

EXECUTIVE DIRECTION

		FY 2002 Enacted	FY 2003 Estimate	Uncontrollable Costs	Program Change	FY 2004 Request	Difference from FY 04
Regulation & Technology	\$\$\$	12,244	12,693	535	330	13,558	865
	FTE	68	67	0	0	67	0
Abandoned Mine Land	\$\$\$	6,552	6,705	6	177	6,888	183
	FTE	37	37	0	0	37	0
TOTAL	\$\$\$	18,796	19,398	541	507	20,446	1,048
	FTE	105	104	0	0	104	0

The Executive Direction business line functions are carried out at OSM's headquarters location in Washington, D.C. This business line includes the Director's and staff offices, information systems management, administration, human resources, and internal financial management for the organization. Executive Direction provides internal administrative support to programs, regions, and field offices through the development and coordination of agency policy, budget, plans and other guidance documents. Also, Executive Direction coordinates the implementation of Departmental and Administration initiatives in the bureau, such as, the President's Management Agenda.

The performance outcomes for Executive Direction are accomplished through the efficient and effective operations of the two major agency business lines (i.e. environmental restoration and environmental protection) and two support programs (technology development and transfer and financial management). Through providing administrative support functions for these programs Executive Direction supports the Department of the Interior goals and measures in the new strategic plan.

Operational Processes (Program Activities): The funding request for this business line is to support activities of Executive Direction, Administrative Support and General Services. Executive Direction provides executive leadership and policy direction for the Bureau, which includes the immediate office of the Director. Administrative Support provides all of the support services for day-to-day operations, such as Human Resources, Procurement, Information Technology, and Finance and Accounting. General Service's funds bureau-wide fixed costs such as office space, telephones, US postage, Unemployment Compensation etc., and Department-wide fixed costs assessed to OSM.

***EXECUTIVE DIRECTION AND
ADMINISTRATION ENCOMPASSES:***

- Director's Office
- Administrative support for day to day operations
 - Human Resources
 - Administration
 - Finance and Accounting
 - Information Systems Management
- General Services (Office space, telephones, postage, unemployment and workers compensation, working capital fund, and other fixed costs)

Except for the Human Resources measures below, OSM did not incorporate goals and measures for this business line in its annual plan. The human resources measure supports the Department's diversity initiatives and human resources plan. Additional measures have been developed for other administrative activities and are used internally.

**FY 2004 PERFORMANCE
GOALS AND MEASURES**

The Offices in the Executive Direction business line performance is an integral component of OSM's

Environmental Restoration and Environmental Protection mission goal areas; and the technology development and transfer and finance support functions. Through accomplishment of OSM's two mission goals the business line supports the Departmental Resource Protection, Resource Use and Serving Communities goal areas.

The outcome of program performance will be measured by the success of the Surface Mining program in carrying out the environmental restoration and protection missions. Also, performance will be measured through OSM's contribution to the accomplishment of the Departmental management goals and measures in the new strategic plan based upon the President's five agenda items -- strategic management of human capital, expand e-government, improve budget and performance integration, improve financial management, and expand competitive sourcing.

In FY 2004 OSM will continue to support the Department's progress in the implementation of the President's agenda. Our performance in the five management improvement areas will be reported through the internal DOI scorecard rating system. The rating system is based upon the government-wide traffic light system developed by the Office of Management and Budget to rate agency's performance in each area. As of the last rating period ended November 2002 the bureau has a "Green" in the areas of financial management, budget and performance integration, e-government, and competitive sourcing.

Table 1– Strategic Goals and Measures

<p>OSM Mission Goal Areas:</p> <p style="text-align: center;">Environmental Restoration</p> <p style="text-align: center;">To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining</p> <p style="text-align: center;">&</p> <p style="text-align: center;">Environmental Protection</p> <p style="text-align: center;">To protect people and the environment during current mining operations and to ensure that the land is restored to beneficial use after mining has ceased.</p>		
<i>DOI Mission Goal</i>	<i>Agenda Item</i>	<i>OSM Score</i>
<p>Management Excellence Improve the efficiency and effectiveness of internal operations in the delivery of DOI programs and services.</p>	Strategic Management of Human Capital	Yellow
	Competitive Sourcing	Green
	Improved Financial Management	Green
	Budget and Performance Integration	Green
	Expand Electronic Government	Green

Data Verification and Validation for Measures: OSM’s scorecard ratings will be verified and validated through meetings between the bureau and the cognizant Departmental office to assess performance semi-annually.

Actions Required to Achieve Annual Goals: OSM will continue to strengthen or maintain existing “Green” scores and continue to make progress toward “Green” in the area of strategic management of human capital.

Resources, Skills, and Technology Needed: OSM and the States and Tribes will continue to need a diverse and multi-disciplinary cadre of personnel to accomplish the mission and goals of SMCRA. In addition, these personnel will guide OSM through technical and policy decisions to ensure that coal-mining activities, including post-mining reclamation, are carried out in such a manner that the safety and health of coalfield citizens is protected and the environment is not degraded.

FY 2004 Budget Request: The FY 2004 President’s Budget requests \$20.4 million for Executive Direction and Administrative activities. Of this total, \$3.8 million will be used to provide executive direction and effective policy guidance for the overall program and liaison efforts with States, Tribes, coalfield citizens, Congress, and other Federal agencies. Administrative support and services for OSM will require \$6.5 million and basic bureau-wide fixed overhead costs in general services will cost \$10.1 million.

Table 2 – Justification of Program and Performance

Executive Direction

Summary Increases/Decreases for FY 2004

(Dollars in Thousands)

Program Activity		Regulation & Technology			Abandoned Mine Lands			Total			Inc/Dec
		2002 Act.	2003 Est.	2004 Req.	2002 Act.	2003 Est.	2004 Req.	2002 Act.	2003 Est.	2004 Req.	
Executive Direction	\$\$\$	2,412	2,458	2,488	1,293	1,313	1,327	3,705	3,771	3,815	44
	FTE	22	21	21	11	11	11	33	32	32	0
Administrative Support	\$\$\$	4,139	4,236	4,298	2,137	2,188	2,222	6,276	6,424	6,520	96
	FTE	46	46	46	26	26	26	72	72	72	0
General Services	\$\$\$	5,693	5,999	6,772	3,122	3,204	3,339	8,815	9,203	10,111	908
	FTE	0	0	0	0	0	0	0	0	0	0
TOTAL	\$\$\$	12,244	12,693	13,558	6,552	6,705	6,888	18,796	19,398	20,446	1,048
	FTE	68	67	67	37	37	37	105	105	105	0

ONGOING PROGRAM

1. Executive Direction

This activity provides executive direction and leadership, and policy and program management guidance for all areas of responsibility for OSM. The Executive Direction activity includes the salaries and operating expenses for the office of the Director and immediate staff offices, which include Equal Opportunity, Communications, Strategic Planning and Evaluation, and the Budget Office. During FY 2003, OSM plans to merge the Strategic Planning and Evaluation and Budget offices to integrate the budget and performance functions into one organizational unit.

a. Office of the Director

The Director is OSM's Chief Executive. The Director provides the leadership and direction of OSM activities within the limits delegated under SMCRA. The Director's primary objectives are to aggressively pursue the reclamation of abandoned mine lands (AML) and to prevent environmental problems in the coalfields by working through the State agencies. OSM makes every effort to obtain full public involvement in the design and development of agency policy. An extensive outreach approach, stimulated a more cohesive partnership that has led to better understanding and cooperation among OSM's stakeholders.

In FY 2004, OSM will continue outreach efforts, which promote public participation in policy making. The arena for such participation includes public meetings on proposed rulemaking and conferences, which promote discussion and exchange of information on the current state of the coal industry and OSM's evolving role. OSM will continue to take positive steps to contact States, Tribes, citizens, and industry and encourage their participation.

In addition to guiding policy decisions, the Director provides direct supervision to the following staff offices; Office of Equal Opportunity, Office of Communication, Office of Strategic Planning and Evaluation, and the Budget Office.

b. Office for Equal Opportunity (OEO)

This Office is responsible for promoting equal employment opportunities for all OSM. The Office:

- provides technical guidance and assistance to field Equal Opportunity managers as well as to OSM employees.
- supervises designated collateral duty Equal Opportunity Counselors.
- processes discrimination complaints and informal disputes.
- develops and implements affirmative employment and diversity plans in order to enhance diversity throughout the Bureau.
- ensures that all programs and activities are fully accessible for the disabled.

- maintains a Civil Rights Compliance program for federally-assisted and conducted programs.

In addition, this Office is responsible for the Special Emphasis and Minority Higher Education programs for the Bureau. Under these programs, the Office has guided OSM in the development of memoranda of understanding, partnerships, and cooperative agreements with Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities. In part, these initiatives are in response to Executive Orders of the President to work more closely with minority colleges and universities in an effort to enhance recruitment and stimulate curriculum related to OSM's mission. These initiatives will foster the implementation of the Department's and OSM's five-year strategic plan to improve outreach and diversity in the workforce.

c. Office of Communications (OC)

This office plans, coordinates, produces, and distributes the following under the direction of the Director:

- Publications,
- Audiovisuals,
- Fact sheets,
- Reports,
- Photos,
- Exhibits, and
- News releases.

These items contain information about OSM programs, policies, and Congressional activities, the public, the coal industry, citizen groups, and the media. OC responds to requests for information from the news media and the public. OC also maintains a Correspondence Tracking System to manage official correspondence. The Office provides direction for internal communications and functions as the principal point of contact for arranging media interviews and briefings with key officials.

d. Office of Strategic Planning and Evaluation (OSPE)

OSPE coordinates the development and maintenance of the bureau's strategic and annual plans, the performance measurement system as required by the Government Performance and Results Act (GPRA), and is responsible for implementation of Executive Orders and Presidential initiatives. This Office is responsible for evaluating program effectiveness, which is an integral part of OSM's planning process and has established a system to test management controls and provide assurances that the bureau is in compliance with the Federal Managers' Financial Integrity Act. OSPE also serves as the Bureau's liaison with the Office of the Inspector General (OIG), the General Accounting Office (GAO), and the Department and coordinates OSM's responses and tracks all audit findings

throughout the process of resolution and implementation. In FY 2003, OSM plans to merge this office with the Budget Office to form a single organizational unit.

e. Budget Office

The Budget Office is responsible for the development and management of all bureau-wide budget activities including the administrative control of funds from all sources, and for compliance with the provisions of the Anti-Deficiency and Chief Financial Officer's Act. This office provides central policy coordination and uniform procedures for budget formulation, presentation, and execution, which includes preparation of budget requests for Departmental, OMB and Congressional approval. The Budget Office leads preparation for hearings with the Appropriation Subcommittees, coordinates budget hearings with the Authorizing Subcommittees, and prepares responses to Congressional committee questions for the hearing's record, edits hearing transcripts, and provides budget effect and capability statements and other documents responding to various Congressional actions on the President's Budget request for OSM. Following enactment of an annual appropriation, this office coordinates the preparation of internal operating budgets for each office and issues allotments and allocations to program managers, leads periodic program and financial reviews and tracks and reports on budget execution. In FY 2003, OSM plans to merge this office with the Office of Strategic Planning and Evaluation to form a single organizational unit.

2. Administrative Support

This program includes the administrative functions necessary to support the program activities of OSM. The specific functions are included in four organizational areas: Administration, Human Resources, Information Systems Management, and Administrative Financial Management

This function is responsible for managing OSM's financial and administrative activities. It has primary responsibility for implementing the requirements in four of the five Presidential Management Agenda scorecards including, improved financial management, competitive sourcing, management of human capital, and e-gov. In addition, it is responsible for reporting output costs as part of OSM's Activity Based Costing initiative. This is also a requirement under the budget and performance integration scorecard. This subactivity provides the policy and direction for information technology program planning, investment, and portfolio management, information technology security, and enterprise architecture. This subactivity houses the responsibility for approving all information technology expenditures to ensure adequate resources are available to support functions required by OMB Circular A-130 and the Department, and to ensure expenditures are in accordance with the enterprise architecture and capital planning.

a. Administration

The Division of Administration is responsible for development of the Bureau-wide administrative policy and procedures. The Division also implements several of these support activities.

- acquisition,
- property management,
- vehicle fleet management,
- space management,
- telecommunications,
- safety management,
- occupational health,
- physical security,
- printing,
- records management,
- Freedom of Information Act,
- Privacy Act, and
- FAIR Act (Competitive Sourcing)

The Division of Administration also provides administrative support to headquarters offices. These support activities include office moves, provision of general supplies, property management, mailroom functions, security and safety management, and telecommunications. The Division also manages the bureau-wide fixed cost accounts in General Services.

The Division of Administration is responsible for ensuring OSM meets its competitive sourcing goals. OSM's Commercial Activities Team has developed a competitive sourcing plan that identifies the functions and activities to be studied during FY 2002 and FY 2003. In FY 2002, OSM converted three positions, exceeding the 5 percent goal by one FTE. Both the Competitive Sourcing Team and Executive Council were trained in a transitional conversion over time process under the Javits Wagner O'Day (JWOD) preferred acquisition program. In addition, OSM initiated a study of 25 FTE's comprising OSM's IT function in Headquarters and in the Division of Financial Management in Denver, under the JWOD program, for a transitional conversion process over a multi-year period so that FTEs may be converted to contract as they become vacant if found to be the best alternative. The total of 28 FTEs studied and/or converted to contract will exceed OSM's anticipated 50 percent long-term competitive sourcing goal.

b. Human Resources (HR)

The Division of Human Resources develops and implements policies, standards and systems for the effective use of people to accomplish the overall mission of OSM. Specifically, the human resources program gives managers advice and assistance; and provides processing and record keeping on recruitment, classification, and compensation benefits, employee performance, awards, financial disclosure holdings, disciplinary actions, and retirement. This office, through automated systems such as SMART (Quick

Hire), the Federal Personnel and Payroll System (FPPS), Employee Express, and direct on-line access to personnel history files, brings human resources information and services directly to the manager, employee and applicant. To improve quality of life standards, the office offers seminars for employees on a variety of work/life issues.

Special ongoing initiatives this office is working on under the Departmental Human Resource Plan, are highlighted below:

- Targeted Recruitment: Human Resources, in conjunction and cooperation with OSM's Office of Equal Opportunity, continues to expand recruitment of the number of women, minorities, and persons with disabilities identified in under represented occupations.
- Strategic Management of Human Capital -- Data collected from OSM's Succession Planning effort is used as the baseline for identifying skills and competencies for critical occupations. The Division of Human Resources has developed a written process for recruiting which involves the EEO office. Recruitment efforts are focused to address the anticipated retirement loss of human capital, putting employees closer to the customers, competitive sourcing impacts, and a general review of how we are organized and the proper use of both human and fiscal resources. To promote retention in positions where skill gaps have been identified, OSM utilizes several programs including, student loan repayments, relocation allowances, and retention allowances. In addition, OSM makes use of honorary, non-monetary, and monetary awards to reward employees based on their contributions to the work of the organization.
- Work Force Planning: OSM has a workforce planning document and is embarking on a workforce analysis to determine the human capital competencies required to achieve the performance improvements outlined in the Secretary's plan for a citizen centered workforce. The plan and the product will clarify the requirements of our mission-specific program areas and our needs for their support through information technology and finance. The plan establishes milestones and objectives for a total review of OSM's human capital. The results of the plan will provide us with data necessary to evaluate where and what competencies are needed and the related costs of gaining these competencies to support mission accomplishment.
- Automated Personnel Records – OSM's digital Official Personnel Folder system is designed to eliminate paper documents. This is a secure, read only system that provides the capability to transmit records quickly by e-mail or facsimile to managers and employees. Other benefits include reduced storage, centralized operations, and competitive sourcing ability.
- Automated On-line Recruitment: This system provides a larger more diverse applicant pool that can be screened and provided to management more efficiently.

- Automated Classification – OSM’s automated classification system provides managers with the ability to develop position description based on pre-determined core skills needed within the bureau/office.

c. Information Systems Management (ISM)

The Information Systems Management (ISM) activity, as a member of the OSM Information Technology Management Team (ITMT), provides agency-wide technical support to OSM management and staff in the design, development, procurement and operation of computerized information systems. In addition, ISM is responsible for the telecommunications infrastructure that interconnects all OSM offices and several State and Tribal offices via a high-speed, area network (OSMNET). ISM will continue customizing the OSMNET for more efficient performance, providing higher capacity connections in support of agency Information Systems, and in support of the increasing use of the Internet to accomplish OSM’s mission. In support of the Departmental information technology architecture, ISM will continue working with Regions in tying together the use of a Windows network environment and developing a seamless nationwide resource network.

ISM is also responsible for the administration of the agency’s Information Technology (IT) Security Plan. The security plan ensures the safety of OSM’s IT information and computer technology hardware and software resources. ISM monitors employee compliance with OSM’s information technology security training program. The annually mandated training program raises the level of IT security awareness among all OSM employees, and enhances OSM ability to monitor and verify compliance with the DOI IT Security Plan. ISM also manages OSM’s virus filtering and traffic monitoring systems. These systems significantly enhance efforts to manage security for both new and existing systems by ensuring timely installation of software patches and fixes and strengthen incident handling responses. ISM will continue to work with the Department’s Office of the Chief Information Officer (OCIO) to ensure that OSM’s networks and systems are secure, and that the level of security meets with the approval of the litigants in the *Cobel v. Norton* case involving Individual Indian Trust data.

ISM will take the lead in coordinating and implementing OMB Circular A-130 certification of OSM’s wide area network and headquarters local network. A-130 certification is required of major and general support by FY2005 to continue to receive funding for these systems. A-130 certification involves a thorough review of security practices and planning, Life Cycle Management implementation and proper documentation of systems.

ISM is one of OSM’s representatives for the following management programs and initiatives: e-Government, Enterprise Architecture, and the Government Paperwork Elimination Act. ISM will continue to operate and maintain Intranet connectivity, develop IT strategic planning, implement IT policy, and coordinate compilation of the IT budget. ISM is redesigning the OSM Intranet to meet changing requirements, incorporate e-Government needs, and Section 508 accessibility.

d. Administrative Financial Management

The Financial Management activity funded in this business line provides OSM's program offices with accounting and financial services for operational funds to implement SMCRA. OSM also bills, collects and accounts for funds derived from program activities reflected in other business lines. These services include paying bills, accounting for receipts and expenditures, issuing financial and management reports, assuring that expenditures are within the allocations, collecting administrative debts, and maintaining the computer systems that support these functions.

Accomplishments in this area include 12 years of unqualified audit opinions, the only bureau in DOI with a "green" score in the "Getting to the Green" scorecard by the Department, three years of clean opinions in internal controls and FFMIA compliance, and leading Departmental team in cost accounting. OSM has worked this past year to develop an automated operating budget module, which should reduce the time administrative field personnel spend preparing and monitoring operating budgets significantly. In addition to the e-budget initiative, OSM has moved the management information system to the web to allow for wider access and has automated several administrative reports and process in the financial reporting area which has allowed us time to work on the increasing workload required by departmental initiatives and cost accounting improvements. This activity also increased efficiency of financial processing by improving the travel and purchase card processes. This has resulted in payment of invoices the day following receipt. Vendors were paid on time 99.7 percent of the time during FY 2001. OSM also increased electronic transfer payments to 97.2 percent of all payments and 99.9 percent of the dollar amounts paid.

Implementation of the Department-wide financial system is scheduled to begin in FY 2004. OSM plans to migrate to the new system when it becomes available.

3. General Services

This is a funding activity, which includes essential fixed costs to support OSM's program missions. No personnel or operational activities are funded by this component.

<i>Line Items</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>Change</i>
Rent	5,151,000	5,757,000	606,000
Telecommunications	840,440	637,725	(202,715)
Postage	100,000	70,000	(30,000)
Gasoline/Alternative Fuel Vehicles	155,000	163,500	8,500
DOI Working Capital Fund	1,331,000	1,084,000	(247,000)
DOI Reimbursable Services	265,900	292,204	26,304
Unemployment Compensation	10,200	29,200	19,000
Worker's Compensation	333,750	288,750	(45,000)
Bureau-wide Printing	375,000	350,000	(25,000)
Aircraft Services	36,000	35,500	(500)
Service Contracts	378,000	711,121	333,121
GSA Work Authorizations	226,710	117,000	(109,710)
IT Security Enhancements	0	575,000	575,000
<i>Total</i>	<i>9,203,000</i>	<i>10,111,000</i>	<i>908,000</i>

FY 2002 PROGRAM PERFORMANCE ACCOMPLISHMENTS

In 2002, the major accomplishments in the Executive Direction activity include:

- **Competitive Sourcing** -- converted three positions in FY 2002, exceeding the 5% goal by one FTE. OSM has initiated a study of 25 FTE's comprising the IT function in Headquarters and the Division of Financial Management in Denver to determine if it will be feasible to convert them to contract.
- **Financial Management** -- OSM received its twelfth consecutive unqualified audit opinion on its FY 2002 financial statements.
- **Electronic Government** -- completed a pilot of pay.gov a node off the Treasury 'Simplified and Unified Tax and Wage Reporting' Quicksilver project in April 2002. 60% of coal companies now reporting coal tonnage electronically.
- OSM and the Internal Revenue service developed new steps to improve efficiency and reduce the burden of coal companies compliance with the reclamation fee and coal excise tax requirements.

FY 2003 PLANNED PROGRAM PERFORMANCE

- **Financial Management** -- Finance center will provide quarterly financial statements beginning in January 2003.
- **Competitive Sourcing** -- continue study of 25 FTEs IT functions for conversion.
- **Budget/Performance** -- Prepare integrated budget and performance plan for FY 2004 based upon new Department Strategic Plan document.
- **Electronic Government** -- Pursue other opportunities to participate in Quicksilver projects, such as, building a node off of the Small Business Administration's 'Business Compliance One Stop' (i.e. permit.gov) and Health and Human Services E-grants.
- **Human Resources** -- Complete implementation of the new DOI SES Performance Management System in the bureau.

JUSTIFICATION OF 2004 PROGRAM CHANGES

Executive Direction and Administration	FY 2004 Budget Request	Program Changes (+/-)
\$(000)	20,446	+507
FTE	104	0

Information Technology Security (+\$575,000) – Information Technology is a major priority for the Department of the Interior. A certification and assessment program is a critical investment to create and maintain a secure environment for systems and data and is required by the Computer Security Act of 1987, the Clinger-Cohen Act, and other legislative and administrative mandates.

The FY 2004 budget includes \$13 million overall, of which \$575,000 is requested by OSM for the first of a multi-year program to test, assess, and remediate systems to reach a goal for certification and accreditation of all high risk systems by December 2005. A more detailed justification for this increase is included in the Working Capital section of the Departmental Management budget.

Information Technology Savings (-\$68,000) – The Department is undertaking significant information technology reforms to improve the management of information technology investments, to improve the security of systems and information, and to realize short and long-term efficiencies and savings. The Department is taking a corporate approach that will include consolidated purchases of hardware and software, consolidation of support functions, including helpdesks and email support, and web services, and coordination of training.

In addition to Department-wide efforts, OSM will explore further savings in information technology by fully participating in Departmental enterprising and capital planning projects, delaying system enhancements, consolidating bureau level services (i.e., servers and helpdesk), accelerating the acquisition of the MS Enterprise Licensing Agreement, and reviewing life cycle replacements. In addition, potential savings may result from competitive sourcing studies.

FY 2004 EXECUTIVE DIRECTION PERFORMANCE

The business line provides administrative support to the other four business lines. Executive Direction program performance is an integral part of the Environmental Restoration, Environmental Protection, Technology Development and Transfer, and Financial Management business lines. Please see performance information at the end of each of these business line chapters.