

EXECUTIVE DIRECTION

| | | 2003 Actual | 2004 Estimate | Uncontroll. Costs | Program Changes (+/-) | 2005 Budget Request | Change from 2004 (+/-) |
|----------------------------|--------|----------------|------------------|----------------------|-----------------------------|---------------------------|---------------------------------|
| Regulation & Technology | \$\$\$ | 12,610 | 13,393 | 848 | 471 | 14,712 | 1,319 |
| | FTE | 66 | 67 | 0 | 0 | 67 | 0 |
| Abandoned Mine Land | \$\$\$ | 6,662 | 6,809 | 464 | 254 | 7,527 | 718 |
| | FTE | 36 | 37 | 0 | 0 | 37 | 0 |
| TOTAL | \$\$\$ | 19,272 | 20,202 | 1,312 | 725 | 22,239 | 2,037 |
| | FTE | 102 | 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)

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. As of the last internal rating period ended November 2003 the bureau had a "Green" in the areas of strategic management of human capital, competitive sourcing, financial management, budget and performance integration, and e-government. During FY 2005, OSM will also be participating in the Department's e-government quicksilver projects. These support the Department's Management Excellence mission goal.

| <i>OSM SCORECARD RATINGS</i> | | |
|---|---------------------------------------|------------------|
| <i>DOI Mission Goal</i> | <i>Agenda Item</i> | <i>OSM Score</i> |
| Management Excellence Improve the efficiency and effectiveness of internal operations in the delivery of DOI programs and services. | Strategic Management of Human Capital | Green |
| | Competitive Sourcing | Green |
| | Improved Financial Management | Green |
| | Budget and Performance Integration | Green |
| | Expand Electronic Government | Green |

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.

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 2005 Budget Request: The FY 2005 President’s Budget requests \$22.2 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 \$11.9 million.

Table 1– Justification of Program and Performance
 Executive Direction
 Summary Increases/Decreases for FY 2005
 (Dollars in Thousands)

| Program Activity | | Regulation & Technology | | | Abandoned Mine Lands | | | Total | | | Inc/Dec |
|------------------------|--------|-------------------------|-----------|-----------|----------------------|-----------|-----------|-----------|-----------|-----------|---------|
| | | 2003 Act. | 2004 Est. | 2005 Req. | 2003 Act. | 2004 Est. | 2005 Req. | 2003 Act. | 2004 Est. | 2005 Req. | |
| Executive Direction | \$\$\$ | 2,442 | 2,458 | 2,489 | 1,304 | 1,312 | 1,330 | 3,746 | 3,770 | 3,819 | 49 |
| | FTE | 21 | 21 | 21 | 11 | 11 | 11 | 32 | 32 | 32 | 0 |
| Administrative Support | \$\$\$ | 4,208 | 4,246 | 4,317 | 2,174 | 2,197 | 2,238 | 6,382 | 6,443 | 6,555 | 112 |
| | FTE | 45 | 46 | 46 | 25 | 26 | 26 | 70 | 72 | 72 | 0 |
| General Services | \$\$\$ | 5,960 | 6,689 | 7,906 | 3,184 | 3,300 | 3,959 | 9,144 | 9,989 | 11,865 | 1,876 |
| | FTE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$\$\$ | 12,610 | 13,393 | 14,712 | 6,662 | 6,809 | 7,527 | 19,272 | 20,202 | 22,239 | 2,037 |
| | FTE | 66 | 67 | 67 | 36 | 37 | 37 | 102 | 104 | 104 | 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, which include Equal Opportunity, Communications, Strategic Planning and Evaluation, and the Budget Office. During FY 2003, OSM merged the Strategic Planning and Evaluation Office with the Budget Office 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. Offices of Strategic Planning and Evaluation (OSPE) and Budget

These Offices were merged and currently operate as the Office of Planning, Analysis and Budget (OPAB). OPAB 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), the Program Assessment and Rating Tool (PART) reviews, 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. The Office 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 the area of Budget, the 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.

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, and services, property management, mailroom functions, security and safety management, and telecommunications. The Division also manages the bureau-wide fixed cost accounts in General Services.

The Office of Surface Mining developed its initial Capital Planning and Investment Control (CPIC) guide in FY 2003 and all exhibit 300s were prepared according to the process outlined in our CPIC guide. OSM has continued to place emphasis on the requirement to capture 100 percent of its information technology (IT) spending on the Exhibit 53 and has seen vast improvement in this area. In FY 2004 we will begin to compare information contained in our Exhibit 53 with our ABC data to ensure accurate reporting. In addition, OSM has completed a number of the requirements to reach Stage 2 of the GAO Information Technology Investment Management (ITIM) framework including creating an IT investment process, establishing IT review boards, establishing a structured process for selection of new IT projects that ensures investments are linked to DOI/OSM mission goals and business needs. In FY 2004 and 2005, OSM will continue to move toward full compliance in Stage 2 and Stage 3, respectively.

Managing Information Technology Expenditures

In FY 2003, OSM established the Capital Planning and Investment Control (CPIC) process which provides for the approval of IT investments by top management. A budget/planning representative participates in the initial review and development of plans through the Information Technology Management Team and the Budget Officer is a standing member of the Investment Review Board (IRB).

Activity Based Cost (ABC) Accounting Codes specific to IT investments and IT Exhibits 53 and 300 were also established in FY 2003. These codes were refined in FY 2004 to capture appropriate cost components, including costs associated with the CPIC process. All charges are placed in ABACIS, which is OSM's official financial system. Therefore, OSM has a method in place to monitor expenditures for IT.

Currently, OSM provides lump sum operating budget allocations to its offices. As we further define IT expenditures and OSM's needs, we will develop a process to allocate the budget in accordance with IT investments approved by the IRB.

In accordance with various Executive Orders, as well as Departmental policy, the Office of Surface Mining is developing an Environmental Management Program to ensure all necessary measures are taken to prevent, control and abate environmental pollution in all OSM facilities. OSM's policy will assure compliance with applicable Federal, State and local environmental requirements; promote sound environmental practices; monitor environmental compliance at all facilities; and identify and assign environmental compliance responsibility. In addition, OSM plans to undertake an environmental auditing program of all facilities and to track compliance efforts including abatement activities. OSM will train personnel in environmental auditing to ensure all facilities are audited and in compliance.

The Division of Administration is responsible for providing guidance to ensure OSM meets its competitive sourcing goals. OSM's Commercial Activities Team developed a competitive sourcing plan that identified 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 FY 2003, under the JWOD program, 25 FTE's comprising OSM's IT Headquarters and financial management IT functions were studied. In 2004, OSM will begin a transitional conversion process over a multi-year period so that functions determined to be commercial 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), Quick Classification, the Federal Personnel and Payroll System (FPPS), Employee Express, and TSP direct on-line access to personnel history files, brings human resources information and services directly to the manager, employee and applicant. The Division of Human Resources continues to implement human resources systems, such as QuickTime to help streamline and make every personnel process more effective.

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: Management's workforce planning development identified skills and competencies needed for the OSM transition to technical transfer direction. The workforce plan outlines recruitment efforts that are focused on 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 developed a workforce plan that analyses, identifies, and determines 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 redirection and a total review of OSM's human capital. The plan provides 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 On-line Recruitment: This system provides a larger more diverse applicant pool that can be screened and provided to management more efficiently.
- Automated Classification: The Division of Human Resources is working to implement an automated position description and classification program which will bring all position descriptions and the ability to quickly build classifiable positions descriptions to management's desk top.
- Automated Time and Attendance System: The Division of Human Resources is working to implement a web-based time and attendance system, called Quicktime that includes and validates OSM cost structures and provides audit trails and management controls.

c. Information Systems Management (ISM)

OSM is heavily automated and dependent upon information technology to provide efficient and accurate Management Information to assist program managers in accomplishing the agency's mission. The Information Systems Management (ISM) Division 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. This agency-wide technical support is accomplished through coordination and support from the OSM Information Technology Management Team (ITMT). In addition, ISM is responsible for the telecommunications infrastructure that interconnects all OSM offices and several State and Tribal offices via a high-speed, wide 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 the ITMT and Regions in implementing the use of a Windows network environment and developing a seamless nationwide resource network.

In support of the DOI enterprise approach to IT, OSM has implemented the DOI Microsoft software blanket purchase agreement negotiated to reduce the costs of Microsoft products. In addition, OSM has initiated Active Directory, DOI's standard directory system, to migrate from our current Novell environment to the Microsoft environment. Active Directory will play a vital role in OSM's network collapse, and will provide the mechanism for centrally managing software deployment and network maintenance. The AD initiative was introduced to reduce costs, improve IT security, reduce administrative overhead and to improve system-wide configurations.

ISM is also responsible for the administration of the agency's Information Technology (IT) Security Plan which 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 Cobell v. Norton case involving Individual Indian Trust data.

OSM has several recent achievements in IT security. OSM has Certified and Accredited (C&A) its local area networks in Headquarters and its Denver Finance Office; its wide area network; and four major applications. In FY 2004, OSM plans to complete C&A for three remaining General Support Systems located in the three regional enclaves.

OSM maintains the highest rating with the Department on the IT security score card. OSM is currently working toward making improvement based upon the FY 2003 Federal Information Security Management review.

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 will continue 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 13 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 2003. 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 2004</i> | <i>FY 2005</i> | <i>Change</i> |
|------------------------------------|------------------|-------------------|------------------|
| Rent | 4,930,622 | 5,948,000 | 1,017,378 |
| Telecommunications | 476,950 | 476,950 | 0 |
| Postage | 85,000 | 85,000 | 0 |
| Gasoline/Alternative Fuel Vehicles | 155,900 | 158,500 | 2,600 |
| DOI Working Capital Fund | 1,246,900 | 2,262,800 | 1,015,900 |
| DOI Assessments | 103,885 | 103,550 | -335 |
| Unemployment Compensation | 32,000 | 41,000 | 9,000 |
| Worker's Compensation | 304,000 | 294,000 | -10,000 |
| Bureau-wide Printing | 352,000 | 350,000 | -2,000 |
| Aircraft Services | 0 | 0 | 0 |
| Service Contracts | 453,968 | 465,000 | 11,032 |
| GSA Work Authorizations | 35,000 | 35,000 | 0 |
| IT Security Enhancements | 567,900 | 567,900 | 0 |
| Operational Support Contracts | 1,116,875 | 291,300 | -825,575 |
| Enterprise Services Network (ESN) | 0 | 398,000 | 398,000 |
| Financial Statement Audit | 125,000 | 332,000 | 207,000 |
| E-GOV Quick Silver Projects | 0 | 56,000 | 56,000 |
| <i>Total</i> | <i>9,986,000</i> | <i>11,865,000</i> | <i>1,879,000</i> |

FY 2003 PROGRAM PERFORMANCE ACCOMPLISHMENTS

In 2003, the major accomplishments in the Executive Direction activity include:

- Competitive Sourcing – OSM continued its 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 13th consecutive unqualified audit opinion on its FY 2003 financial statements.
- Budget/Performance – Integrated budget and performance measures in the budget justification.
- 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 percent of coal companies now reporting coal tonnage electronically.
- Capital Planning and Investment Capital (CPIC) – OSM developed and implemented its initial CPIC guide.

FY 2004 PLANNED PROGRAM PERFORMANCE

- Financial Management -- Finance center will provide quarterly financial statements beginning in January 2004.
- Competitive Sourcing -- OSM will begin a transitional conversion process over a multi-year period so that functions determined to be commercial may be converted to contract as they become vacant, if found to be the best alternative.
- Budget/Performance -- Prepare integrated budget and performance plan for FY 2004 based upon new Department Strategic Plan document.
- Electronic Government – Continue to pursue opportunities to participate in Quicksilver projects, and Department-wide initiatives such as E-travel, E-travel and E-rulemaking.
- Human Resources – Complete implementation of the new DOI SES Performance Management System in the bureau.
- Capital Planning and Investment Capital (CPIC) – Continue to manage IT with the established CPIC process.

JUSTIFICATION OF 2005 PROGRAM CHANGES

| Executive Direction and Administration | FY 2005 Budget Request | Program Changes (+/-) |
|--|---------------------------|--------------------------|
| \$(000) | 22,239 | 725 |
| FTE | 104 | 0 |

Enterprise Services Network (+\$398,000) - The ESN will provide an enterprise approach to its information technology infrastructure. Beginning with the development of a Department-wide intranet, Internet access and an operations center, the development of ESN will provide a secured, single network infrastructure that is centrally managed. The potential benefits gained by migrating to a single enterprise network include centralized, standardized and efficient network operations, enhanced accountability for network performance, a uniformly high level of security, the reduction of risks associated with the loss of knowledge capital due to high projected turnover rates for skilled staff, and improved technical support for network managers. ESN will be implemented in two phases. Phase 1 encompasses three objectives: 1) establishment of a Department-wide Intranet; 2) consolidation of all Internet connections across the Department; and 3) implementation of a Network Operations and Security Center to manage the network and provide customer support. Phase 2 will encompass the secure connection to the ESN of the bureau's approximately 150 bureau hubs or sites that are located primarily in cities, as well as their approximately 1,500 remaining smaller sites.

Annual Audit (+\$332,000) - In compliance with the Chief Financial Officers Act of 1990, the Department's consolidated financial statement and individual bureau financial statements are audited annually. The Department has benefited significantly from these independent and objective evaluations. Beginning in 2002 the Department began to contract with a private sector audit firm for the annual financial audits with funding specifically appropriated for this purpose in the Office of the Inspector General (OIG).

Due in large part to the Department's outdated financial system and the resultant delays in reporting, audit costs were higher than the amount appropriated. Each year the Department used credit card rebate funding and other bureau resources to fund the additional audit costs.

The 2005 request for audit funding identifies the anticipated full cost of the annual audit. The amount requested includes funds transferred from the OIG and amounts comparable to what the bureaus have been supporting in their budgets, exclusive of the cost of the audit relative to unanticipated, unique, bureau-specific audit issues.

Federal Vehicle Fleet (-\$ 9,600) - In 2004, the Department and the bureaus began a collaborative effort to improve the management of vehicle fleets including examination of the infrastructure for fleet management within each bureau, the identification of best practices that could be used Department-wide, and the development of action plans to improve fleet management and realize cost savings.

In anticipation of improved fleet management and the resultant savings, the 2005 budget proposes a reduction in funding. To achieve these savings, the bureau will undertake fleet reductions and cost-savings by: (1) reducing the size of the fleet; (2) employ energy saving practices by fleet operators; (3) acquire more efficient vehicles; (4) acquire the minimum sized vehicle to accomplish the mission; (5) dispose of underutilized vehicles; (6) freeze the acquisition of vehicles from the General Services Administration (GSA) Excess Vehicle program; and (7) explore and develop the use of inter-bureau motor pools.

E-GOV Quicksilver Projects (+\$56,000):

- E-Travel (+\$5,000) - This E-government project provides a government-wide web-based service to consolidate travel functions, provide improved services to government employees, and minimize costs. From travel planning and authorization through the employee reimbursement process, E-Travel combines administrative, financial, and information technology best practices to produce cost savings and improved employee productivity. E-Travel leverages proven industry practices with new technologies to provide a common, automated approach for managing government travel. Efficiencies are expected by eliminating paper-based processes, replacing fragmented systems, expanding travel-related services that are available to Federal employees, providing on-line transaction processing, and creating a self-service environment that is easy to use.
- E-Authentication (+\$3,000) - Federal services are available on-line, but many require some form of identify verification before a transaction can take place. The E-Authentication project will provide a secure, easy-to-use and consistent method of proving identity to the government minimizing the burden on businesses, the public, and government.

The project will establish uniform processes for establishing electronic identity and allow citizens and businesses to use non-government issued credentials to conduct transactions with the government. E-Authentication will eliminate the potential development of electronic identify authentication systems by multiple agencies and allow businesses to use a single registration process.

- E-Training (+\$11,000) - The E-Training project creates a training environment that is more efficient and provides improved services and learning management support to the Federal government. E-Training provides learning management system functionality and a simplified process to learn about training opportunities

with one-stop access to e-products and services -- thus, advances the accomplishment of agency missions. The Gov Online Learning Center houses a repository of products and services and performance support tools that meet the needs of the workforce. The E-Training approach avoids the need for multiple Federal agencies to host and maintain duplicate systems.

- Business Gateway (+\$8,000) - Businesses, particularly small businesses, must comply with Federal, State, and local laws and regulations by applying for a series of permits and licenses. This can be a difficult and costly process that impacts their productivity. The Business Gateway will make it easier to find, understand, and comply with applicable laws and regulations by improving access to information, providing on-line tools, and accessible and easy-to-use forms. This project will also improve the ability of Federal agencies to automate business processes and comply with the Government Paperwork Reduction Act.
- Integrated Acquisition Environment (+\$1,000) - The Federal government spends about \$200 billion per year on the acquisition of goods and services. This E-government project will facilitate the cost-effective acquisition of goods and services, while eliminating inefficiencies in the current acquisition process. The project integrates a number of inter-governmental data warehouse efforts such as agency systems that maintain information about supplier's capabilities, past performance, and services and makes them available throughout the government. The project will also streamline acquisition by providing a directory to facilitate ordering from interagency contracts and catalogs and will redesign the process for ordering, billing, and collection.
- E-Rulemaking (+\$3,000) - The E-Rulemaking initiative transforms the current rulemaking process in order to allow the public to more easily access, search all publicly available regulatory material and provide an easy and consistent way for the public to comment on proposed rules. The initial step of E-Rulemaking will be creation of Regulations.gov, a government-wide docket system to provide a single Internet access point to regulatory material.
- E-Rulemaking Transition (+\$23,000) - Funding is requested to transition to an electronic system that will facilitate the Department's ability to comply with statutory requirements for ensuring public access to regulatory materials and to expand capabilities for partners and the public to comment on proposed rules.

Technical Changes (-\$51,000) - A \$51,000 reduction is being proposed for technical changes in order to centrally fund and perform activities that were previously funded directly by the bureau.

FY 2005 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.