

**EXECUTIVE DIRECTION**

(dollars in thousands)

		2004 Actual	2005 Estimate	Uncontroll. Costs	Program Changes (+/-)	2006 Budget Request	Change from 2005(+/-)
Regulation & Technology	\$\$\$	13,391	14,505	639	-48	15,096	+591
	FTE	63	64	0	0	64	0
Abandoned Mine Land	\$\$\$	6,802	7,421	352	-27	7,746	+325
	FTE	34	37	0	0	37	0
TOTAL	\$\$\$	20,193	21,926	991	-75	22,842	+916
	FTE	97	101	0	0	101	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 technology, administration, human resources, and internal financial management for the organization. Executive Direction provides internal executive direction and 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 information technology, human resources, procurement, and finance and accounting. General Services 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 and Staff Offices
- Administrative support for day to day operations
  - Human Resources
  - Administration
  - Finance and Accounting
- Information Technology
- 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 2005 and 2006, OSM will continue to support the Department's progress in the implementation of the President's management 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 May 2004 the bureau had a "yellow" in the area of electronic government and a "green" in the areas of strategic management of human capital, competitive sourcing, financial management, and budget and performance integration. DOI also recognized OSM's efforts in financial management by providing an internal "blue" rating for best practices. 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.

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<i>OSM SCORECARD RATINGS</i>		
<i>DOI Mission Goal</i>	<i>Agenda Item</i>	<i>OSM Score</i>
<b>Management Excellence</b> 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
	Electronic Government	Yellow

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 improve its “yellow” score.

**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 2006 Budget Request:** The FY 2006 President’s Budget requests \$22.8 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 \$6.57 million and basic bureau-wide fixed overhead costs in general services will cost \$12.43 million.

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**Table 15– Justification of Program and Performance**  
 Executive Direction  
 Summary Increases/Decreases for FY 2006  
 (Dollars in Thousands)

Program Activity		Regulation & Technology			Abandoned Mine Lands			Total			Inc/Dec
		2004 Actual	2005 Estimate	2006 Request	2004 Actual	2005 Estimate	2006 Request	2004 Actual	2005 Estimate	2006 Request	
Executive Direction	\$\$\$	2,458	2,454	2,497	1,310	1,309	1,329	3,768	3,763	3,826	+63
	FTE	21	24	24	11	11	11	32	35	35	0
Administrative Support	\$\$\$	4,246	4,257	4,323	2,195	2,210	2,255	6,441	6,467	6,578	+111
	FTE	42	40	40	23	26	26	65	66	66	0
General Services	\$\$\$	6,687	7,794	8,276	3,298	3,902	4,162	9,985	11,696	12,438	+742
	FTE	0	0	0	0	0	0	0	0	0	0
TOTAL	\$\$\$	13,391	14,505	15,096	6,802	7,421	7,746	20,193	21,926	22,842	+916
	FTE	63	64	64	34	37	37	97	101	101	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 four immediate staff offices, which include Equal Opportunity; Communications; Planning, Analysis and Budget; and Chief Information Officer.

On October 27, 2004, OSM's organization was officially changed by issuance of the Department of Interior's Department Manual release 116 DM 2, 3, 4, and 5 to document OSM's changes. The changes were made to improve program management and operations, and promote effective and quality services to the OSM customer. Significant changes include:

- ❖ Combining budget formulation and execution with strategic planning and evaluation.
- ❖ Establishing the Office of the Chief Information Officer (CIO) and realigning all related functions including records management, Freedom of Information Act, Privacy Act, telecommunications management and information technology.
- ❖ Moving the responsibility for maintenance of the Applicant/Violator System from Headquarters to the Appalachian Region.
- ❖ Realigning technical training and the international program into one 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 2005 and 2006, 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.

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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 Planning, Analysis and Budget and the Office of the Chief Information Officer.

### *b. Office for Equal Opportunity (EO)*

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

- provides technical assistance and advice to employees and managers on EO issues;
- ensures that OSM-wide affirmative action plan objectives are developed and implemented;
- provides an adequate and effective EEO counseling and alternative dispute resolution program;
- provides for the processing and adjudication of formal complaints;
- 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

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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 Planning, Analysis and Budget (OPAB)*

This Office is responsible for nationwide planning and analysis, and budgetary functions for OSM, including the integration of organizational performance measures into the budget process. The major functions of the Office include:

- Develops and maintains OSM's strategic plan in coordination with Departmental and OSM management;
- Performs trend analyses and modeling to identify changing national and regional needs; and analyzes policy proposals for new initiatives and modifications to existing programs;
- Carries out the formulation, presentation, execution, and analysis of OSM's budget; providing policy, central coordination, uniform budget procedures and controls; and manages OSM's interface with OMB and Congressional committees on appropriations and other budget-related matters; and

In addition, the Office coordinates management control and other program assessment reviews, in accordance with Executive Orders and Departmental initiatives; and monitors implementation of recommendations from evaluations and reports conducted internally and externally.

*e. Office of the Chief Information Officer (OCIO)*

In FY 2005, OSM established the Office of the Chief Information Officer to emphasize the importance of IT functions within the bureau. This Office is responsible for OSM's information technology (IT) management. Major functions include:

- Provides advice and assistance to management and employees on IT policy, applicable laws, regulations, and directives;
- Coordinates OSM's nationwide IT capital asset planning and investment control activities, including approval of IT expenditures within OSM,;
- Develops and implements IT strategic planning to ensure that all of OSM's electronic information systems are administered and developed in accordance with policies, long-range systems and strategic planning;

In addition, the Office manages other aspects of OSM's IT including enterprise architecture, security management, records management, inventory and asset

management, telecommunications, project management, and IT career/skills management.

## **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, Administrative Financial Management, and Information Technology.

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 electronic government. 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 (IT) program planning, investment, and portfolio management, information technology security, and enterprise architecture.

### *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,
- emergency management,
- safety management,
- occupational health,
- physical security,
- printing, and publications, 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, and security and safety management. The Division also manages the bureau-wide fixed cost accounts in General Services.

In accordance with various Executive Orders, as well as Departmental policy, the Office of Surface Mining initiated development of its 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. OSM is currently conducting base-line audits in all of its facilities to track compliance efforts including abatement activities. The results of these audits will determine the next steps of the Environmental Management program in OSM.

The Division of Administration is responsible for providing guidance to ensure OSM meets its competitive sourcing goals. OSM 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 of the 55 FTE identified as being commercial in nature. OSM's Competitive Sourcing Team and Executive Council members 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 FY 2004, OSM determined it would be more efficient and cost effective to institute an organizational restructuring rather than contract out some functions. Through this restructuring, five FTE were eliminated through early-out/buy-out authority. OSM does not plan to conduct any future competitive sourcing studies due to the small number of FTE identified as being commercial in nature.

*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.

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- 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 uses 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 analyzes, 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. As a result, OSM developed a plan to request VSIP/VERA authorities, which was approved by OPM and is being carried out in FY 2005.
- Automated On-line Recruitment: This system provides a larger more diverse applicant pool that can be screened and provided to management more efficiently.
- Five-level non-SES performance appraisal system: OSM is implementing the new five (5)-level performance system for all employees. The new system allows for distinctions in the levels of performance. The previous system was a two-level (pass/fail) system.

### *c. 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 14 years of unqualified audit opinions, which, in FY 2004, required meeting shortened Departmental and Government-wide financial statement reporting deadlines; four years of clean opinions in internal controls and

FFMIA compliance; and continuing to be a leader on the Departmental efforts in cost accounting. OSM's web-based management information system continues to allow for wide access and automated administrative reports which allow us time to complete the increasing workload required by departmental initiatives and cost accounting improvements. This reporting capability also increased efficiency of financial processing by improving the travel and purchase card processes resulting in payment of invoices the day following receipt and vendors were paid on time 99.5 percent of the time during FY 2004. OSM also maintained electronic transfer payments for 99.9 percent of the total dollar amounts paid.

OSM is one of three bureaus that began implementing the Department-wide Financial and Business Management System (FBMS) in FY 2005. The grants module is scheduled to be implemented by March 2005. The core financial system is scheduled to be implemented by October 2005, and the budget formulation module is scheduled to be implemented the following year. The FBMS system is a major enterprise management initiative that will integrate financial management, acquisition, property management, grants administration and other subsidiary systems. It will revamp administrative processes throughout the Department of the Interior.

As a result of the conversions from the current administrative accounting systems to FBMS, OSM's legacy systems will be replaced by FY 2006: IDEAS, PALS, E-Budget, ABACIS, GIFTS, Travel and Trip Manager, CONDORS, MAPS and MORS.

A major percentage of the Administrative Financial Management resources have been and will continue to be devoted to the successful conversion to the FBMS system while maintaining the high quality and timeliness of on-going administrative financial business.

*d. Information Technology (IT)*

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. Under the direction of the OCIO, OSM established an Information Technology Management Team (ITMT) to provide agency-wide technical support to OSM management and staff in the design, development, procurement and operation of computerized information systems. In addition, the OCIO 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). OSM will migrate to the DOI secure network 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, OCIO 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 Active Directory initiative was introduced to reduce costs, improve IT security, reduce administrative overhead and to improve system-wide configurations.

OCIO 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. Employee compliance is monitored 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. OCIO 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.

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; four major applications; and its General Support Systems located in the three regional enclaves.

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

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 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 2005 and 2006, 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 further refined in FY 2004 and FY 2005 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.

In the past, OSM provided lump sum operating budget allocations to its offices which included IT funding. For FY 2005, we are further defining IT expenditures and evaluating OSM's IT inventory. A portion of the FY 2005 budget will be allocated to offices once the inventory is reviewed and policies for replacement equipment are applied. The Office of the Chief Information Officer will determine appropriate amounts per office. Once we build an initial baseline inventory, and further define replacement policies in light of changing technology, we will be able to better allocate funding for IT expenditures.

**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 2005</i>	<i>FY 2006</i>	<i>Change</i>
Rent	5,865,495	6,734,000	868,505
Telecommunications	470,950	491,915	20,965
Postage	100,000	120,000	20,000
Gasoline/Alternative Fuel Vehicles	158,500	153,500	-5,000
DOI Working Capital Fund	2,231,370	2,194,800	-36,570
DOI Program Requirements	103,885	78,885	-25,000
Unemployment Compensation	40,500	51,000	10,500
Worker's Compensation	290,000	235,000	-55,000
Bureau-wide Printing	350,000	300,000	-50,000
Aircraft Services	0	0	0
Service Contracts	423,000	385,000	-38,000
GSA Work Authorizations	35,000	35,000	0
Operational Support Contracts	291,300	241,300	-50,000
Enterprise Information Technology*	1,008,600	1,087,600	79,000
Financial Statement Audit	327,400	331,000	3,600
<i>Total</i>	<i>11,696,000</i>	<i>12,439,000</i>	<i>743,000</i>

\*Represents changes in IT Security, Enterprise Services Network, and e-gov projects.

**FY 2004 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2004, the major accomplishments in the Executive Direction activity include:

- Competitive Sourcing – Completed its study of 25 FTE’s comprising the IT function in Headquarters and the Division of Financial Management in Denver.
- Financial Management -- Received its 14th consecutive unqualified audit opinion on its FY 2004 financial statements.
- Budget/Performance – Integrated budget and performance measures continue to be reported in the budget justification.
- Human Resources – Completed implementation of the 5-level Performance Management System for SES.
- Capital Planning and Investment Capital (CPIC) – Continued management of IT with the established CPIC process.

**FY 2005 PLANNED PROGRAM PERFORMANCE**

- Financial Management – Finalize plans for conversion to the Financial and Business Management System.
- Budget/Performance -- Prepare integrated budget and performance plan for FY 2005. Conduct quarterly reviews of budget and performance as data becomes available.
- Electronic Government – Continue to pursue opportunities to participate in Quicksilver projects, and Department-wide initiatives such as E-travel, E-training and E-rulemaking.
- Human Resources – Complete implementation of the 5-level Performance Management System for all employees.
- Capital Planning and Investment Capital (CPIC) – Continue to manage IT with the established CPIC process.

**JUSTIFICATION OF 2006 PROGRAM CHANGES**

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Executive Direction and Administration	FY 2006 Budget Request	Program Changes (+/-)
\$(000)	22,842	-75
FTE	101	0

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Enterprise Information Technology Investments (+\$79,000) - The 2006 budget includes a net program change of \$79,000 for enterprise information technology investments for IT certification and accreditation of legacy systems; investments in e-government; and implementation of the enterprise services network.

**IT Certification and Accreditation of Legacy Systems**

In 2006, the Department will continue to focus on improving IT security. The 2006 budget includes \$12.8 million DOI-wide for coordinated certification and accreditation (C&A) activities, including \$2.9 million collected through the Department’s working capital fund. The OSM share of this funding in 2006 includes a total of \$29,000, of which \$8,900 will be collected through the DOI working capital fund to support centralized activities to enhance efficiencies; reduce overall costs; enhance the quality, consistency, and documentation supporting accreditations; and prioritize remediation activities.

In 2004, Interior strengthened its IT security program by accelerating the timeframes for completing C&A using government-wide standard processes. As of November 15, 2005, Interior had significantly improved its security posture, having certified and accredited 161 of its 165 production systems, or 98 percent. Now that a preponderance of systems are formally managed with regard to security, challenges remain to schedule and remediate weaknesses discovered through C&A, Inspector General, or annual reviews. Furthermore, once established, accreditation status must be maintained through system functional releases and infrastructure modernization. During 2005 and 2006, the Department and its bureaus are completing third party reviews of completed certification and accreditations; remediating identified risks; and establishing the necessary security program infrastructure to allow ongoing maintenance of accreditation status in an efficient and effective manner. These activities include:

- Establish or update C&A package contents including risk assessments, planned controls, and testing of controls.
- Where controls are deficient, institute new or upgraded management, operational, or technical controls.
- With adequate rigor, test controls for effectiveness.

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- Establish prioritized inventory of items to resolve (plan of action & milestones - POA&M) and resolve in a prioritized manner such that residual risk is acceptable for Authority To Operate.
- Establish standards, procedures, tools, and training to enable the cost effective maintenance of accreditation packages.
- Improve security activities involving contracted/outsourced IT operations.

**E-Government and Lines of Business**

Interior is an active participant in many e-government initiatives, providing leadership, funding, and in-kind technical and staffing support. These initiatives strive to eliminate redundant systems and significantly improve the government’s quality of customer service for citizens and businesses. The Department is the managing partner for two e-government projects – Recreation One-Stop and Geospatial One-Stop. Interior is serving as one of the government-wide service providers for the e-Payroll initiative and is a leader in the E-Authentication project.

Department-wide spending for E-Government activities that will benefit OSM (excluding fee for service payments) reflected in the 2006 President’s budget follow. In addition, the Department is also implementing e-Travel in an integrated fashion with the Financial and Business Management System. Funds to support e-Travel are included in the FBMS budget under Departmental Management. The 2006 OSM budget includes \$49,000 to support these e-Government initiatives.

	Billing Method	2006 Estimate
	Mixed -- USGS	
Geospatial One Stop (excludes in-kind)	Direct/C-WCF	510
Integrated Acquisition	C-WCF	397
Grants.gov	C-WCF	453
E-Authentication	C-WCF	450
E-Rulemaking	C-WCF	825
E-Training	C-WCF	185
Business Gateway	C-WCF	322
LOB: Financial Management	C-WCF	83
LOB: Human Resources Mgmt	C-WCF	91
LOB: Grants Management	C-WCF	14

Billing Method Notes. The billing and payment methods of the e-gov projects vary as follows:

C-WCF. The Department has established a centralized WCF account for purposes of billing bureaus and paying managing partners for certain e-gov payments. The Departmental management budget justification includes a description of this account.

Direct. Direct means that a bureau makes direct payments to managing partners. In 2006, both recreation one stop and geospatial one stop have a direct component.

The Departmental Management budget justification includes justifications of the programs funded through the working capital fund.

### **Enterprise Services Network**

Interior is deploying the Enterprise Services Network to provide secure, state-of-the-art internet and intranet connections and a fully functional operational center for data communications that will be used by the entire Department. In addition to providing better services for many Interior offices, the system will provide a uniformly secure environment, standardized and efficient 24 hour/7 day operations, and improved technical support. The OSM budget includes \$697,000 for ESN of which \$287,000 is an estimated amount that will be redirected from legacy network systems to the ESN project. The Department is working with its bureaus to finalize the amounts that will be redirected, and will provide the subcommittees updates to the amounts in the Spring.

In 2004, Interior began to implement Phase I of ESN, which will be completed in December 2005, with deployment of a modern, integrated network backbone that supports telecommunications within the Department. This includes access to the internet, a Department-wide intranet, and a fully operational technical support center. Phase I also transitions management of the National Park Service's wide area network to managed services and thereby simplifies and modernizes a geographically dispersed and outdated architecture.

The return on investment for this system is high. Up-front investments, including the redirection of bureau telecommunication savings, will, in the long-term, result in reduced costs with elimination of duplicative networks, improved performance of data services with less "down time" for many offices, skilled and knowledgeable staff trained to operate standardized and centralized operations, and better support for e-government initiatives.

Phase I of ESN reduces the Department's current 13 Wide Area Networks to one and 33 internet access points to five. For NPS, Lotus Notes maintenance sites were reduced from 253 to seven.

During 2005, the Department will also plan Phase II to expand secure connections to approximately 150 sites located primarily in large cities and approximately 1,500 hubs at other Interior locations.

ESN will also facilitate efforts to consolidate directory services, web hosting, messaging, data warehousing and other applications and systems.

Space Management (-\$95,000) - Annually Interior spends \$300 million to lease space from the General Services Administration and others. Because of the long-term commitment contained in most leases, savings from this initiative will accrue to a large

degree in future years. The Department's budget for 2006 assumes initial savings of \$6.3 million.

Recognizing the potential for improved effectiveness and efficiency in the management of space in the long-term, Interior and its bureaus are undertaking reforms in space management. These reforms, which are part of its Asset Management Plan under E.O. 13327, include a more centrally controlled process to manage space, multi-year planning to consolidate dispersed space and co-locate to promote interagency collaboration, and adoption of more equitable allocations of space that adhere to security and safety and health standards. Long-term benefits are expected to result from Interior's space management reform, which will utilize best practices now in place. Multi-year plans will be used to focus on improved effectiveness and efficiency in supporting bureau missions and guide future lease arrangements and the use of owned space in order to maximize consolidation and co-location. By strategically analyzing and planning space management needs and opportunities, OSM, working with the Department will be able to consider workforce changes such as telecommuting, information technology solutions, and other factors in making future arrangements for facilities. The reduction is OSM's share of overall Departmental savings for FY 2006.

Federal Vehicle Fleet (-\$5,000) - In 2004, the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including implementation of life-cycle replacement schedules, disposal of underutilized vehicles and vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices and expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces.

On an annual basis, Interior spends over \$160 million to operate and maintain its fleet of approximately 38,000 vehicles. Interior's improvement plan provides a goal for reduction to fleet expenditures of \$11 million in 2005 and an additional \$3.7 million in 2006. The reduction is OSM's share of the improvement plan for FY 2006.

Information Technology (-\$54,000) – Represents overall Bureau savings from FY 2005 to FY 2006 in IT investments.

**FY 2006 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.