/Obl.	77	92,446	78	107,695	78	107,557	78	107,557	0	0
TOTALS	Pos./BA	77		78		78		78		0	
	FTE/Obl.	77	92,446	78	107,695	78	107,557	78	107,557	0	0
Adjustments to Obligations:											
Recoveries (COMMITTS)											
	Unobligated balance, start of year (COMMITTS)		(138)		(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			92,446		107,557		107,557		107,557		0

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

	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
Total Obligations	153,952	165,358	166,551	166,551	0
Offsetting collections from:					
Federal funds	(92,446)	(107,557)	(107,557)	(107,557)	0
Trust funds					
Non-Federal sources					
Recoveries	0	0			
Unobligated balance, start of year	(3,945)	(195)			
Unobligated balance, transferred	(300)	0			
Unobligated balance, end of year	195	0			
Unobligated balance, expiring	544	0			
Budget Authority	<u>58,000</u>	<u>57,606</u>	<u>58,994</u>	<u>58,994</u>	<u>0</u>
Financing:					
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>58,000</u>	<u>57,606</u>	<u>58,994</u>	<u>58,994</u>	<u>0</u>



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

Exhibit 8

	FTE	Amount
Subtotal, Adjustments	0	0
Other Changes:		
Annualization of FY 2018 pay raise		127
FY 2019 pay raise		0
Change in Compensable Days		111
Civil Service Retirement System (CSRS)		(32)
Federal Employees' Retirement System (FERS)		49
Thrift Savings Plan (TSP)		16
Federal Insurance Contribution Act (FICA) - OASDI		32
Health Insurance		89
Employee Compensation Fund		(8)
Travel Per Diem		3
Travel Mileage		0
Rental Payments to GSA		44
GSA Steam		0
Postage		0
Printing and Reproduction		3
Other Services:		
National Archives & Records Admin. Storage		0
Working Capital Fund		657
Utilities (Electricity)		0
Utilities (Water)		0
Federal Protective Service		0
General Pricing Level Adjustments:		
Transportation of Things		1
Rental Payment to Others		0
Communications & misc.		4
Other Services		284
Maintenance of Operations		0
Supplies		5
Equipment		3
Subtotal, Other Changes		1,388
Less Amount Absorbed	0	0
Total, Adjustments to Base	0	1,388

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

Compare by activity:		2017		2018		2019		2019		Increase/(Decrease)	
		Actual		Annualized CR		Base		Estimate		Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	200	58,000	193	57,606	193	58,994	193	58,994	0	0
	FTE/Obl.	158	61,506	178	57,663	178	0	178	0	0	0
TOTALS	Pos./BA	200	58,000	193	57,606	193	58,994	193	58,994	0	0
	FTE/Obl.	158	61,506	178	57,663	178		178		0	

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

Comparison by activity:		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	77		78		78		78		0	
	FTE/Obl.	77	92,446	78	107,695	78	107,557	78	107,557	0	0
1/ COMMITS	Pos./BA	0		0		0		0		0	
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	77		78		78		78		0	
	FTE/Obl.	77	92,446	78	107,695	78	107,557	78	107,557	0	0

1/ Commerce Information Technology Solutions

Department of Commerce  
Departmental Management  
Salaries and Expenses  
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Salaries and Expenses (S&E)  
Subactivity: Operations and Administration

Goal Statement

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. This mission focuses on promoting job creation, economic growth, sustainable development, and improved living standards for all Americans.

Base Program

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. Offices within Salaries and Expenses Operations and Administration include: Secretary, Chief of Staff, Executive Secretariat, Deputy Secretary, Business Liaison, General Counsel, Policy and Strategic Planning, Public Affairs and Press Secretary, Legislative & Intergovernmental Affairs, Chief Information Officer, CFO and Assistant Secretary for Administration and Enterprise Services.

For FY 2019, the DM S&E base funding includes \$1,388,000 in inflationary adjustments.

Department of Commerce  
 Departmental Management  
 Salaries and Expenses  
 JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Salaries and Expenses (S&E)  
 Subactivity: Operations and Administration

Statement of Operating Objectives

Within the S&E appropriation, the Operations and Administration line activity funds the senior officials and support staff responsible for providing leadership in ensuring the accomplishment of the Department’s mission. S&E provides 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. Furthermore, it develops and implements internal policies, procedures, and other administrative guidelines. This includes both assisting the Secretary to plan, supervise and direct the resources and programs of the Department and execute his obligations under law, providing consistency in the bureaus’ administrative operations.

Explanation and Justification

	<u>2017 Actual</u>		<u>2018 Annualized CR</u>		<u>2019 Estimate</u>	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration						
Pos./BA	200	58,000	193	57,606	193	58,994
FTE/Obl	158	61,506	178	57,606	178	58,994

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

Object Class	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
11 Personnel compensation:					
11.1 Full-time permanent	18,578	23,953	24,191	24,191	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	1,438	788	788	788	0
11.9 Total personnel compensation	20,016	24,741	24,979	24,979	0
12.1 Civilian personnel benefits	6,218	7,516	7,662	7,662	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	402	685	689	689	0
23.1 Rental payments to GSA	4,393	4,656	4,700	4,700	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	178	848	852	852	0
24 Printing and reproduction	124	161	164	164	0
25.1 Advisory and assistance services	189	189	189	189	0
25.2 Other services	11,658	3,575	3,802	3,802	0
25.3 Purchase of goods and services from Gov't accounts	17,640	14,817	15,474	15,474	0
26 Supplies and materials	320	300	305	305	0
31 Equipment	368	175	178	178	0
32 Land Structures	0	0	0	0	0
99 Total obligations	61,506	57,663	58,994	58,994	0
Less prior year recoveries	0				
Unobligated balance, start of year	(3,807)	(57)			
Unobligated balance, transferred	(300)				
Unobligated balance, end of year	57				
Unobligated balance, expiring	544				
Transfers from other accounts	0				
TOTAL BUDGET AUTHORITY	58,000	57,606	58,994	58,994	0

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

Personnel Data	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
<b>Full-Time Equivalent Employment:</b>					
Full-time Permanent	118	138	138	138	0
Other than full-time permanent	40	40	40	40	0
<b>Total</b>	<b>158</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>0</b>
<b>Authorized Positions:</b>					
Full-time permanent	150	143	143	143	0
Other than full-time permanent	50	50	50	50	0
<b>Total</b>	<b>200</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>0</b>

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

FY 2019

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, [~~\$63,000,000~~] \$58,994,000.



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

FY 2019:

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)

	<u>2017 Actual</u>	<u>2018 Annualized CR</u>	<u>2019 Estimate</u>
Consulting services	189	189	189
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	189	189	189

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

	2016 <u>Actual</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>
Periodicals	6	6	6	6
Pamphlets	0	0	0	0
Audiovisuals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	6	6	6	6

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

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>
Average ES Grade	0.00	0.00	0.00
Average ES Salary	\$181,699	\$185,151	\$185,151
Average GS/GM Grade	13.13	13.13	13.13
Average GS/GM Salary	\$117,486	\$119,718	\$119,718

\*Average ES Grade is not reflected for FY 17, 18, and 19 because ES Salary Table does not show grade levels (depicted as a range)

\*FY 2019 Estimate has been updated to reflect a civilian pay freeze per the OMB Passback

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

	Positions	FTE	Budget Authority	Direct Obligations
2018 Annualized CR	5	5	3,973	3,973
less: Obligations from prior years			0	(1,004)
plus: Inflationary/Adjustments to base	0	0	(3,049)	(2,045)
2019 Base	5	5	924	924
plus: 2019 Program Changes	0	0	1,872	1,872
2019 Estimate	5	5	2,796	2,796

		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base		
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Comparison by activity:	HCHB Renovation	Pos./BA	5	4,000	5	3,973	5	924	5	2,796	0	1,872
	FTE/Obl.	5	3,747	5	4,977	5	924	5	2,796	0	1,872	
TOTALS	Pos./BA	5	4,000	5	3,973	5	924	5	2,796	0	1,872	
	FTE/Obl.	5	3,747	5	4,977	5	924	5	2,796	0	1,872	
Adjustments to Obligations:												
	Recoveries		(116)									
	Unobligated balance, start of year		(635)	(1,004)								
	Unobligated balance, end of year		1,004									
Financing from Transfers:												
	Transfer from other accounts (-)											
	Transfer to other accounts (+)											
Appropriation			4,000	3,973		924		2,796		1,872		

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

	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
Total Obligations	3,747	4,977	924	2,796	1,872
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	(116)	0	0	0	0
Unobligated balance, start of year	(635)	(1,004)	0	0	0
Unobligated balance, end of year	1,004	0	0	0	0
Budget Authority	4,000	3,973	924	2,796	1,872
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	4,000	3,973	924	2,796	1,872

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

Exhibit 8

	<u>FTE</u>	<u>Amount</u>
Non-recurring Construction Costs	0	(3,109)
Subtotal, Adjustments	<u>0</u>	<u>(3,109)</u>
Other Changes:		
Annualization of FY 2018 pay raise		4
FY 2019 pay raise		0
Change in Compensable Days		3
Civil Service Retirement System (CSRS)		0
Federal Employees' Retirement System (FERS)		0
Thrift Savings Plan (TSP)		0
Federal Insurance Contribution Act (FICA) - OASDI		0
Health Insurance		1
Employee Compensation Fund		0
Travel Per Diem		0
Travel Mileage		0
Rental Payments to GSA		0
GSA Steam		0
Postage		0
Printing and Reproduction		0
Other Services:		
National Archives & Records Admin. Storage		0
Working Capital Fund		0
Utilities (Electricity)		0
Utilities (Water)		0
Federal Protective Service		0
General Pricing Level Adjustments:		
Transportation of Things		0
Rental Payment to Others		0
Communications & misc.		0
Other Services		52
Maintenance of Operations		0
Supplies		0
Equipment		<u>0</u>
Subtotal, Other Changes		60
Less Amount Absorbed	<u>0</u>	<u>0</u>
Total, Adjustments to Base	<u>0</u>	<u>(3,049)</u>



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

Comparison by activity:		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	5	4,000	5	3,973	5	924	5	2,796	0	1,872
	FTE/Obl.	5	3,747	5	4,977	5	924	5	2,796	0	1,872
TOTALS	Pos./BA	5	4,000	5	3,973	5	924	5	2,796	0	1,872
	FTE/Obl.	5	3,747	5	4,977	5	924	5	2,796	0	1,872

Department of Commerce  
Departmental Management  
Renovation and Modernization  
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: HCHB Renovation and Modernization  
Subactivity: HCHB Renovation

Goal Statement

The HCHB Renovation and Modernization plan combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems that are beyond their useful life and deteriorating. This eight-phase modernization project replaces aging building systems with new, more efficient systems (i.e., fire and life safety compliance); new heating, ventilation, air-conditioning systems, and lighting systems; security improvements (perimeter security and blast-resistant windows); and recapturing space in Courtyard 6. It includes the Department's effort to modernize the tenant spaces, optimize space utilization, decrease reliance on leased space, and reduce its footprint.

Also, as part of this extensive modernization effort, a necessary element in the effectiveness of the HCHB building's physical security systems and program will be to increase the level of protection to the overall security of the building and its occupants.

Base Program

For FY 2019, DM requests an increase of \$2,796,000 and 0 FTEs for the Herbert C. Hoover Building (HCHB) Renovation and Modernization Project. The FY 2019 base funding includes \$60,000 in inflationary adjustments. Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction/equipment only program costs. The base program only includes personnel related funding associated with the 5 FTEs.

Department of Commerce  
 Departmental Management  
 Renovation and Modernization  
 JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: HCHB Renovation and Modernization  
 Subactivity: HCHB Renovation

Continued support of the FTEs is crucial to the operation of the renovation project. These positions (Engineering Technician, IT Project Manager, Architect, Administrative Officer, and Public Affairs Officer) provide assistance to management on program and operations efficiency and productivity, serving as project managers for IT and space planning, assisting with communication, and acting as the Contracting Officer’s Representative (COR) for the HCHB support contracts. This mix of FTEs is essential to working with GSA in the planning and execution of the HCHB Renovation and Modernization Project as well as keeping the lines of communication opened between the staff.

The overall Department budget of the HCHB renovation project budget is approximately 14% of the total HCHB renovation cost. GSA provides the remainder of the funding. Even though building modernization was determined to cost more than leasing or new construction, the HCHB is an important asset in the GSA inventory and the headquarters of the Department since 1932. It is in the best interest of both agencies to renovate and maintain this historic landmark property. Any fluctuation in the Department’s appropriated funding will directly affect GSA’s construction schedule.

Statement of Operating Objectives

The funds requested will enable the Department to continue with its 21st Century Workplace Initiative which will result in more work spaces and place more employees in the HCHB, more open communications and collaboration, more efficient heating, air conditioning, and electrical systems. The funds will also provide the ability to change out offices in a quick and timely manner with minimal effort, and easily adapting spaces to accommodate business process changes. It also will enable the DOC to keep in lockstep with GSA’s phased funding effort to modernize the building and keep with “Making the Federal Real Estate Footprint Smaller and More Efficient.”

Explanation and Justification

	<u>2017 Actual</u>		<u>2018 Annualized CR</u>		<u>2019 Estimate</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
HCHB Renovation and Modernization	5	4,000	5	3,973	5	2,796
	5	3,747	5	4,977	5	2,796

Department of Commerce  
 Departmental Management  
 Renovation and Modernization  
 INCREASES FOR 2019  
 (Dollar amounts in thousands)

		2019 Base		2019 Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	5	924	5	2,796	0	1,872
	FTE/Obl.	5	924	5	2,796	0	1,872

Departmental Management requests an increase of \$1,872,000 and 0 FTE for the HCHB Renovation and Modernization account. This request will be in addition to the \$924,000 base funding for the program to continue ongoing renovations to the building as follows:

DOC Construction	1,872,000
Equipment & Furniture	-
Security	-
IT	-
Relocation / Planning	-
Blast Windows	-
FTE's	924,000
<b>TOTAL</b>	<b>2,796,000</b>

**DOC Construction Cost: \$1,872,000**

Funding is requested to complete a total design of Phase 5 and 6 to include the 21<sup>st</sup> Century Workplace Initiative tenant improvements to office spaces, storage areas, special purpose spaces auditorium, basement lobby, childcare center, main entrance reconfiguration, cafeteria modernization, secretary's suite, conference rooms, new business centers, and social interactive spaces that are part of the 21<sup>st</sup> Century Workplace Initiative. This will allow the Department to maximize HCHB space by reducing the overall footprint.

**Other: \$924,000**

Funding is requested to support five FTEs and the increase to benefits, rent, utilities, supplies, and training

Department of Commerce  
 Departmental Management  
 Renovation and Modernization  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
 (Direct Obligations amounts in thousands)

Activity: Renovation and Modernization  
 Subactivity: Renovation and Modernization

Object Class	2019 Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	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
12.1 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23 Rent, communications, and utilities	0
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	0
24 Printing and reproduction	0
25 Consulting and other services	0
25.1 Consulting services	0
25.2 Other services	1,872
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	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	0
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
<b>99.9 Total obligations</b>	<b>1,872</b>

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

Object Classes	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
11 Personnel compensation:					
11.1 Full-time permanent	650	664	668	668	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	10	8	8	8	0
11.9 Total personnel compensation	<u>660</u>	<u>672</u>	<u>676</u>	<u>676</u>	<u>0</u>
12.1 Civilian personnel benefits	201	206	207	207	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	30	29	29	29	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	8	8	8	0
24 Printing and reproduction	0	2	2	2	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	1,294	855	0	1,872	1,872
25.3 Purchase of goods and services from Gov't accounts	1,556	3,203	0	0	0
26 Supplies and materials	2	2	2	2	0
31 Equipment	4	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	<u>3,747</u>	<u>4,977</u>	<u>924</u>	<u>2,796</u>	<u>1,872</u>
Less prior year recoveries	(116)	0	0	0	0
Unobligated balance, start of year	(635)	(1,004)	0	0	0
Unobligated balance, end of year	<u>1,004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BUDGET AUTHORITY	4,000	3,973	924	2,796	1,872

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

Personnel Data	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
<b>Full-Time Equivalent Employment:</b>					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0
<b>Authorized Positions:</b>					
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, \$1,000,000, to remain available until expended.] *For necessary expenses for the renovation and modernization of Department of Commerce facilities, \$2,796,000, 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

	2017 <u>Actual</u>	2018 <u>Estimate</u>	2019 <u>Estimate</u>
Average ES Salary	\$0	\$0	\$0
Average GS/GM Grade	13.8	13.9	13.9
Average GS/GM Salary	\$131,602	\$135,129	\$135,129

\*Average ES Grade is not reflected for FY 17, 18, and 19 because ES Salary Table does not show grade levels (depicted as a range)

\*Average ES Salary entered as zero for FY 17, 18, and 19 because there are no ES Grade category in the fund.

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

	Positions	FTE	Budget Authority	Reimbursable Obligations
2018 Annualized CR	665	532		223,803
plus: Inflationary/Adjustments to base	0	0		4,182
2019 Base	665	532		227,985
plus: 2019 Program Changes	0	0		0
2019 Estimate	665	532		227,985

		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
		Comparison by activity:									
Operations and Administration	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0
TOTALS	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0
Adjustments to Obligations:											
Recoveries			(5,077)								
Unobligated balance, start of year			(8,717)		(12,646)						
Unobligated balance, end of year			12,646								
Total Reimbursable Authority			217,078		223,803		227,985		227,985		0

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Department of Commerce  
 Departmental Management  
 Working Capital Fund  
 SUMMARY OF REIMBURSABLE OBLIGATIONS  
 (Dollar amounts in thousands)

		2017 Actual		2018 Annualized CR		2019 Base		2019 Estimate		Increase/(Decrease) Over 2019 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0
TOTALS	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0

Department of Commerce  
 Departmental Management  
 Working Capital Fund  
 SUMMARY OF FINANCING  
 (Dollar amounts in thousands)

	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
Total Obligations	218,226	236,449	227,985	227,985	0
Offsetting collections from:					
Federal funds	(218,226)	(236,449)	(227,985)	(227,985)	0
Trust funds					
Non-Federal sources					
Recoveries	(5,077)				
Unobligated balance, start of year	(8,717)	(12,646)			
Unobligated balance, transferred	12,646				
Unobligated balance, end of year	0				
Unobligated balance, expiring	0				
Budget Authority	(1,148)	(12,646)	0	0	0
Financing:					
Transfer from other accounts (-)					
Transfer to other accounts (+)					
Total Reimbursable Authority	217,078	223,803	227,985	227,985	0

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

	<u>FTE</u>	<u>Amount</u>
Transfer of Estimates Adjustment		
Other Changes:		
2018 pay raise		444
2019 pay raise		0
Full year cost in 2018 of positions financed for part-year 2019		0
Change in Compensable Days		354
Civil Service Retirement System (CSRS)		(79)
Federal Employees' Retirement System (FERS)		155
Thrift Savings Plan (TSP)		50
Federal Insurance Contribution Act (FICA) - OASDI		17
Health Insurance		240
Employees Compensation Fund		0
Travel:		
Per Diem		12
Mileage		0
Rental Payments to GSA		1,093
Postage		0
General Pricing Level Adjustments:		
Printing and reproduction		7
NARA Storage & Maintenance		0
Transportation of things		3
Rental payments to others		0
Communications & misc.		42
Other Services		1,774
Supplies		21
Equipment		49
Subtotal, Other Changes	<u>0</u>	<u>4,182</u>
Less amount absorbed		0
Total, Adjustments to Base	<u>0</u>	<u>4,182</u>

Department of Commerce  
 Departmental Management  
 Working Capital Fund  
 PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS  
 (Dollar amounts in thousands)

		2017		2018		2019		2019		Increase/(Decrease)	
		Actual		Annualized CR		Base		Estimate		Over 2019 Base	
Compare by activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0
TOTALS	Pos./BA	672		665		665		665		0	
	FTE/Obl.	539	218,226	532	236,449	532	227,985	532	227,985	0	0



Department of Commerce  
Departmental Management  
Working Capital Fund  
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Working Capital Fund  
Subactivity: Operations and Administration

Goal Statement

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.

Base Program

The Secretary of Commerce is vested with managing the WCF. Department Organizational Order 10-5 delegates 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. The services are provided by the following organizational units: The Office of Financial Management (OFM); 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 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).

The Office of the Secretary Financial Management (OSFM) located in Office of Financial Management (OFM) provides the financial stewardship and management of the WCF fund. A driving principal within the OSFM in managing the WCF is transparency. The WCF is managed throughout the year with extreme attention to operating the fund with transparency and openness. There are multiple deliverables and activities throughout the year that contribute to this theme of transparency. These include, but are not limited to, an annual WCF handbook, bureau cost estimates and variance meetings, quarterly memorandum of understanding and project breakdowns, Chief Financial Officer (CFO) Council and Departmental Management (DM) Council briefings, and periodic project and billing algorithm reviews with service providers and customer bureaus.

- The Office of General Counsel (OGC) provides legal advice to the Secretary, the Under Secretaries, the Assistant Secretaries, and other officers of the Department, including bureau heads. OGC provides guidance and services on matters involving Departmental programs and components. OGC supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
- Enterprise Services (ES) is the DOC's multi-function, enterprise-wide shared services program. A key focus of Enterprise Services 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. To build upon this work, the DMC launched the "Enterprise Services Project" in October of 2014. The Enterprise Services Project recently completed the Assessment and Design phases, which culminated in the DMC approving: (1) specific services for delivery via a new Enterprise Services model; (2) a sequencing strategy for transitioning services and customers into this new model; and (3) a robust concept of operations and implementation strategy.
- The Office of 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 information technology (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. OCIO provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. In addition, OCIO manages the Department's IT security and critical IT infrastructure programs.
- The Office of Financial Management (OFM) implements policies and procedures for Departmental financial management, provides consolidated financial reporting, develops and maintains the Commerce Business System (CBS), the Department's financial management system. OFM also provides Department-level management of travel and complete financial stewardship for all activities included in Departmental Management. OFM oversees and administers budget functions for the Office of the Secretary, manages the Department's Working Capital Fund and provides financial support and guidance Department-wide.
- 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 Facilities 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; library services; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and major and minor renovations; labor services; historic preservation; and shipping/receiving.
- The Office of Human Resource 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 Executive Direction/Chief of Staff provides two main services: 1) The Office of Public Affairs (OPA) promotes public understanding and support of Department's programs, services and consumer issues. OPA ensures continuity and cost-effective management of Departmental Public Affairs programs. Furthermore, OPA acts as the primary point of contact on Departmental issues for the White House and Federal departments and agencies; 2) The Executive Protection Unit, which provides for the physical protection of the Secretary of Commerce and/or designees; and operational support for the Executive Protection Unit.
- The Office of Acquisition Management (OAM) develops, coordinates, and maintains the Department's acquisition regulations, policies and procedures. OAM, whose director serves as the DOC's Senior Procurement Executive delivers, maintains, and approves DOC-wide or bureau-specific automated procurement support and serves as the focal point for the collection and reporting of acquisition information. OAM develops and maintains DOC-wide acquisition management and performance measurement programs, evaluates and compares contracting office performance against stated goals, and advises the Assistant Secretary for Administration on goal achievements. OAM also serves as the Department of Commerce's primary office for all issues relating to organizational performance and risk management.
- The Office of Civil Rights (OCR) develops and manages the Department's Equal Opportunity (EEO) policies and programs. OCR conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.
- 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. It also coordinates the Department's response to incidents involving personally identifiable information, administers the Departmental Freedom of Information Act 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.

Statement of Operating Objectives

The Working Capital Fund (WCF) provides administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its mission. The WCF is managed throughout the year with extreme attention to operating the fund with transparency, openness and a high level of customer support.

Explanation and Justification

The WCF provides administrative oversight and operational support to deliver centralized shared services to the Department's bureaus in the most efficient and economic manner possible.

	<u>2017 Actual</u>		<u>2018 Annualized CR</u>		<u>2019 Estimate</u>	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration						
Pos./BA	672		665		665	
FTE/Obl	539	218,226	532	236,449	532	227,985

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

Object Classes	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
11.1 Full-time permanent (Compensation)	64,468	72,454	73,212	73,212	0
11.3 Other than full-time permanent	869	977	987	987	0
11.5 Other personnel compensation	2,570	2,516	2,546	2,546	0
11.8 Special personnel services payments					0
11.9 Total personnel compensation	<u>67,907</u>	<u>75,947</u>	<u>76,745</u>	<u>76,745</u>	<u>0</u>
12.1 Civilian personnel benefits	21,959	25,151	25,534	25,534	0
13 Benefits for former personnel	8	9	9	9	0
21 Travel and transportation of persons	535	832	844	844	0
22 Transportation of things	119	170	173	173	0
23 Rent, communications and utilities					
23.1 Rental payments to GSA	7,157	8,220	9,313	9,313	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Commu., util. and misc. charges	3,588	4,576	4,618	4,618	0
24 Printing and reproduction	241	396	403	403	0
25 Consulting and other services					
25.1 Consulting services	376	355	361	361	0
25.2 Other services	72,977	81,538	70,040	70,040	0
25.3 Purchase of goods and services from Gov't accounts	39,350	35,096	35,715	35,715	0
26 Supplies and materials	1,264	1,248	1,269	1,269	0
31 Equipment	2,742	2,909	2,959	2,959	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	3	0	0	0	0
99.9 Total obligations	<u>218,226</u>	<u>236,449</u>	<u>227,985</u>	<u>227,985</u>	<u>0</u>

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

Object Classes	2017 Actual	2018 Annualized CR	2019 Base	2019 Estimate	Increase/ (Decrease) Over 2019 Base
Prior year recoveries	(5,077)	0	0	0	0
Unobligated balance, start of year	(8,717)	(12,646)	0	0	0
Unobligated balance, end of year	<u>12,646</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL REIMBURSABLE AUTHORITY</b>	<b>217,078</b>	<b>223,803</b>	<b>227,985</b>	<b>227,985</b>	<b>0</b>
<b>Personnel Data</b>					
<b>Full-Time Equivalent Employment:</b>					
Full-time permanent	505	498	498	498	0
Other than full-time permanent	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>
Total	<u>539</u>	<u>532</u>	<u>532</u>	<u>532</u>	<u>0</u>
<b>Authorized Positions:</b>					
Full-time permanent	628	621	621	621	0
Other than full-time permanent	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>0</u>
Total	<u>672</u>	<u>665</u>	<u>665</u>	<u>665</u>	<u>0</u>

Department of Commerce  
 Departmental Management  
 Working Capital Fund  
 DIRECT COST BY OFFICE  
 (Dollar amounts in thousands)

Offices:	2017 Actual			2018 Annualized CR			2019 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Human Resources Management	69	52	12,364	61	44	13,598	61	44	13,846
Civil Rights	10	9	2,605	10	9	2,709	10	9	2,778
Financial Management	63	49	31,257	62	48	32,379	62	48	33,119
Security <sup>1/</sup>	122	93	27,580	124	95	28,840	124	95	29,354
Facilities and Environmental Quality	72	55	19,650	69	52	18,661	69	52	19,091
Acquisition Management	10	5	3,995	9	4	3,974	9	4	4,055
Office of Privacy and Open Government	4	3	794	4	3	1,006	4	3	1,022
General Counsel	208	179	39,789	214	185	46,902	214	185	47,650
Chief Information Officer	42	34	40,016	42	34	35,314	42	34	35,892
Enterprise Services	54	44	37,143	52	42	36,094	52	42	36,789
Executive Direction <sup>1/</sup>	18	16	3,033	18	16	4,326	18	16	4,389
<b>Total Working Capital Fund</b>	<b>672</b>	<b>539</b>	<b>218,226</b>	<b>665</b>	<b>532</b>	<b>223,803</b>	<b>665</b>	<b>532</b>	<b>227,985</b>

<sup>1/</sup> 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)

	2017 Actual	2018 Annualized CR	2019 Estimate
Office of the Secretary	12,120	12,379	13,036
International Trade Administration	31,704	32,144	33,384
Economic Development Administration	3,775	4,047	1,398
National Telecommunications and Information Administration	8,045	7,140	7,473
National Technical Information Service	1,677	1,742	1,834
Bureau of the Census	38,192	41,604	43,000
Economic and Statistics Administration/Bureau of Economic Analysis	3,356	3,586	3,321
National Oceanic and Atmospheric Administration	57,191	53,967	55,249
National Institute of Standards and Technology	24,867	25,637	26,317
Minority Business Development Agency	5,759	4,810	4,593
Bureau of Industry and Security	12,317	12,160	12,632
Office of Inspector General	2,756	2,811	2,933
Patent and Trademark Office	12,725	19,151	20,124
<b>Total Commerce Bureaus</b>	214,484	221,180	225,294
Other Agencies	3,742	2,623	2,691
<b>Total</b>	218,226	\$223,803	\$227,985

Due to the FY 2018 Continuing Resolution the FY 2018 Annualized CR level does not include the billing changes to the Economics and Statistics Administration (ESA), the Economic Development Administration (EDA) and Minority Business Development Agency (MBDA) as required in the FY 2018 President's Budget.

The FY 2019 Estimate includes changes to the Bureau billing distribution to reallocate ESA associated costs to the Bureau of Economic Analysis (BEA) and Bureau of Census. EDA includes a reduction for three quarters of the year, which is spread to the remaining bureaus. MBDA billings remain and are adjusted to a reduced FTE level, which impacts other bureau billings.



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

	<u>2017</u> Actual	<u>2018</u> Annualized CR	<u>2019</u> Estimate
Consulting services	376	355	361
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>376</u>	<u>355</u>	<u>361</u>

Department of Commerce  
 Departmental Management  
 Working Capital Fund  
 AVERAGE GRADE AND SALARIES

	2017 Actual	2018 Annualized CR	2019 Estimate
Average ES Salary	\$180,040	\$183,461	\$183,461
Average GS/GM Grade	13.1	13.1	13.1
Average GS/GM Salary	\$115,202	\$117,391	\$117,391

## **FY 2019 Departmental Management Performance Planning Backup**

### **MISSION STATEMENT**

The mission of the Department of Commerce 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.

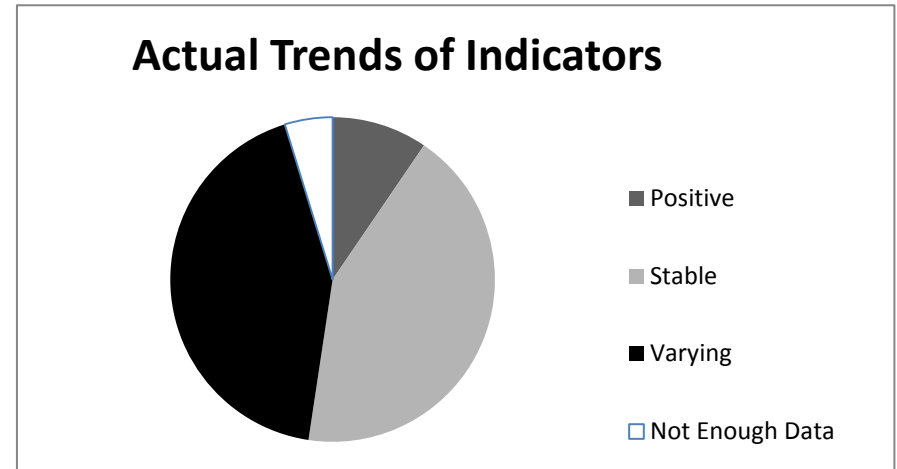
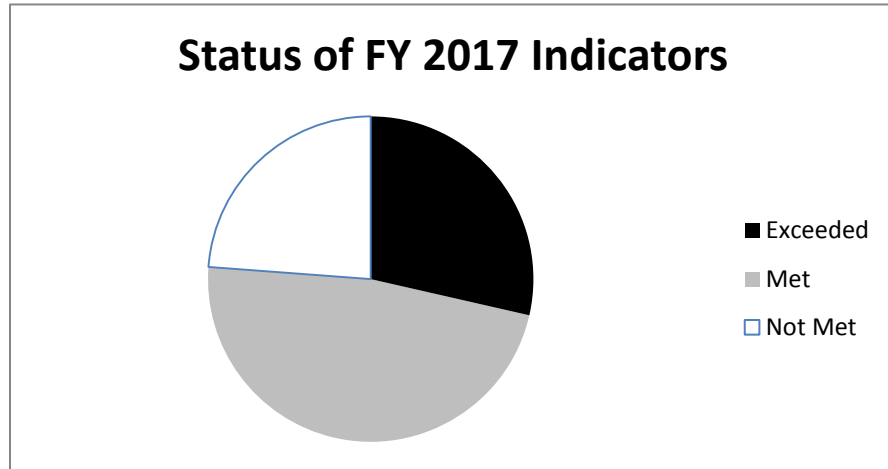
### **OVERVIEW**

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

- 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, and provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines;
- The Working Capital Fund provides necessary centralized services to client bureaus; and
- 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.

## Performance Indicator Information

### Summary of Indicator Performance



In FY 2017, DM reported results on 21 of 22 performance indicators. Of those indicators, DM exceeded six targets (28%), met ten targets (48%) and did not meet five targets (24%). Of the 21 indicators, two (10%) had a positive trend, nine (43%) had a stable trend, none had a negative trend, nine (43%) had a varying trend, and one (4%) did not have enough data to determine a trend.

### Summary of FY 2017 Indicator Performance

Indicator Name / Contributing Office	Target	Actual	Status	Trend
Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey (OFM)	69%	71%	Exceeded	Varying
Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey (OFM)	64%	66%	Exceeded	Varying
Percentage of high-volume processes with customer feedback elements (OAM)	100%	100%	Met	Not enough data
Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS) (OFM)	61%	62%	Exceeded	Varying
Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management (OFM)	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2017 A-123 assessment of internal controls	The significant deficiency (FISCAM) from FY 2016 remains and a material weakness was identified.  Completed FY 2017 A-123 assessment of Internal Controls	Not Met	Stable

Indicator Name	Target	Actual	Status	Trend
Unmodified audit opinion (OFM)	Unmodified	Unmodified	Met	Stable
For each administrative / business system, maintain compliance and alignment with OMB initiatives (OFM)	Compliance	Maintained compliance	Met	Stable
Dollars awarded using high-risk contracting authorities (OAM)	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	\$222M	Met	Positive
Savings achieved through more effective acquisition practices (millions) (OAM)	\$18	\$36	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 implemented a Departmental Incident Management System to report, track, and manage all Commerce cyber incidents.  Hardware Asset Management:83%; Software Asset Management: 81%; Vulnerability Management: 92%; Configuration Management: 96%;	Met	Stable
Strong Authentication (OCIO)	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)	Privileged users: 97% Unprivileged users: 89%	Met	Stable
Trusted Internet Connection Consolidation (OCIO)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)	TIC Consolidation is at 100% via MTIPs and TICAP for all bureaus.	Met	Stable
Trusted Internet Connection Capabilities (OCIO)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	NOAA's TIC 2.0 compliance at 98% (59/60) based on the DHS FY17 TIC Capability Validation (TCV) report critical controls	Met	Stable

Indicator Name	Target	Actual	Status	Trend
Security Compliance Reviews (OCIO)	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Conducted 27 analyses, reviews, and assessments, including an RMF Continuous Monitoring Check of all 270 Department of Commerce FISMA-reportable systems.	Met	Stable
Mission-Critical Occupation Staffing (MCO) Staffing (Average deviation of populations from targets) (OHRM)	5%	9%	Exceeded	Varying
Permanent Attrition (rate of permanent employees that intentionally separated, without agency incentive or action) (OHRM)	7%	7%	Met	Varying
Hiring Timeline (Average number of calendar days to complete hiring actions) (OHRM)	65	89	Not Met	Varying
Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job) (OHRM)	70%	54%	Not Met	Varying
Disability Hires (Percentage of new hires that have a disability) (OHRM)	13%	21.9%	Exceeded	Positive
Veteran Hires (Percentage of new hires that are veterans) (OHRM)	26%	10.2%	Not Met	Varying
Cybersecurity Cross Agency Priority (CAP) Goal average for the Department (OCIO)	95%	TBD	TBD	TBD
Percentage of internal customers satisfied with core mission support processes (OCIO)	75%	Discontinued	Not applicable	Not applicable

**Contributing offices are as follows:**

OFM: Office of Financial Management  
OAM: Office of Acquisition Management  
OCIO: Office of the Chief Information Officer  
OHRM: Office of Human Resources Management

Note: In the following section, five years of past data (FY 2012 – FY 2017) appear for each indicator unless the indicator began in a later year (e.g., FY 2014). In those cases, only the years for which data are reported appear.

**DETAILED INDICATOR PLANS AND PERFORMANCE**

**Current / Recurring Indicators**

<b>Indicator</b>	<b>Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey</b>							
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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target				67%	67%	69%	71%	71%
Actual	70%	70%	70%	68%	69%	71%		
Status				Exceeded	Exceeded	Exceeded		
Trend	Varying							
Actions to be taken	None							
Adjustments	The FY 2018 and FY 2019 targets are based on the FY 2017 FEVS Employee Engagement index results.							
Information Gaps	None							

<b>Indicator</b>	<b>Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey</b>							
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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target				66%	64%	64%	66%	66%
Actual	65%	64%	64%	63%	63%	66%		
Status				Met	Met	Exceeded		
Trend	Varying							
Actions to be taken	None							
Adjustments	The FY 2018 and FY 2019 targets are based on the FY 2017 FEVS New IQ index results							
Information Gaps	None							

<b>Indicator</b>	<b>Percentage of high-volume processes with customer feedback elements</b>			
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 2016	FY 2017	FY 2018	FY 2019
Target	100%	100%	100%	100%
Actual	100%	100%		
Status	Met			
Trend	Not enough data			
Actions to be taken	None			
Adjustments	None			
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 were upgraded in FY 2016/2017. In addition, the universe for this indicator was expanded in FY 2016 to include all high volume customer services processes of DoC. .			
Information Gaps	None			

<b>Indicator</b>	<b>Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS)</b>							
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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target				61%	61%	61%	62%	62%
Actual	61%	61%	61%	60%	60%	62%		
Status				Met	Met	Exceeded		
Trend	Varying							
Actions to be taken	None							
Adjustments	The FY 2018 and FY 2019 targets are based on the FY 2017 FEVS Results-Oriented Performance Culture index results.							
Information Gaps	None							



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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	83%	80%	95%	95%	TBD
Actual	84%	85%	TBD		
Status	Exceeded	Exceeded	TBD		
Trend	Not enough data				
Actions to be taken	None				
Adjustments	None				
Information Gaps	None				

<b>Indicator</b>	<b>Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management</b>							
<b>Category</b>	Supporting (Non-Strategic Plan)							
<b>Type</b>	Intermediate Outcome							
<b>Description</b>	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							
	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	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	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2019 A-123 assessment of internal controls
<b>Actual</b>	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 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; one significant deficiency (FISCAM) remains Completed FY 2016 A-123 assessment of Internal Controls	The significant deficiency (FISCAM) from FY 2016 remains and a material weakness was identified. Completed FY 2017 A-123 assessment of Internal Controls		
<b>Status</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>		
<b>Trend</b>	Maintain standard, Stable trend							
<b>Explanation for not met</b>	One repeat significant deficiency remains and one new material weakness was identified. The repeat finding is related to IT controls tested under Financial Information System Controls Audit Manual (FISCAM). This has been a repeat finding for the Department since FY 2012. The material weakness is related to the improper recording of internal use software.							
<b>Actions to be taken</b>	The Department will develop corrective actions and continue to monitor the implementation progress to ensure that they stay on track.							
<b>Adjustments</b>	None							
<b>Information Gaps</b>	None							

<b>Indicator</b>	<b>Unmodified audit opinion</b>						
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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Actual	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified		
Status	Met	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						
Adjustments	None						
Information Gaps	None						

<b>Indicator</b>	<b>For each administrative / business system, maintain compliance and alignment with OMB initiatives</b>						
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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
Actual	Maintained compliance	Maintained compliance	Maintained compliance	Maintained compliance	Maintained compliance		
Status		Met	Met	Met	Met		
Trend	Maintain standard; Stable trend.						
Actions to be taken	The BAS project intends to follow the shared services process as stated in OMB Memorandum M-13-08						
Adjustments	None						
Information Gaps	None						

<b>Indicator</b>	<b>Dollars awarded using high-risk contracting authorities</b>						
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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
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	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities
Actual	\$228M	\$279M	\$367M	\$324M	\$222M		
Status	Met	Met	Met	Met	Met		
Trend	Positive						
Actions to be taken	None						
Adjustments	None						
Information Gaps	None						

<b>Indicator</b>	<b>Savings achieved through more effective acquisition practices (millions)</b>						
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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	\$18	\$18	\$18	\$18	\$18	\$16.9	\$31
Actual	\$29	\$18.1	\$17	\$25	\$36		
Status	Exceeded	Exceeded	Met	Exceeded	Exceeded		
Trend	Maintain Standard, Varying Trend						
Actions to be taken	None						
Adjustments	None						
Information Gaps	None						

<b>Indicators – (OCIO)</b>	<b>A. Cost / Schedule Overruns</b> <b>B. Continuous Monitoring</b> <b>C. Strong Authentication</b> <b>D. Trusted Internet Connection Consolidation</b> <b>E. Trusted Internet Connection Capabilities</b> <b>F. Security Compliance Reviews</b>						
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>						

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.

In FY 2017, 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 are currently being deployed and integrated in FY 2017 and FY 2018 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 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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	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%	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%	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.	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	Not Met	Not Met	Not Met	Not Met	Not Met		

Trend	Maintain Standard, Stable trend.
Explanation for 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	None
Information Gaps	None

<b>B. Continuous Monitoring</b>						
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
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%)	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)	The Enterprise Security Operations Center implemented a Departmental Incident Management System to report, track, and manage all Commerce cyber incidents.  Hardware Asset Management:83%; Software Asset Management: 81%; Vulnerability Management: 92%; Configuration Management: 96%;		
Status	Met	Met	Not Met	Met		
Trend	Stable trend.					
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, is in the process of designing and deploying Phase 1 (CRED MGMT) tools throughout DOC bureaus. Phase 2 (PRIV MGMT) contractor, KCG-ManTech, is conducting design meeting with DOC bureaus with deployments scheduled began in Nov. 2017.
Adjustments	Dependent on CDM deployment schedule, as resources are limited.
Information Gaps	None

<b>C. Strong Authentication</b>								
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	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)	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	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%	Privileged users: 97% Unprivileged users: 89%		
Status	Met	Met	Met	Met	Exceeded	Met (Unprivileged: Exceeded, Privileged: Not met)		
Trend	Maintain standard, stable trend.							
Actions to be taken	TBD							
Adjustments	Targets mandated by OMB							
Information Gaps	None							



<b>D. Trusted Internet Connection Consolidation</b>						
	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	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%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)
<b>Actual</b>	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.	TIC Consolidation is at 100% via MTIPS and TICAP for all bureaus.		
<b>Status</b>	<b>Met</b>	<b>Met</b>	<b>Met</b>	<b>Met</b>		
<b>Trend</b>	Stable trend.					
<b>Actions to be taken</b>	None					
<b>Adjustments</b>	None					
<b>Information Gaps</b>	None					

<b>E. Trusted Internet Connection Capabilities</b>						
	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	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%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)
<b>Actual</b>	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	NOAA's TIC 2.0 compliance at 98% (59/60) based on the DHS FY17 TIC Capability Validation (TCV) report critical controls		
<b>Status</b>	<b>Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Met</b>		
<b>Trend</b>	Stable					
<b>Actions to be taken</b>	TBD					
<b>Adjustments</b>	None					
<b>Information Gaps</b>	None					

<b>F. Security Compliance Reviews</b>								
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	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	Perform IT Security Compliance Reviews of all OUs and 20 assessments
Actual	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.	Conducted 27 analyses, reviews, and assessments, including an RMF Continuous Monitoring Check of all 270 Department of Commerce FISMA-reportable systems.		
Status	Met	Met	Met	Met	Met	Met		
Trend	Maintain standard, stable trend.							
Actions to be taken	None							
Adjustments	None							
Notes	The parameters constituting an "assessment" changed between FY 2016 & 2017, hence the significant variance in actual performance vs the FY 2016 target. For 2018 & 2019, parameters will revert back to 2015 method.							
Information Gaps	None							

<b>Indicators (OHRM)</b>	<b>A. Mission-Critical Occupation Staffing</b> <b>B. Permanent Attrition</b> <b>C. Hiring Timeline</b> <b>D. Candidate Quality</b> <b>E. Disability Hires</b> <b>F. Veteran Hires</b>
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.

<b>A. Mission-Critical Occupation (MCO) Staffing (Average deviation of populations from targets)</b>						
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	5%	5%	5%	5%	5%	5%
Actual	5%	10%	8%	9%		
Status	Met	Met	Met	Met		
Trend	Varying					
Actions to be taken	None					
Adjustments	None					
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."					
Information Gaps	None					

<b>B. Permanent Attrition (rate of permanent employees that intentionally separated, without agency incentive or action)</b>							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	11%	11%	7%	7%	7%	7%	7%
Actual	6%	7%	7%	7%	7%		
Status	Exceeded	Exceeded	Met	Met	Met		
Trend	Stable						
Actions to be taken	None						
Adjustments	None						
Notes	Indicator began in FY 2013. 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 in FY 2015.
Information Gaps	None

<b>C. Hiring Timeline (Average number of calendar days to complete hiring actions)</b>								
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	80	80	65	65	65	65	65	65
Actual	84	103	91	88	101	89		
Status	Met	Not Met	Not Met	Not Met	Not Met	Not Met		
Trend	Varying							
Explanation for not met	The 24 days beyond the target can be mostly attributed to issuing the tentative offer and acceptance (6 days longer than OPM standard); issuing the official job offer (5 days longer); the time the job announcement remained open (3 days longer), the manager's review and interview of applicants (3 days longer); and security processing (3 days longer). Additionally, the mandated hiring freeze that went into effect January 2017 contributed to some delays in the hiring process.							
Actions to be taken	None							
Adjustments	None							
Information Gaps	None							

<b>D. Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job)</b>								
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target			70%	70%	70%	70%	70%	70%
Actual	61%	62%	63%	64%	62%	54%		
Status			Met	Met	Not Met	Not Met		
Trend	Varying							
Explanation for 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. Only 54% of managers that answered the survey provided a rating of 8 or higher in this question, therefore not meeting the target of 70%.							
Actions to be taken	None							
Adjustments	None							
Information Gaps	None							

<b>E. Disability Hires (Percentage of new hires that have a disability)</b>
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	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target		9.0%	10.0%	12.5%	13.0%	13.5%	14.0%
Actual	12.3%	7.3%	12.3%	15.1%	21.9%		
Status		Not Met	Exceeded	Exceeded	Exceeded		
Trend	Positive						
Actions to be taken	None						
Adjustments	None						
Notes	The FY 2018 target has been established as 13.5% based on incremental increases of .5% between FY 2016 to FY 2019.						
Information Gaps	None						

<b>F. Veteran Hires (Percentage of new hires that are veterans)</b>							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target		16.4%	20.2%	27.5%	25.9	23.2%	TBD
Actual	13.4%	12.5%	13.7%	13.9%	10.2%		
Status		Not Met	Not Met	Not Met	Not Met		
Trend	Varying						
Explanation for not met	The FY 2017 hiring freeze, coupled with limited resources to actively market and recruit veterans were significant factors in the decrease of veterans hiring from FY2016 to FY2017.						
Actions to be taken	None						
Adjustments	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 2019 target will not be established until after FY 2018.						
Information Gaps	None						

**Non-Recurring Indicators**

<b>Indicator</b>	<b>Percentage of internal customers satisfied with core mission support processes</b>			
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 2016	FY 2017	FY 2018	FY 2019
Target	70%	75%	80%	80%
Actual	73%	Discontinued		
Status	Exceeded			
Trend	Not enough data			
Actions to be taken	Per the new Strategic Plan, this indicator was discontinued as a GPRA measure in FY 2017. Results are still being tracked internally.			
Adjustments	None			
Information Gaps	None			

**Resource Requirements Table**

	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 CR Annualized	FY 2019 Base	Increase / Decrease	FY 2019 Request
<b>Total Budget Authority</b>	56.2	51.1	55.5	56.0	57.7	58.0	57.6	58.9	0.0	58.9
<b>Total Positions</b>	195	196	193	193	199	200	193	193	0	193

Positions do not include staff funded by the Working Capital fund.