



# TREASURY

Strategic Plan 2018–2022



Department of the Treasury > 2018–2022 Strategic Plan

# Strategic Plan Overview

Goal 1:  
Boost  
U.S. Economic Growth



Goal 2:  
Promote  
Financial Stability



Goal 3:  
Enhance  
National Security



Goal 4:  
Transform  
Government-wide  
Financial Stewardship



Goal 5:  
Achieve  
Operational  
Excellence

# TREASURY

## Strategic Plan 2018–2022



#### About the Cover

Images on the cover reflect Treasury's multifaceted mission, including our role in strengthening Main Street, appropriately regulating markets and protecting our financial system, producing the nation's currency, and promoting sustainable U.S. economic growth.

#### About This Document

Treasury Strategic Plan 2018–2022 is a publication of the United States Department of the Treasury. It is maintained by the Office of Strategic Planning and Performance Improvement. For questions, training requests, or additional copies, please email [osp@treasury.gov](mailto:osp@treasury.gov).

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DEPARTMENT OF THE TREASURY  
Washington, D.C. 20220

The new Administration set forth a bold agenda to bolster economic growth, and the U.S. Department of the Treasury plays a central role in fostering prosperity and security for the American people. Treasury's Strategic Plan for Fiscal Years 2018-2022 charts the Department's course to fulfill this important vision.

This plan outlines the Department's long-term goals and specific strategies to boost U.S. economic growth, promote financial stability, enhance national security, transform government-wide financial stewardship, and achieve operational excellence.



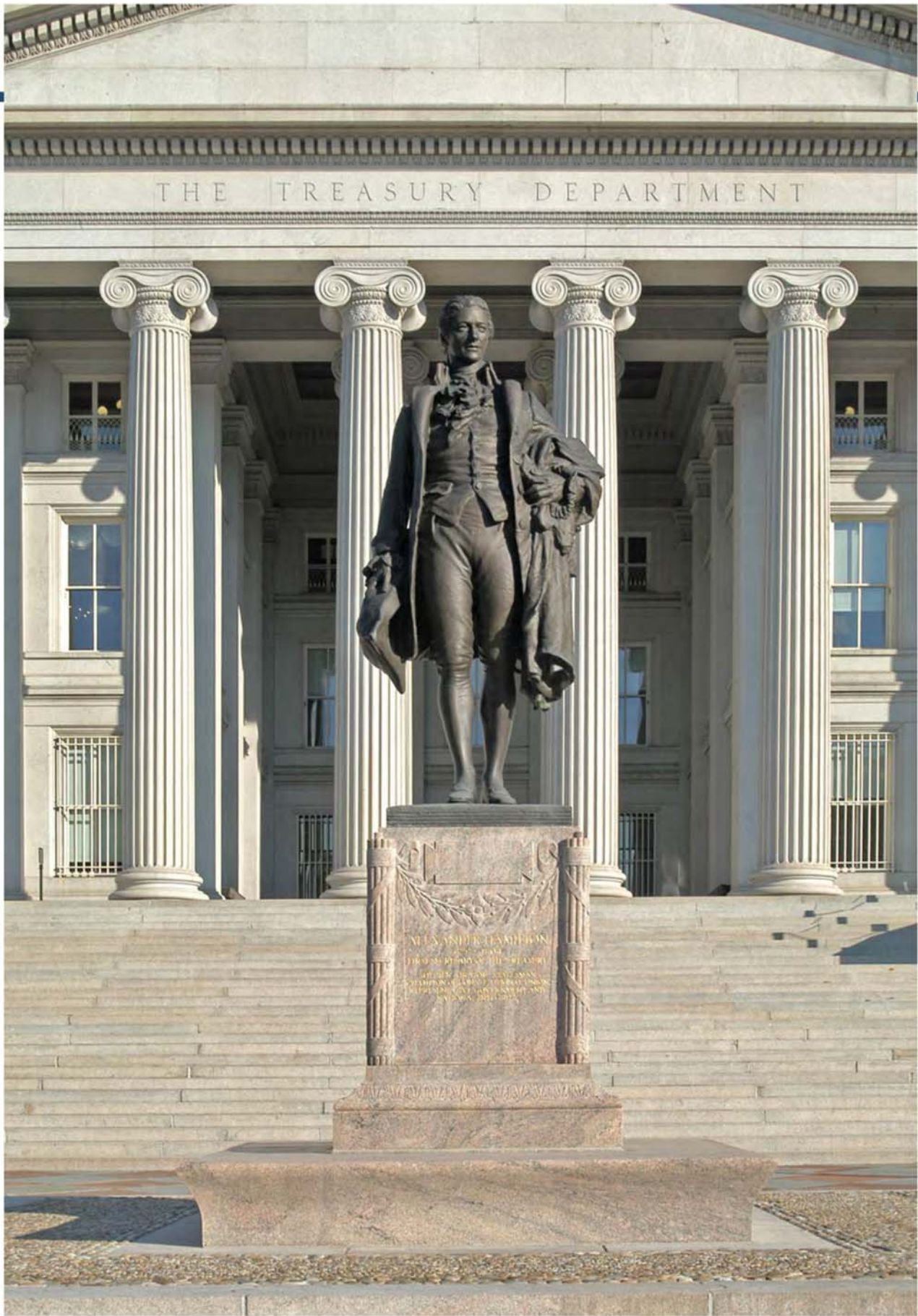
To achieve these goals, Treasury will leverage its unique capabilities to deliver results for the American people – overhauling and modernizing the tax system; driving regulatory relief to create opportunities for American consumers, workers, and their families; and targeting threats to national security.

Treasury will advance the President's "America First" agenda and level the playing field for American workers and companies. As responsible stewards of taxpayer resources, we will pursue new capabilities to manage our finances more effectively, broaden data accessibility for better decision-making, and tirelessly seek efficiencies that improve the value we deliver to the public.

Our anticipated accomplishments are a credit to the dedicated women and men of the Treasury Department. Together, we will help shape a thriving, secure, and prosperous future for all Americans.

Sincerely,

Steven T. Mnuchin  
Secretary of the Treasury



Statue of Alexander Hamilton, first Secretary of the Treasury.

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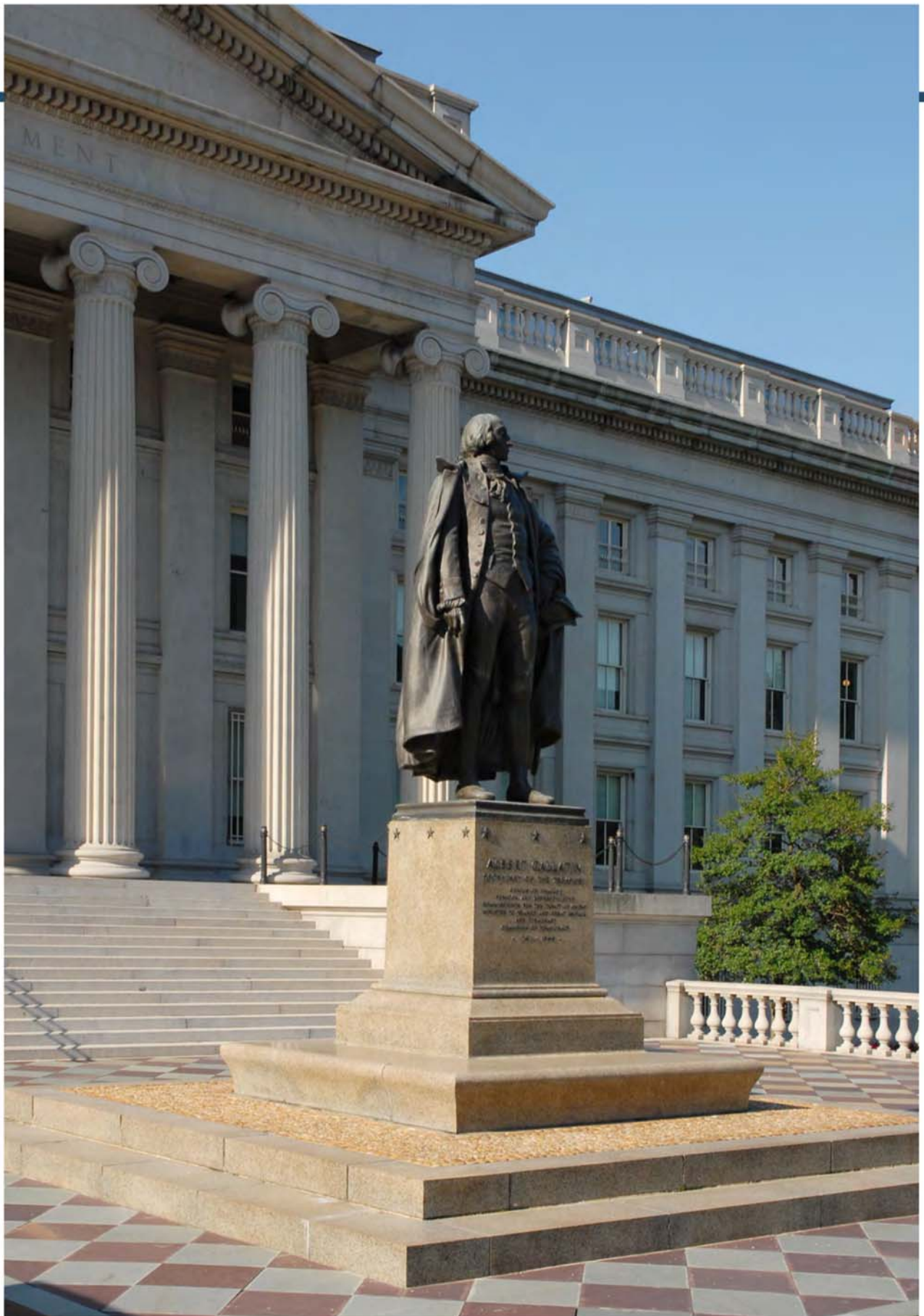
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Statue of Albert Gallatin, fourth Secretary of the Treasury.



# About Treasury

## Scope and Purpose of the Strategic Plan

The *Government Performance and Results Act Modernization Act* (GPRAMA) requires federal agencies to publish new strategic plans one year after each presidential inauguration. Treasury’s Strategic Plan for Fiscal Years (FY) 2018–2022 describes long-term goals the agency aims to achieve during this administration and provides an internal guide for decision-making.

Within the strategic plan, “goals” articulate larger outcomes or societal impacts that Treasury aims to achieve, while “objectives” support goals and reflect more focused policy or operational areas where we plan to make significant improvements. Accountable officials are designated for each strategic objective. Concentrating on a focused set of objectives strengthens accountability, while allowing the Department to emphasize critical areas and meaningfully manage for results.

## Agency Priority Goals

Treasury’s FY 2018–2019 Agency Priority Goals, each supporting the achievement of a specific strategic objective, will be published concurrent with the Strategic Plan on [www.performance.gov](http://www.performance.gov). Annual plans will be included in each fiscal year’s President’s Budget, available on [www.treasury.gov](http://www.treasury.gov).

## About Treasury

**Foundation:** After the American Revolution, Congress realized that funding a war without proper infrastructure presented an enormous challenge to our country’s economic stability. Out of the necessity to levy and collect taxes and manage the U.S. government’s finances, Congress established the Department in 1789. President George Washington appointed Alexander Hamilton as our first Secretary. Our current Secretary, Steven Mnuchin, is the 77th Secretary to lead the Treasury Department.

**How We Serve the Nation Today:** Treasury remains one of the world’s premier finance ministries, responsible for the nation’s debt management, cash production, loans made to other federal agencies, tax collection, and economic policy formulation. We are a trusted policy advisor to the President, formulating and recommending domestic and international financial, economic, and tax policy. Our contributions to policy development shape America’s economic health and security.

## Mission and Values

Treasury’s mission is to *maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combatting threats and protecting the integrity of the financial system, and manage the U.S. Government’s finances and resources effectively.*

The nearly 100,000 dedicated Treasury employees strive to maintain **integrity** and uphold the public trust in all that we do, explore better ways of conducting business through **innovation**, seek diversity of thought and **expertise** to inform our decisions, embrace and **adapt** to change, and hold ourselves **accountable** for accomplishing meaningful results for the American public.



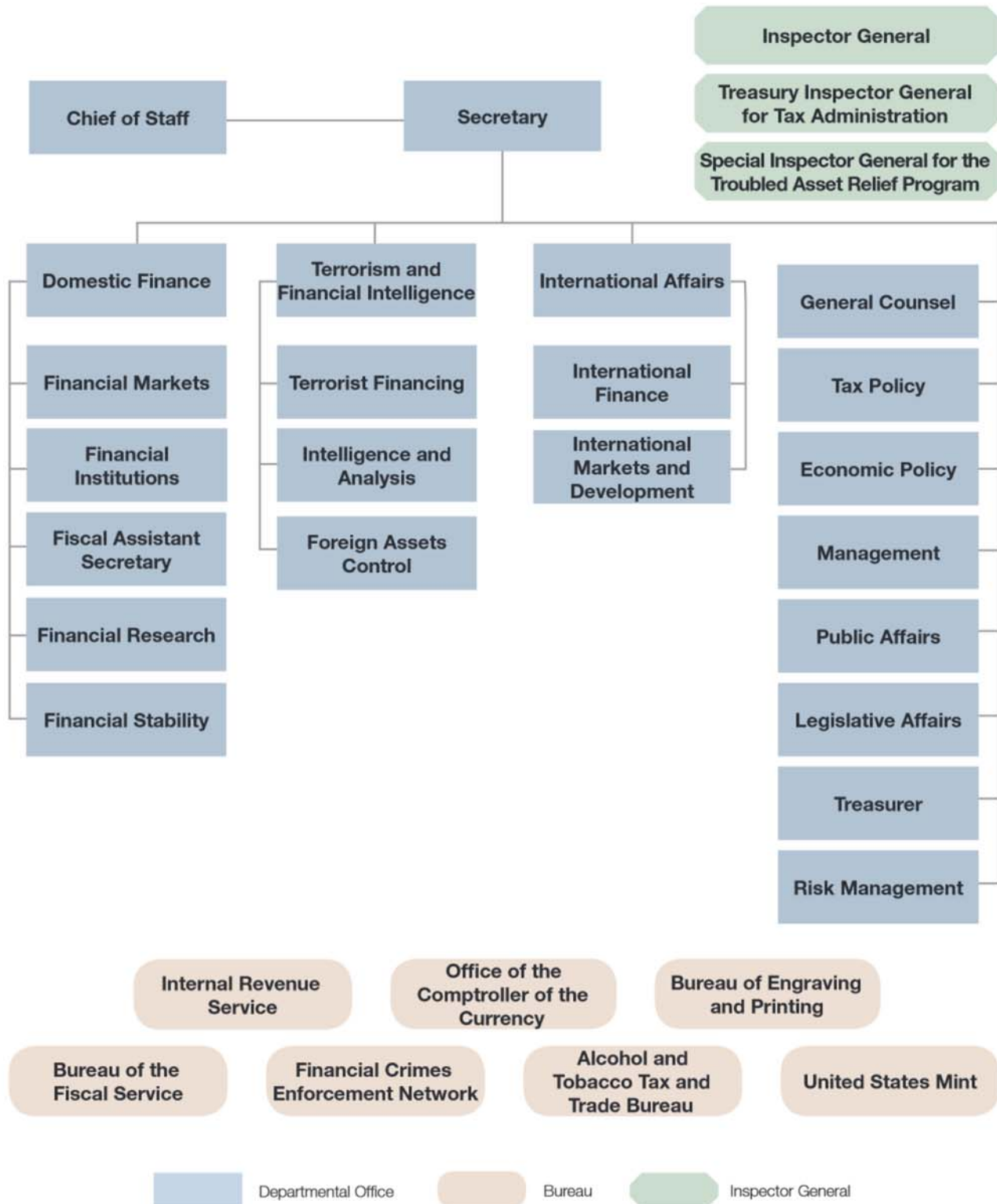
# Overview of Goals and Objectives

|  |  | Domestic Finance | International Affairs | TFI / FinCEN | Tax Policy | Treasurer | Economic Policy | Management | IRS | Fiscal Service | BEP | U.S. Mint | TTB | OCC |
|--|--|------------------|-----------------------|--------------|------------|-----------|-----------------|------------|-----|----------------|-----|-----------|-----|-----|
| <b>Goal 1: Boost U.S. Economic Growth</b>                      | 1.1 Tax Law Implementation                                     |                  |                       |              | ★          |           |                 |            | ★   |                |     |           | ★   |     |
|  | 1.2 Strong Economic Fundamentals                               | ★                | ★                     |              |            | ★         | ★               |            |     |                |     |           |     | ★   |
|  | 1.3 Trusted Currency and Services                              |                  |                       |              |            | ★         |                 |            |     |                | ★   | ★         | ★   |     |
|  | 1.4 Free and Fair Trade  |                  | ★                     |              |            |           |                 |            |     |                |     |           | ★   |     |
| <b>Goal 2: Promote Financial Stability</b>                     | 2.1 Housing Finance Reform                                     | ⚖️               |                       |              |            |           |                 |            |     |                |     |           |     |     |
|  | 2.2 Foreign Exchange Practices                                 |                  | ⚖️                    |              |            |           |                 |            |     |                |     |           |     |     |
|  | 2.3 Foreign Technical Assistance                               |                  | ⚖️                    |              |            |           |                 |            |     |                |     |           |     |     |
|  | 2.4 Financial Sector Critical Infrastructure and Cybersecurity | ⚖️               |                       |              |            |           |                 | ⚖️         |     |                |     |           |     | ⚖️  |
| <b>Goal 3: Enhance National Security</b>                       | 3.1 Strategic Threat Disruption                                |                  | 🛡️                    | 🛡️           |            |           |                 |            |     |                |     |           |     | 🛡️  |
|  | 3.2 AML/CFT Framework  |                  |                       | 🛡️           |            |           | 🛡️              |            |     |                |     |           |     | 🛡️  |
|  | 3.3 Economic Strength and National Security                    |                  | 🛡️                    | 🛡️           |            |           |                 |            |     |                |     |           |     |     |
| <b>Goal 4: Transform Government-wide Financial Stewardship</b> | 4.1 Financial Data Access and Use                              | 🔑                | 🔑                     |              |            |           |                 |            | 🔑   | 🔑              |     |           |     |     |
|  | 4.2 Debt Management  | 🔑                |                       |              |            |           |                 |            |     | 🔑              |     |           |     |     |
|  | 4.3 Federal Financial Performance                              | 🔑                |                       |              |            |           |                 |            |     | 🔑              |     |           |     |     |
| <b>Goal 5: Achieve Operational Excellence</b>                  | 5.1 Workforce Management                                       | 🔑                | 🔑                     | 🔑            | 🔑          | 🔑         | 🔑               | 🔑          | 🔑   | 🔑              | 🔑   | 🔑         | 🔑   | 🔑   |
|  | 5.2 Treasury Infrastructure                                    |                  |                       | 🔑            |            |           |                 | 🔑          | 🔑   | 🔑              | 🔑   | 🔑         | 🔑   | 🔑   |
|  | 5.3 Customer Value   |                  |                       |              |            |           |                 | 🔑          | 🔑   | 🔑              | 🔑   | 🔑         | 🔑   | 🔑   |



# Organizational Structure

Treasury is organized into the Departmental Offices, operating bureaus, and inspectors general. The Departmental Offices primarily formulate policy and oversee the bureaus, which manage major operations.





# Policy Office and Bureau Descriptions

## Policy Offices

**Domestic Finance:** Works to preserve confidence in U.S. Treasury market, strengthen financial institutions and markets, and promote access to credit, in service to long-term economic strength and stability.

**International Affairs (IA):** Protects economic prosperity and national security by helping to ensure a favorable external environment for sustained jobs and economic growth.

**Terrorism and Financial Intelligence (TFI):** Uses policy, intelligence, enforcement and regulatory tools, and authorities to disrupt and disable terrorists, criminals, and other national security threats while also safeguarding the financial system against abuse by illicit actors.

**Economic Policy:** Reports on economic developments and assists in the determination of economic policies. Reviews and analyzes domestic economic issues and financial market developments.

**Tax Policy:** Develops and implements tax policies and programs. Reviews regulations and rulings to administer the Internal Revenue Code. Provides revenue estimates for the President's Budget.

**Treasurer of the United States:** Serves as a principal advisor to the Secretary. Oversees the Office of Consumer Policy, which provides policy leadership, research, and analysis to foster economic growth and financial security for American families in a robust consumer marketplace. Oversees the U.S. Mint, which includes advising the Secretary on coinage matters and liaising with the Federal Reserve.

## Support Offices

**Office of Management and Chief Financial Officer (Management):** Manages the Department's financial resources and oversees Treasury-wide programs, including human capital, organizational performance, information technology, acquisition, and diversity issues.

**Office of Risk Management (ORM):** Oversees the development and implementation of an integrated risk management framework for the Department, advising Treasury leaders on managing credit, market, liquidity, operational, and reputational risks.

**Office of General Counsel:** Manages legal affairs.

**Office of Legislative Affairs:** Manages legislative affairs.

**Office of Public Affairs:** Manages public affairs.

## Treasury Bureaus

**Alcohol and Tobacco Tax and Trade Bureau (TTB):** Collects federal excise taxes on alcohol, tobacco, firearms, and ammunition. Enforces and administers laws covering production, use, and distribution of alcohol and tobacco products.

**Bureau of Engraving and Printing (BEP):** Develops and produces U.S. currency notes as well as secure documents for government use.

**Financial Crimes Enforcement Network (FinCEN):** Safeguards the financial system from illicit use and combats money laundering. Promotes national security through collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

**Bureau of the Fiscal Service (Fiscal Service):** Provides central payment services to government agencies. Operates the government's collections and deposit systems. Delivers administrative shared services to federal agencies. Provides government-wide accounting and reporting. Manages delinquent debt collection. Borrows money needed to operate the U.S. government through the sale of marketable, savings, and special purpose U.S. Treasury securities. Accounts for and services the public debt.

**Internal Revenue Service (IRS):** Determines, assesses, and collects U.S. tax revenue. Helps taxpayers understand their tax responsibilities and combats tax-related fraud.

**United States Mint (U.S. Mint):** Designs, mints, and issues U.S. circulating, numismatic, and bullion coins. Strikes medals of national significance. Maintains physical custody and protection of most of the nation's gold and all of its silver assets.

**Office of the Comptroller of the Currency (OCC):** Charters, regulates, and supervises national banks and federal savings associations to ensure a safe, sound, and competitive banking system. Supervises federal branches and agencies of foreign banks. Serves as the rule-making authority for all savings associations.

## Inspectors General

**Office of Inspector General (OIG):** Provides independent audits, investigations, and oversight for the Department of the Treasury and its programs.

**Treasury Inspector General for Tax Administration (TIGTA):** Provides independent audits, investigations, and oversight for the IRS.

**Special Inspector General for the Troubled Asset Relief Program (SIGTARP):** Provides independent audits, investigations, and oversight for the Troubled Asset Relief Program managed by the Office of Domestic Finance.





# Understanding the Landscape

## **Strengths, Weaknesses, Opportunities, & Threats (SWOT) Assessment**

To shape the Department’s strategic plan, Management conducted an environmental scan using the full portfolio of available evidence to understand our operating environment. This department-wide assessment synthesized factors, both internal (strengths and weaknesses) and external (opportunities and threats), to inform the selection of priorities. Organized in spheres of influence, the center items reflect a greater ability to affect results.

## **Internal Stakeholder Engagement**

During the environmental scan, 75 career leaders offered planning insights through structured interviews. Using established annual and quarterly review processes, Management worked with bureau and office leadership to identify potential goal and objective areas and discussed bureau and policy office one-, three-, and five-year priorities. Treasury goal teams then translated leadership priorities into actionable objectives, identifying strategies and success measures through collaborative discussions.

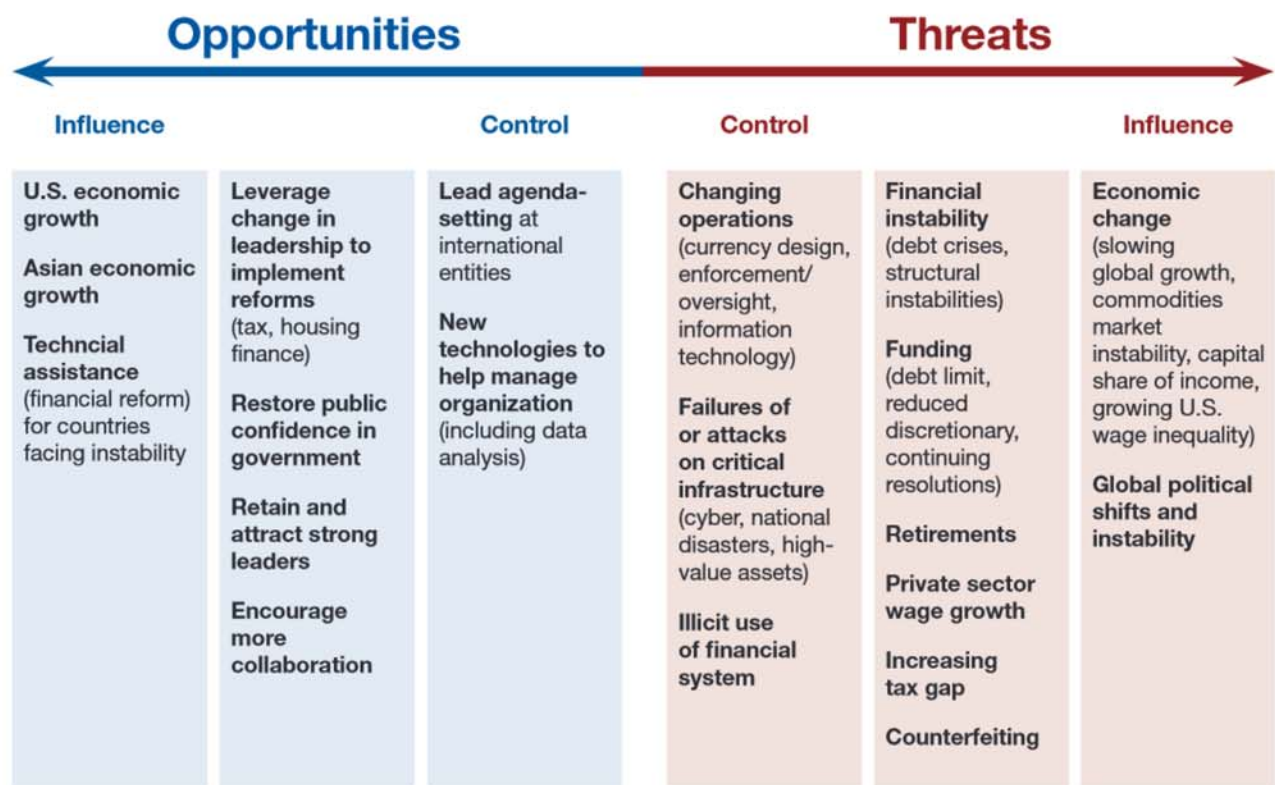
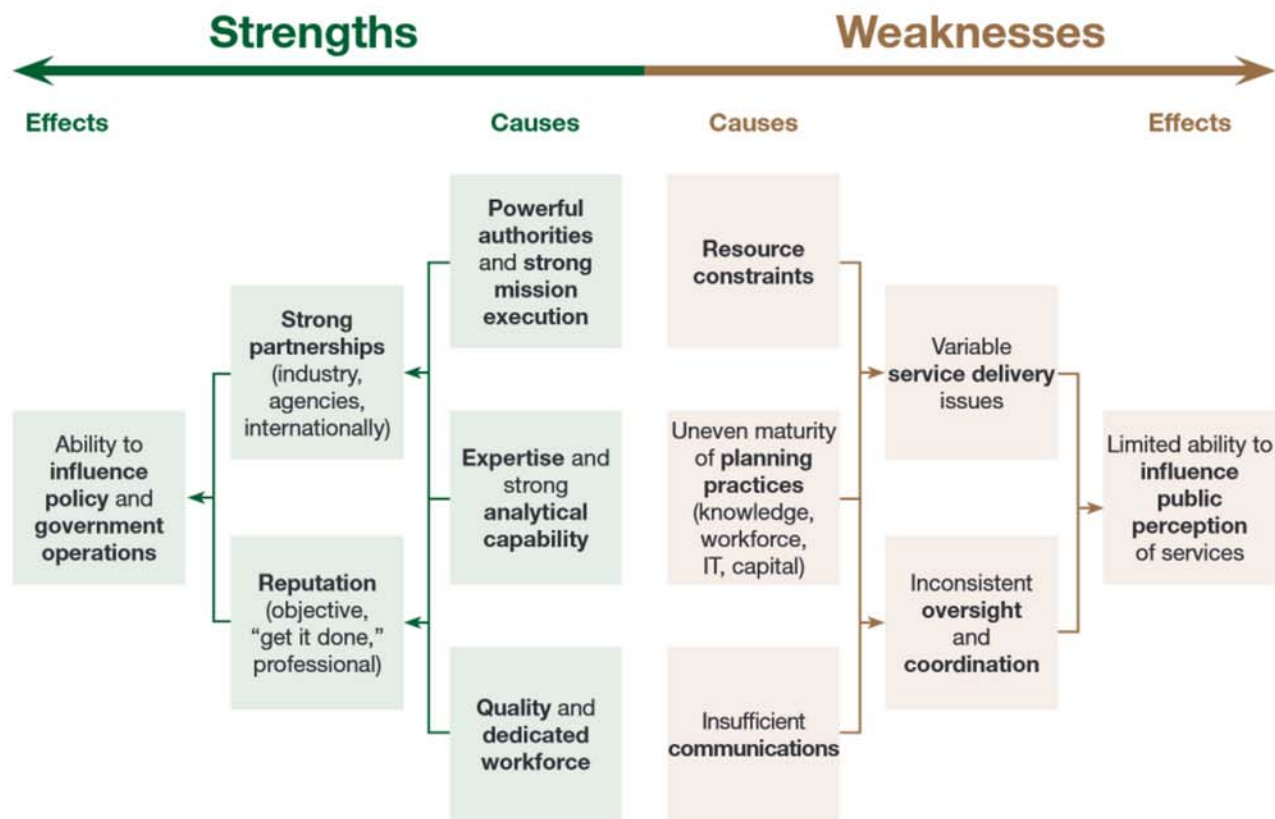
## **External Stakeholder Outreach**

As part of our environmental scan, Treasury officials interviewed policy experts from a variety of academic and research institutions. Additionally, we consulted Treasury’s congressional committees on key planning questions and also leveraged public comments submitted in response to the Executive Order on Reorganizing the Executive Branch to shape strategies.

Throughout the development of the plan, we participated in the interagency strategic planning working group led by the Office of Management and Budget to coordinate goal-setting and share best practices.







# Tax Law Implementation

Administer tax law to better enable all taxpayers to meet their obligations, while protecting the integrity of the tax system.

| External Stakeholders   | Desired Outcomes   |
|---|--|
| Taxpayers<br>Tax Preparers<br>Social Security Administration<br>Department of Health and Human Services<br>State Tax Administrators | <p>Timely taxpayer guidance, instructions, and tax forms; Improved compliance and service efforts; Modernized tax treaties.</p> <p><b>Why Does This Matter?</b></p> <p>In 2017, the President signed historic tax reform into law. We must implement this law so taxpayers fully understand the new requirements and can comply with them in the least burdensome way possible. American families and small businesses spend too much time each year making sure they comply with the tax code. Tax administration should reduce the complexity of filing, limit the time and costs involved, and improve voluntary tax compliance.</p> <p>The Internal Revenue Service (IRS) and Office of Tax Policy collaborate to set the foundation for regulations that promote sound tax administration, reduce uncertainty, and improve risk assessment. To reduce the tax gap in the next four years, the IRS will increase emphasis on easier taxpayer assistance tools and improved refund fraud reduction efforts.</p> |

## Fiscal Year 2018–2019 Agency Priority Goal: Reducing Refund Fraud

In response to significant increases in refund fraud schemes and identity theft, the IRS increased its prevention efforts. One such effort is the Security Summit initiative, a public-private sector partnership started in 2015 between the IRS, state revenue departments, software developers, tax professionals, and financial services groups.

This effort led to a sharp decline in identity theft and related refund fraud, with several indicators dropping by more than 50 percent since the Summit began.

- In 2012, there was a **226 percent increase** in new identity theft cases from the prior year.
- In 2016, there was a **46 percent decrease** in new identity theft cases from the prior year.

# Objective 1.1 Strategies

## **Strategy 1.1.A** ★ Tax Policy, IRS, and Alcohol Tobacco Tax and Trade Bureau (TTB)

Issue timely guidance to implement the first major tax reform legislation in more than a generation, revise and issue new regulations to apprise taxpayers of agency interpretation of statute, issue necessary tax forms and instructions, and clarify international standards.

### Measures and Indicators of Success:

- Tax guidance and regulations issued
- Tax forms updated for legislative changes
- Tax treaty status

## **Strategy 1.1.B** ★ IRS, Tax Policy, and TTB

Improve analytics for faster detection of compliance and fraud issues.

### Measures and Indicators of Success:

- Use of analytic products
- Detection of compliance and fraud issues

## **Strategy 1.1.C** ★ IRS and TTB

Design user-friendly tools and programs to improve customer service and lower barriers to voluntary compliance.

### Measures and Indicators of Success:

- Filing and return compliance rates
- Online services use and completion rates
- Level of service

## **Support Strategy 1.1.D** ★ IRS

Develop long-term IRS workforce staffing plan.

### Measures and Indicators of Success:

- Completed staffing plan





# Strong Economic Fundamentals

**Spur faster economic growth by right-sizing Treasury and other regulations and advancing domestic economic policies that boost investment, employment, and innovation.**

## External Stakeholders

- Financial Stability Oversight Council
- Securities and Exchange Commission
- Consumer Financial Protection Bureau
- Federal Reserve
- Federal Deposit Insurance Corporation
- Office of Management and Budget
- National Economic Council
- Department of Commerce
  - Small Business Administration
- Commodity Futures Trading Commission
- National Credit Union Administration
- State Regulators
  - Businesses
  - The Public
  - Communities

## Desired Outcomes

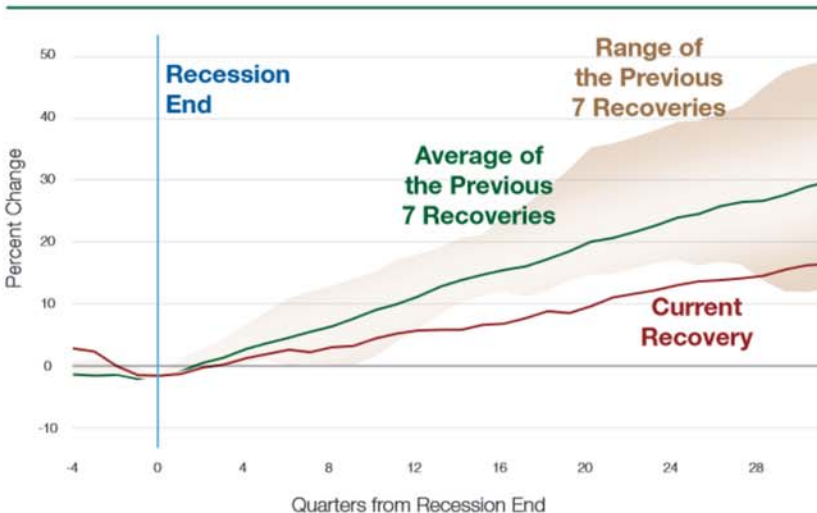
Create sustained growth in Gross Domestic Product (GDP) of three percent or more.

## Why Does This Matter?

While sensible regulation is necessary, we must balance the need to foster sound risk management across the U.S. financial system with the need to minimize regulatory costs. Overly burdensome regulations stifle economic growth. Compliance costs have increased as businesses hire professionals to unravel and comply with overlapping regulations, submit reporting, and prepare for audits. In some cases, federal rules do not take into account local and individual circumstances. Promoting a growth-centered regulatory environment, while creating an environment of responsible and reliable credit, will help usher in a new period of economic dynamism.

We seek to spur economic growth by fostering a financial services marketplace that offers products and services free from fraud and deception to enable individual and organizational investment. The Department promotes a regulatory and policy framework that encourages a financial marketplace that balances access to financial services with economic risk to households and the economy.

## Real GDP Percent Change from Recession End



GDP growth during the current recovery has not reached the growth level of prior recoveries. As of 2017 Q1. Source: Bureau of Economic Analysis and Congressional Budget Office

## Objective 1.2 Strategies

**Strategy 1.2.A** \* Domestic Finance, Economic Policy, and International Affairs

Right-size domestic and international regulation to ease burden.

**Measures and Indicators of Success:**

- High-quality recommendations developed on time
- Analytic framework that assesses costs and benefits of regulatory changes in light of economic growth priorities and succinctly presents key trade-offs

**Strategy 1.2.B** \* Economic Policy and Office of the Treasurer

Contribute actively to the development of domestic policy proposals that boost business investment, increase labor force participation, and raise productivity growth.

**Measures and Indicators of Success:**

- Regular participation in inter-agency processes that successfully advance domestic policies focused on boosting growth
- Closely monitored economic outcomes and trends, such as investment, employment, and innovation

**Strategy 1.2.C** \* Domestic Finance, Economic Policy, and Treasurer

Promote a financial services marketplace that addresses the needs of American consumers.

**Measures and Indicators of Success:**

- Quality Financial Literacy and Education Commission products
- Sophisticated analysis to support policy development aimed at improving financial decision-making
- Outcomes closely monitored, such as household saving, borrowing, and expenditures
- Recommendations developed regarding municipal bond market structure

**Support Strategy 1.2.D** \* Economic Policy

Better integrate economic analysis across Treasury.

**Measures and Indicators of Success:**

- Active network of policy analysts and economists across key agencies developed to better align with Treasury work
- Better leveraged outside expertise using term-limited appointments



# Trusted Currency and Services

Deliver trusted currency and services that enable citizens and businesses to participate in the economy.

| External Stakeholders   | Desired Outcomes   |
|---|--|
| Federal Reserve<br>United States Secret Service                         | United States currency remains the world's premier currency; Americans empowered to make independent financial decisions; Industry members receive improved service.   |
| Financial Literacy and Education Commission<br>Businesses<br>The Public | <b>Why Does This Matter?</b><br>We enable citizens and businesses to participate in the economy by providing trusted currency and services, including permitting and labeling for alcohol and tobacco businesses and financial literacy resources for the public. First, in partnership with the Federal Reserve Board and United States Secret Service, we must continue to ensure an adequate supply of currency for domestic and foreign markets and sustain efforts to protect and maintain global confidence in U.S. currency.  |
|   | Second, where we oversee entry of businesses and products into the marketplace, we must not obstruct economic growth and cause financial hardships for businesses through delays in issuing required permits and label approvals. We have opportunities to continue to review policies and regulations to lift the burden placed on these businesses and to effectively apply modern technology to simplify compliance. Finally, we work with the federal financial literacy community to provide trusted resources and services to Americans. It is vital to empower Americans to make independent and informed financial decisions throughout their lives by building financial knowledge, skills, and opportunities, and helping them to overcome barriers to financial security. |

## Fiscal Year (FY) 2018–2019 Agency Priority Goal: Improved Business Qualification Process

Ongoing growth in the alcohol beverage industry in recent years has resulted in an increased volume in permit applications for new alcohol producers. This growth in workload has contributed to delayed permit approvals that exceed the Alcohol and Tobacco Tax and Trade Bureau's (TTB's) service standards. In FY 2017, TTB reviewed its current processes, applications, and online systems to identify ways to streamline the process for prospective industry members. In FY 2018 and 2019, TTB will work to implement these improvements and reduce average approval times for business permits.



## Objective 1.3 Strategies

### Strategy 1.3.A ★ Bureau of Engraving and Printing (BEP)

Enhance anti-counterfeit currency design.

Measures and Indicators of Success:

- Design next generation of currency on schedule
- Reduce the number of counterfeit notes

### Strategy 1.3.B ★ Office of the Treasurer

Empower Americans in making independent and informed financial decisions to build individual wealth.

Measures and Indicators of Success:

- Quality products from the Financial Literacy and Education Commission
- Outcomes closely monitored, such as savings numbers/credit score improvement

### Strategy 1.3.C ★ TTB

Improve the business and product qualification processes for industry.

Measures and Indicators of Success:

- Turnaround times of TTB permit, label, and formula applications
- Quality of initial submissions

### Strategy 1.3.D ★ U.S. Mint and BEP

Recapitalize aging production facilities and equipment for needed capacity and capabilities.

Measures and Indicators of Success:

- Yearly Currency Order (percent of order completed versus planned)
- Status of facility projects
- Capital spend amounts

### Support Strategy 1.3.E ★ U.S. Mint and BEP

Develop and execute long-term currency production workforce staffing and training plan.

Measures and Indicators of Success:

- Completed staffing plan

### Support Strategy 1.3.F ★ U.S. Mint

Promote a successful coin program.

Measures and Indicators of Success:

- Advancement of new proposals



Treasury must ensure an adequate supply of currency for domestic and foreign markets and sustain efforts to protect and maintain global confidence in U.S. currency.

# Free and Fair Trade

Advance a free and fair trade environment for U.S. businesses through successful negotiation of trade agreements and investment policies.

## External Stakeholders

- U.S. Trade Representative
- Export-Import Bank
- International Working Group on Export Credits
- Department of Commerce
- Department of Labor
- Department of Agriculture
- National Security Council
- Congress
- Department of State
- International Monetary Fund
- World Bank
- Businesses
- The Public

## Desired Outcomes

Fewer foreign trade barriers; New growth opportunities for Americans; Level playing field for U.S. businesses; Successful trade agreements; More balanced global trade.

## Why Does This Matter?

Free and fair trade is vital to strong domestic growth, prosperity, national security, and foreign policy. It is in America's economic and national security interests to promote commerce by strengthening our relationships with our trading partners, negotiating and maintaining trade agreements that benefit American workers, vigorously enforcing our nation's trade laws, improving overall conditions for competition and trade, investigating violations of anti-competitive practices in the marketplace, and ensuring the strength of our manufacturing and defense industrial bases.

The U.S. has not obtained the full scope of benefits anticipated under past trade agreements and World Trade Organization participation. Adjusted for inflation, the value of U.S. goods imports has consistently outpaced U.S. goods exports. Artificial deficits and unfair trade put American workers and businesses at a serious disadvantage.

## Treasury's Role in Trade Negotiations

Treasury leads international negotiations on financial services and transfers for the U.S. government, in pursuit of critical financial services commitments, robust transfers, provisions of trade, and investment negotiations. We also lead negotiations related to rules on currency in the context of our trade agreements.

# Objective 1.4 Strategies

## Strategy 1.4.A \* International Affairs and Alcohol Tobacco Tax and Trade Bureau (TTB)

Address discriminating policies and unlawful trade practices.

### Measures and Indicators of Success:

- Number of TTB investigations that resulted in a successful outcome

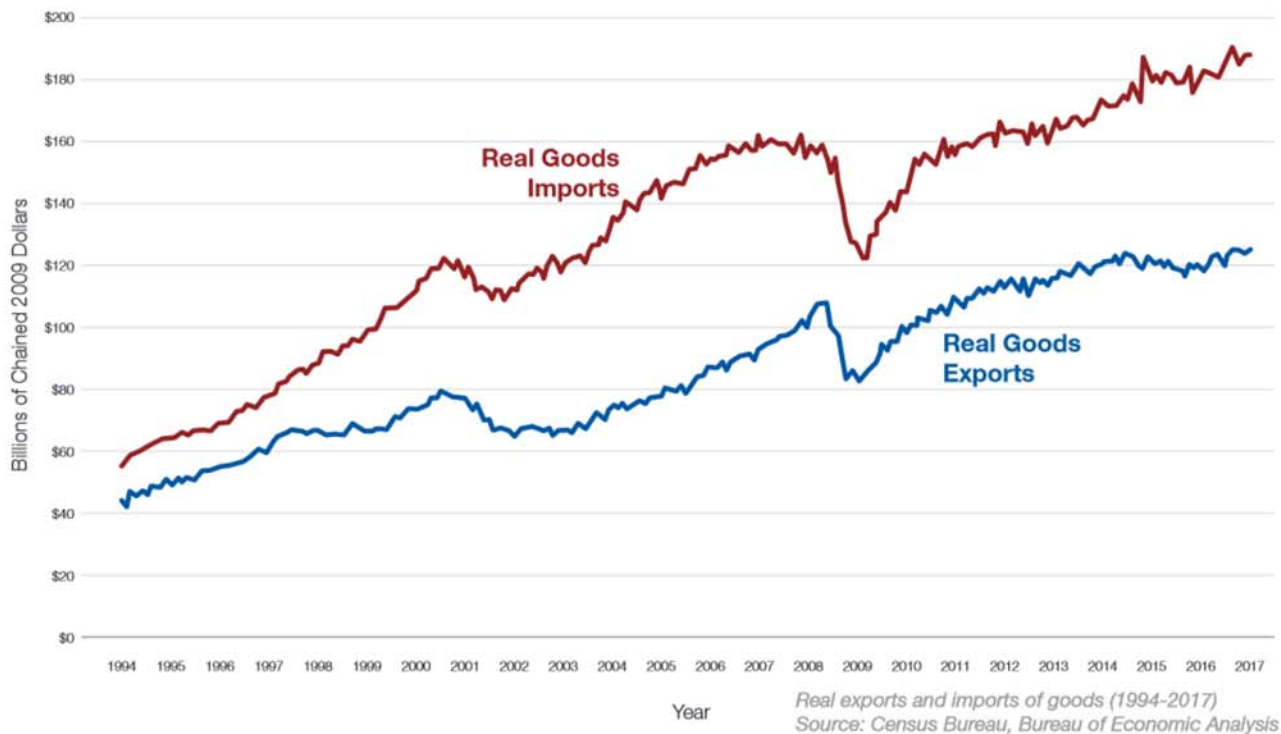
## Strategy 1.4.B \* International Affairs

Conclude better trade deals that level the playing field.

### Measures and Indicators of Success:

- Number of concluded targeted trade agreements that seek to level the playing field for America's workers, farmers, and businesses

## U.S. Trade Deficit





# Housing Finance Reform

Support housing finance reform to resolve Government-Sponsored Enterprise (GSE) conservatorships and prevent taxpayer bailouts of public and private mortgage finance entities, while promoting consumer choice within the mortgage market.

## External Stakeholders

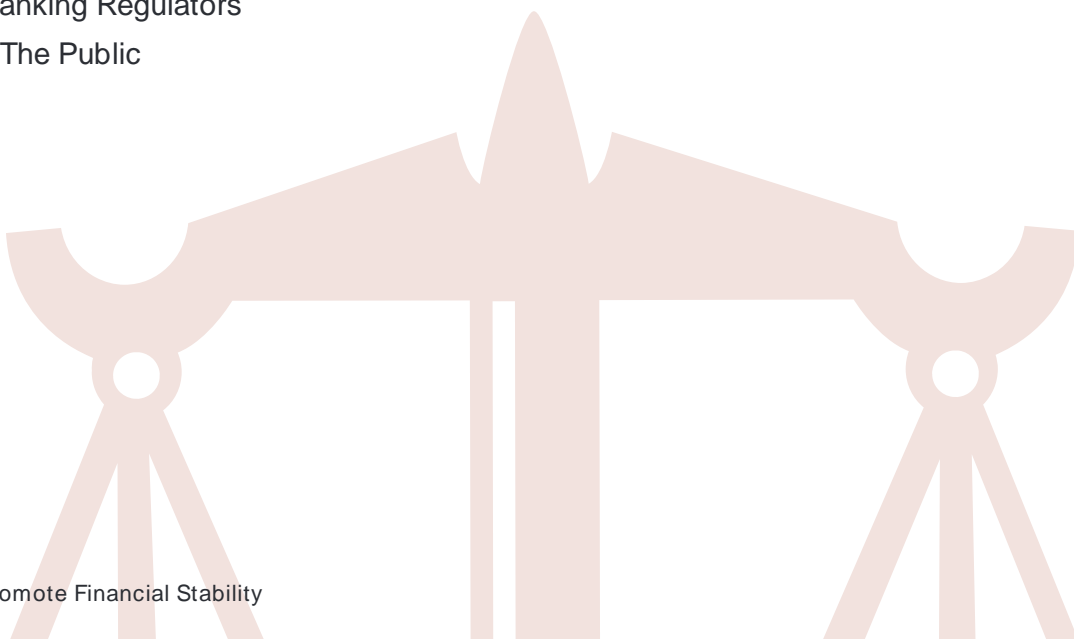
- Congress
- Federal Housing Finance Agency
- Fannie Mae/Freddie Mac
- Department of Housing and Urban Development/  
Federal Housing Administration
- Department of Veterans Affairs
- Consumer Financial Protection Bureau
- Federal Reserve
- Securities and Exchange Commission
- Federal Deposit Insurance Corporation
- Association of State Banking Regulators
- The Public

## Desired Outcomes

Increased share of mortgage credit supported by private capital; Resolution of GSE conservatorships; Appropriate level of sustainable homeownership.

## Why Does This Matter?

Fannie Mae and Freddie Mac have been in federal conservatorship for nine years. Taxpayers continue to stand behind their obligations through capital support agreements while there is no clear path for the resolution of their conservatorship. GSEs, combined with federal housing programs such as those at the Federal Housing Administration and the Department of Veterans Affairs, support more than 70 percent of new mortgage originations. Changes should encourage the entry of greater private capital in the U.S. housing finance system. Resolution of the GSE conservatorships and right-sizing of federal housing programs is necessary to support a more sustainable U.S. housing finance system.



## Objective 2.1 Strategies

### **Strategy 2.1.A** ▫ Domestic Finance and Economic Policy

Engage stakeholders to develop housing finance reform recommendations.

#### Measures and Indicators of Success:

- Regular engagement with external stakeholders to solicit recommendations and discuss housing finance reform
- Dissemination of principles and recommendations for housing finance reform

### **Strategy 2.1.B** ▫ Domestic Finance and Economic Policy

Prepare to implement enacted housing finance reform.

#### Measures and Indicators of Success:

- Plan for the resolution of current GSE conservatorships
- Analysis of emerging housing finance issues against U.S. economic conditions



Right-sizing of federal housing programs is necessary to support a more sustainable U.S. housing finance system and promote consumer choice within the mortgage market.

# Foreign Exchange Practices

Achieve fair foreign exchange practices through multilateral engagement with international partners.

## External Stakeholders

International Monetary Fund  
Group of 20 Nations  
National Security Council  
Department of Commerce  
Department of State

## Desired Outcomes

Global economy free of currency manipulation.

### Why Does This Matter?

Strong fundamentals, sound policies, and a resilient international monetary system are essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Certain foreign exchange rate practices can impact export markets in ways that lead to unfair advantages for foreign competitors.

We seek to level the playing field for U.S. businesses through multilateral and bilateral engagements on foreign exchange practices. We do this via multilateral and bilateral activities working through the International Monetary Fund (IMF) and the Group of 20 Nations (G-20). The G-20 Finance Ministers agreed to a regular IMF report assessing progress toward achieving strong, sustainable, and balanced growth, as well as the potential for policy development and policy issues related to achieving faster and more sustainable adjustment of external imbalances.

We are focused on combatting unfair currency practices that disadvantage U.S. industry and workers and, to this end, have strengthened the semi-annual surveillance of the exchange rate practices of major U.S. trading partners. We also continue to press for stronger exchange rate surveillance in the IMF.



## Objective 2.2 Strategies

### **Strategy 2.2.A** <sup>Ⓜ</sup> International Affairs

Incorporate meaningful foreign exchange goals into Free Trade Agreement (FTA) negotiations.

Measures and Indicators of Success:

- Number of concluded FTAs inclusive of or accompanied by meaningful currency commitments

### **Strategy 2.2.B** <sup>Ⓜ</sup> International Affairs

Utilize IMF and G-20 forums to make progress in constructive exchange rate practices.

Measures and Indicators of Success:

- Data tracked in Treasury's semi-annual Foreign Exchange Report
- Number of G-20 countries that strengthen and abide by currency commitments



# Foreign Technical Assistance

Provide technical assistance to enable foreign partner countries to better raise and manage financial resources and protect their financial sectors.

## External Stakeholders

- Department of State
- U.S. Agency for International Development
- Millennium Challenge Corporation
- International Financial Institutions
- Development Banks
- Partner Countries

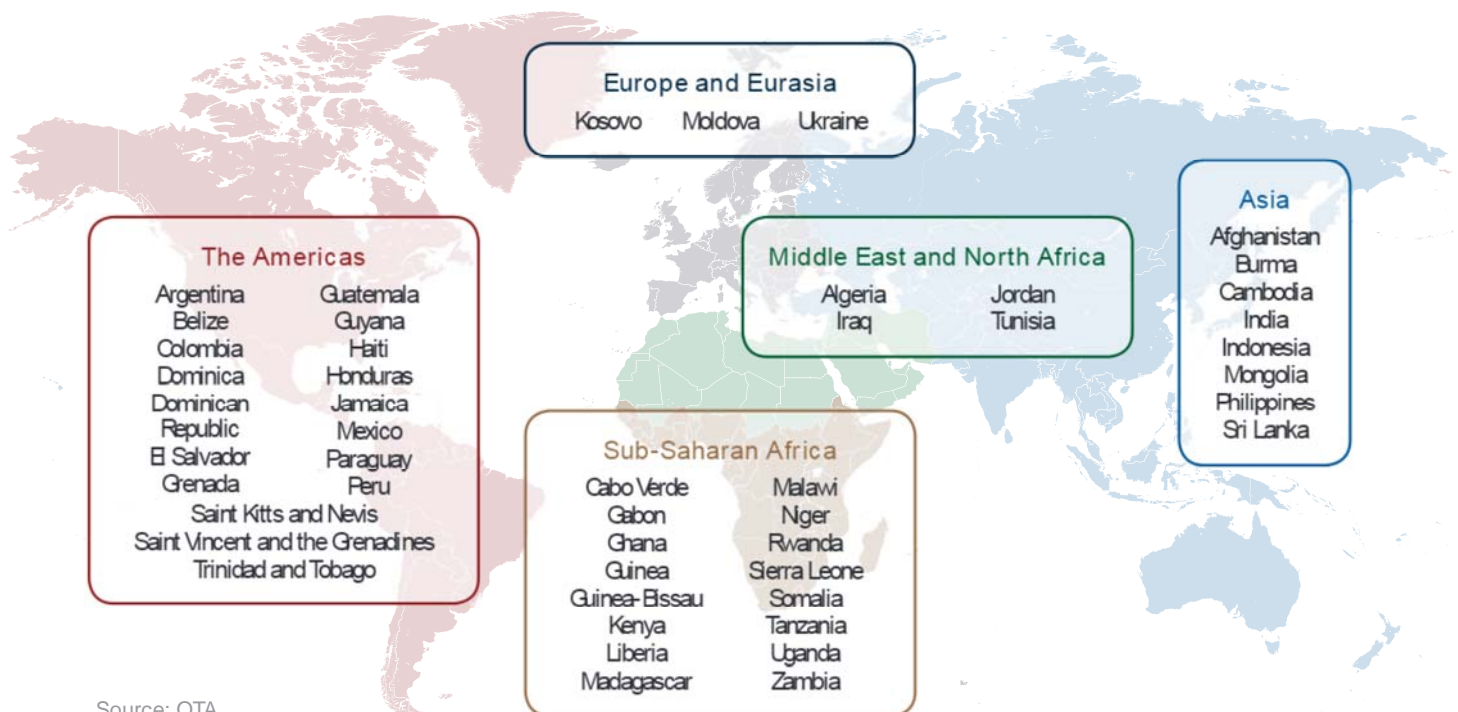
## Desired Outcomes

Strongly engaged partner countries with increased capability to raise and mobilize domestic resources (resulting in decreased reliance on foreign aid); Attainment of strong, abuse-resistant financial sectors that promote economic growth.

## Why Does This Matter?

Treasury's Office of Technical Assistance (OTA) directly assists developing and transition countries that have demonstrated strong commitment to reforming public financial management and strengthening their financial sectors. This work encourages prosperity and stability in other parts of the world and supports broader U.S. government economic and national security objectives – such as reducing corruption – while helping to create more stable international markets for U.S. exports.

## Treasury's Technical Assistance Footprint



Source: OTA

## Objective 2.3 Strategies

### Strategy 2.3.A <sup>en</sup> International Affairs

Maintain strong focus on core technical assistance areas (revenue policy and administration; budget and financial accountability; government debt issuance and management; banking and financial services; economic crimes).

#### Measures and Indicators of Success:

- Engagement of partner countries in programs
- Number of projects in core technical assistance areas

### Strategy 2.3.B <sup>en</sup> International Affairs

Emphasize high priority issues such as domestic resource mobilization, infrastructure finance, expanded access to financial services, and Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) frameworks.

#### Measures and Indicators of Success:

- Engagement of partner countries in programs
- Number of projects emphasizing high priority issues

## Recent Foreign Technical Assistance Success Stories

**Ukraine** took steps to stabilize its banking sector, including resolution of the country's largest and most systemically important bank in 2016.

**Burma** created the government's first Large Taxpayer Office as part of a joint Treasury-International Monetary Fund project to strengthen tax administration and improve domestic resource mobilization. In 2016, the office improved voluntary compliance and amended returns yielded more than \$13 million in additional revenue.



# Financial Sector Critical Infrastructure and Cybersecurity

Enhance security, improve resiliency, and reduce the risk of significant cybersecurity and other incidents to the financial sector's critical infrastructure, domestically and internationally.

## Desired Outcomes

Reduced frequency and impact of cybersecurity breaches and physical incidents; More effective incident response processes and improved recovery time; Improved information sharing and collaboration.

## Why Does This Matter?

The U.S. financial sector faces a broad range of cybersecurity vulnerabilities and physical hazards both domestically and abroad. These are not likely to diminish in the near-term. In fact, given past trends and the growing complexity of technology, cyber vulnerabilities in particular are likely to increase numerically and in potential consequences if exploited. This is compounded by the associated sophistication of adversaries and their techniques used to exploit cyber vulnerabilities. Therefore, we must both understand and reduce the sheer number of

vulnerabilities and the potential impact of any successful exploitation. This may require increasingly dynamic, real-time approaches, with closer networks of government and industry partners working together to reduce the sector's cyber vulnerabilities (and thus overall risk), thereby improving security and resilience.

Because financial sector critical infrastructure is primarily owned and operated by the private sector, operational risk is within the purview and responsibility of the firm involved. We consult with the private sector to identify and subsequently manage potential vulnerabilities, through advising on techniques such as information sharing, promoting the use of best practices, and creating automated tools. Not only are firms and the larger infrastructure better protected, but their boards can make better and more informed decisions regarding appropriate levels of cyber and operational risk they are willing to accept.

### External Stakeholders

- Financial Regulators
- Law Enforcement
- Department of Homeland Security
- Financial Sector Companies
- Trade Associations
- Other Supporting Critical Infrastructures
- Information Sharing and Analysis Centers
- International Partners

### Financial Sector Cyber Vulnerabilities

According to figures compiled by IBM Managed Security Services, the financial services sector moved from the third most-attacked industry in 2015 (behind healthcare and manufacturing) to the first in 2016. This was due primarily to two major technical attack families that together accounted for almost half of all attacks among IBM Managed Security Services financial sector customers. These attacks are perhaps the most popular approaches in this sector because the successful exploitation of these vulnerabilities allows attackers to read, modify, and destroy sensitive data. Additionally, financial information databases contain vast amounts of personally identifiable information, which hackers can sell at a profit. Technical attacks such as these are likely to remain the primary methods of attacking data stores.

## Objective 2.4 Strategies

### Strategy 2.4.A <sup>Ⓜ</sup> Domestic Finance

Harmonize regulatory proponents on cybersecurity methods and baseline protections for best practices.

#### Measures and Indicators of Success:

- Improved coordination on cybersecurity supervisory efforts
- Increased resilience by shifting resources to improving security from regulatory compliance
- Adoption and use of the National Institute of Standards and Technology Cyber Security Framework
- Work conducted with domestic sector members and international forums to harmonize best practices with the framework

### Strategy 2.4.B <sup>Ⓜ</sup> Domestic Finance

Work with financial sector companies and “Section 9” firms to identify vulnerabilities in the financial services sector, so that a prioritized mitigation plan can be developed and implemented by the owners and operators of the systems.

#### Measures and Indicators of Success:

- Enhanced sector mapping to develop a broader understanding of sector critical processes
- Completed work to prioritize and address major vulnerabilities identified as a part of this effort
- Enhanced security and resilience of “Section 9” companies (companies where a cybersecurity incident could reasonably result in catastrophic regional or national effects on public health or safety, economic security, or national security)

### Strategy 2.4.C <sup>Ⓜ</sup> Domestic Finance

Identify and address interdependencies with other sectors of industry, particularly other critical infrastructures that support financial services, such as telecommunications and power.

#### Measures and Indicators of Success:

- Completed major exercise with the communications and electricity sectors
- Lessons learned, identified, and addressed
- Improved sector planning framework tested through additional cybersecurity exercises

### Strategy 2.4.D <sup>Ⓜ</sup> Domestic Finance

Partner with industry and government agencies to increase cybersecurity information flow among private and public partners.

#### Measures and Indicators of Success:

- Improved quality, quantity, relevance, and timeliness of information shared
- Increase in number of organizations actively sharing information

### Support Strategy 2.4.E <sup>Ⓜ</sup> Domestic Finance and Management

Improve high-value asset (HVA) resiliency.

#### Measures and Indicators of Success:

- HVA reliability

### Support Strategy 2.4.F <sup>Ⓜ</sup> Domestic Finance

Minimize the impact of incidents that do occur by developing and exercising effective response plans.

#### Measures and Indicators of Success:

- Improved sector planning framework tested through additional cybersecurity exercises

# Strategic **EO IC**reat Disruption

## Identify, disrupt, and dismantle priority threats to the U.S. and international **EO IC** financial systems.

### External Stakeholders

State and Federal Regulators  
Foreign Partners  
Local, State, and Federal Law Enforcement  
Department of Justice  
Intelligence Community  
Department of State  
Department of Defense  
Department of Homeland Security  
Department of Commerce  
National Security Council  
National Economic Council  
Egmont Group  
(Foreign Intelligence Units)  
Financial Institutions

### Desired Outcomes

Identify, disrupt, and successfully isolate threats from the U.S. and global **EO  
IC** financial system; Deny revenue sources to terrorist **EO  
IC** financiers, money launderers, weapons proliferators, drug kingpins, and human rights abusers; Proactively implement U.S. policy toward regimes such as Iran, North Korea, Venezuela, and Russia, and terrorist organizations such as ISIS, Hizbollah, and al-Qa'ida.

### Why Does This Matter?

**EO  
IC** Through its national security mission and statutory authority, such as the International Economic Emergency Powers Act (IEEPA) and the USA PATRIOT Act, Treasury's Office of Terrorism and Financial Intelligence (TFI) has broad tools to investigate and target activity that threatens national security such as **EO  
IC** financing of terrorism and the proliferation of weapons of mass destruction. We must work with our partners, leveraging U.S. leadership bilaterally and multilaterally, to ensure these authorities are used strategically to target – and have the greatest effect on – rogue regimes, criminal networks, and terrorist organizations, while considering the potential impact on the economies of the United States and its allies.

### Fiscal Year 2018–2019 Agency Priority Goal: International Collaboration

We must focus our combined efforts on disrupting illicit **EO  
IC** financial networks and protecting the U.S. and international **EO  
IC** financial systems by expanding information sharing and collaboration with international partners to address risks from rogue regimes, terrorist **EO  
IC** financiers, transnational criminal organizations, human rights abusers, and proliferators of weapons of mass destruction.



# Objective 3.1 Strategies

## Strategy 3.1.A ▣ TFI, Financial Crimes Enforcement Network (FinCEN)

Disrupt the capability of priority targets to raise, use, and move funds through strategic application of Treasury’s tools and authorities.

### Measures and Indicators of Success:

- Implementation of administration and congressional policies
- Priority threats disrupted

## Strategy 3.1.B ▣ TFI and FinCEN

Identify threats to the financial system from terrorists, proliferators, rogue regimes, and criminal actors through the exploitation and analysis of *Bank Secrecy Act* (BSA) data, other financial information, and all-source intelligence research and analysis.

### Measures and Indicators of Success:

- Threats identified
- Creation of analytic products

## Strategy 3.1.C ▣ TFI, FinCEN, and International Affairs

Expand current and facilitate new threat information-sharing and collaboration with domestic and international partners.

### Measures and Indicators of Success:

- Information shared
- Collaboration events

## Support Strategy 3.1.D ▣ TFI and FinCEN

Maximize and integrate Treasury’s economic tools and authorities across TFI components against illicit actors.

### Measures and Indicators of Success:

- Use of tools and authorities

## Support Strategy 3.1.E ▣ TFI and FinCEN

Coordinate analysis of all available information sources, including intelligence analysis, BSA data, and other financial information obtained through Treasury administrative authorities or from foreign partners.

### Measures and Indicators of Success:

- Internal coordination activities

## How TFI Uses Its Tools to Combat Risks



# Anti-Money Laundering and Combating Financing of Terrorism Framework

Identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors.

## External Stakeholders

State and Federal Regulators  
Foreign Partners  
Local, State, and Federal Law Enforcement  
Department of Justice  
Intelligence Community  
Department of State  
Department of Defense  
Department of Homeland Security  
National Security Council  
Egmont Group  
(Financial Intelligence Units)  
Financial Institutions

## Desired Outcomes

Prevent terrorists and other illicit actors from using the U.S. and international financial systems through strengthened U.S. and global Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) frameworks; Enhanced transparency in the international financial system.

## Why Does This Matter?

Through its national security mission and AML/CFT regulatory authorities, Terrorism and Financial Intelligence (TFI) has the responsibility to protect the U.S. financial system. The interconnectedness of the international financial system means that both threats and vulnerabilities are inherently global in nature and that illicit activity occurring outside the U.S. financial system can directly undermine the integrity of our system.

In addition to deploying Treasury tools and coordinating with other U.S. government agencies, we must also partner with the private sector and foreign governments to encourage, incentivize, and compel action to bolster the integrity of the international financial system and ensure that illicit actors – including proliferators, terrorist support networks, destabilizing regimes, and transnational criminal organizations – are unable to use this system in support of their objectives.



## Objective 3.2 Strategies

**Strategy 3.2.A** ▣ TFI, Financial Crimes Enforcement Network (FinCEN), and Economic Policy

Proactively identify vulnerabilities within the financial system and address them through a risk-based approach that integrates oversight measures, regulations, targeted enforcement actions, and compliance.

**Measures and Indicators of Success:**

- Vulnerabilities addressed
- Risk-based approach implemented

**Strategy 3.2.B** ▣ TFI and FinCEN

Exchange information between and among governments, law enforcement, and financial institutions to address risks to the U.S. and global financial systems.

**Measures and Indicators of Success:**

- Information exchanged
- Number of partners
- Information leading to action

**Strategy 3.2.C** ▣ TFI and FinCEN

Encourage international partners to adopt, implement, and enforce international AML/CFT standards.

**Measures and Indicators of Success:**

- Number of partners adopting standards

**Strategy 3.2.D** ▣ TFI and FinCEN

Modernize, streamline, and simplify the regulatory framework to more effectively and efficiently address national security priorities.

**Measures and Indicators of Success:**

- Regulatory changes
- Guidance produced

**Support Strategy 3.2.E** ▣ TFI and FinCEN

Modernize systems and analytical capabilities to better collect, assess, disseminate, and act upon financial data and intelligence.

**Measures and Indicators of Success:**

- System modernization
- Increased analytic production and dissemination

**Support Strategy 3.2.F** ▣ TFI and FinCEN

Conduct law enforcement and private sector outreach and take enforcement actions, as appropriate, against non-compliant entities to encourage robust compliance controls for private actors to effectively implement sanctions-related policies and procedures.

**Measures and Indicators of Success:**

- Outreach events
- Enforcement actions



# Economic Strength and National Security

Advance American prosperity and security through growth, investment, trade, and expanding the American industrial base while protecting national security.

## External Stakeholders

Department of State  
 Department of Commerce  
 Department of Defense  
 Other Member Agencies of the Committee on Foreign Investment in the United States  
 Congress

## Desired Outcomes

Peace through economic strength; Maintain an open inward foreign investment posture while eliminating national security risks.

## Why Does This Matter?

Prosperity helps enhance national security, as articulated in the Administration’s new National Security Strategy. The United States must use all instruments of national power, including diplomatic and economic tools, to ensure American workers and companies are not unfairly disadvantaged and to create a more stable world, while respecting our economic partners’ sovereignty. Separately, the United States faces an evolving foreign investment landscape that poses increasingly complex risks to U.S. national security and strategic interests that stretch the ability of existing authorities of the Committee on Foreign Investment in the United States (CFIUS) to address. This includes new trends, such as the more frequent need to use mitigation measures to address identified national security risks (for example, restricting who can access certain information and who can influence government contracts or processes), increased prevalence of complex acquisitions, and the use of new types of transactions that pose similar potential national security concerns as foreign acquisitions.

## Protecting National Security as Part of an Open Investment Climate

We chair the CFIUS, which leads an interagency process to review certain foreign investments for potential national security concerns. CFIUS has proven very effective in its purpose of helping secure the U.S. within an open investment climate. However, in light of the evolving foreign investment landscape, reform is important to ensure that CFIUS has: (1) the necessary authority to review more types of foreign transactions that may pose national security risks, and (2) sufficient resources to review such transactions.

## Objective 3.3 Strategies

### Strategy 3.3.A ▣ International Affairs, Terrorism and Financial Intelligence (TFI)

Exercise leadership on the implementation of economic strategies, drawing on the tools and resources of the international community, to stabilize potentially volatile regions.

#### Measures and Indicators of Success:

- Regions stabilized
- Involvement of international partners

### Strategy 3.3.B ▣ International Affairs, TFI

Review and investigate foreign acquisitions for national security risks.

#### Measures and Indicators of Success:

- No foreign acquisitions of U.S. assets that pose unresolved national security concerns

### Strategy 3.3.C ▣ International Affairs

Be prepared to implement enacted critical industry reform.

#### Measures and Indicators of Success:

- Meet CFIUS statutory timeframes and requirements

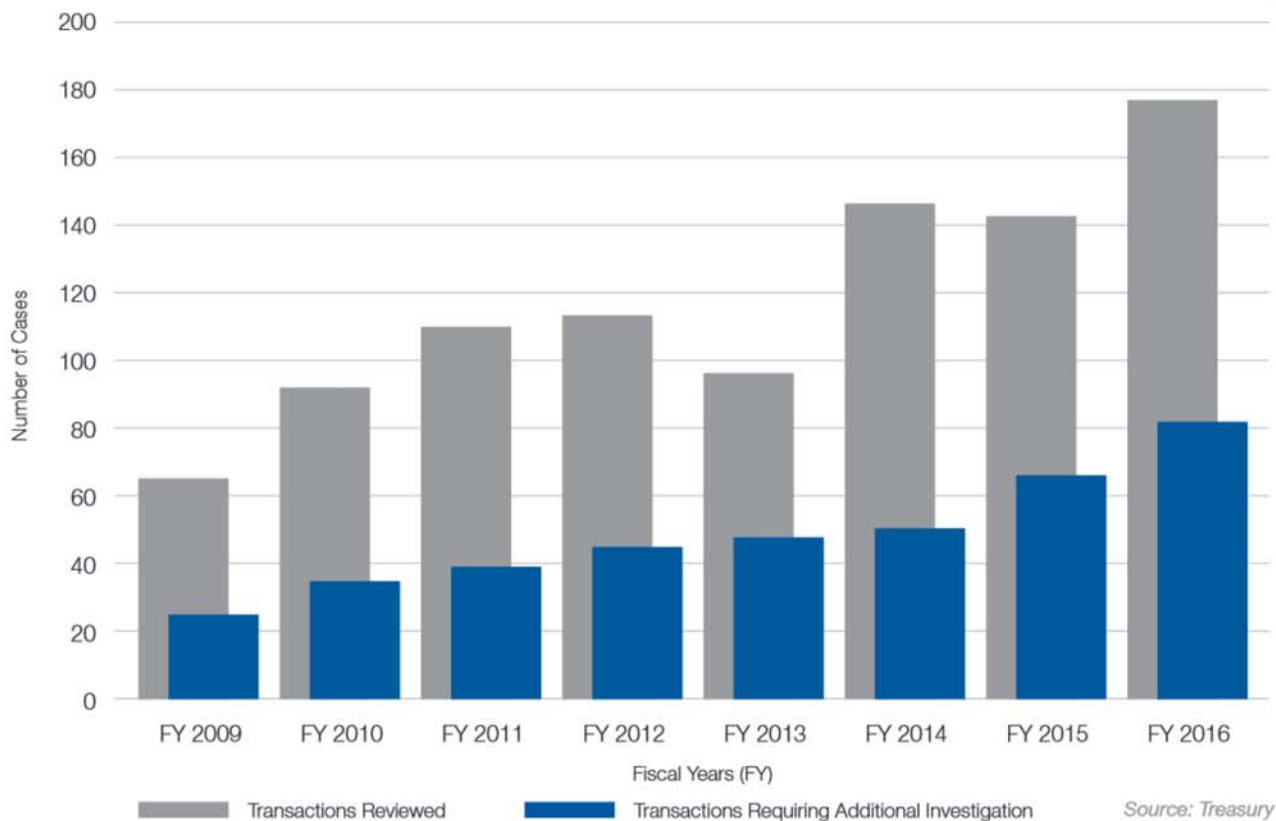
### Support Strategy 3.3.D ▣ International Affairs, TFI

Ensure CFIUS is properly resourced commensurate with workload.


#### Measures and Indicators of Success:

- Average caseload per case officer
- Dedicate staff to monitoring mitigation agreements and non-notified transactions

## CFIUS Caseload by Type




# Financial Data Access and Use

Increase the access and use of federal  financial data to strengthen government-wide decision-making, transparency, and accountability.




## External Stakeholders


- Office of Management and Budget
- Chief Financial Officers Council
- Federal Agencies
- The Public

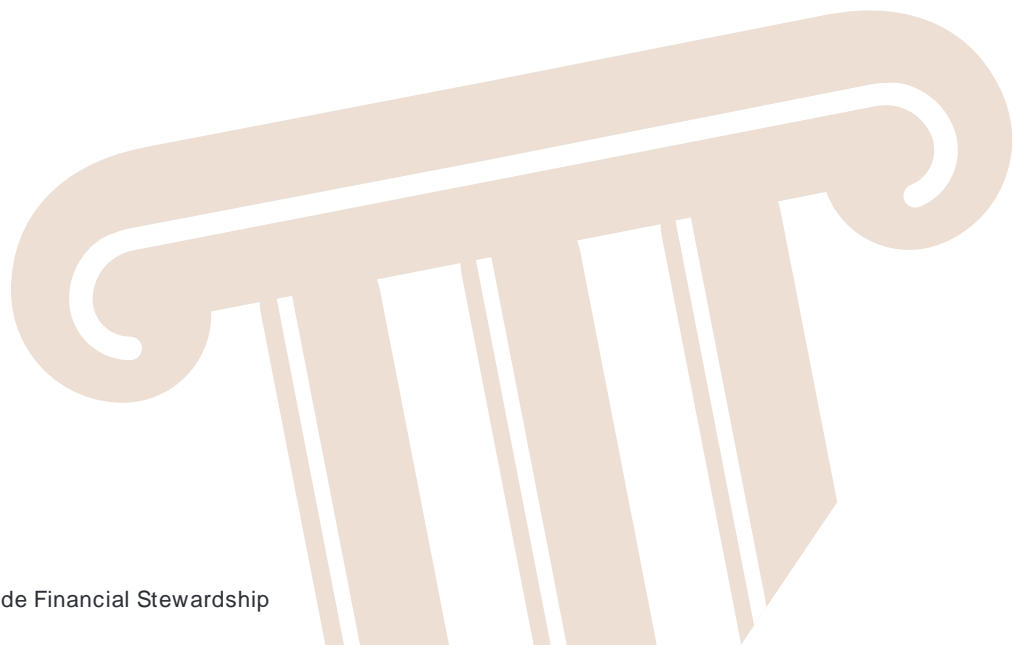
## Desired Outcomes

Provide the public and federal agencies with access to a greater range of  financial data to increase transparency and support data-driven decision making; Multiple user groups supported and data used for evidence-based decisions, reduced reporting costs, and more measurable returns on investments.

## Why Does This Matter?

 The implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act) increased the availability of federal spending data on the USAspending.gov website.  The DATA Act Information Model Schema, which is used to help retrieve and display these data, can be expanded to include other administrative data and link more domains across the federal enterprise.  The more linked information that is added, the greater its use to support decision-making and provide metrics for evaluating program performance and outcomes.

We plan to increase our own use of information for better decision-making, particularly in terms of winding down major  financial programs and evaluating commitments to international organizations.





## Objective 4.1 Strategies

### **Strategy 4.1.A** ▸ Domestic Finance and Bureau of the Fiscal Service

Improve the quality and availability of financial data for federal CFOs.

#### Measures and Indicators of Success:

- Increase in quantity and quality of financial data
- Broader array of data sources

### **Strategy 4.1.B** ▸ Internal Revenue Service, Domestic Finance, and Bureau of the Fiscal Service

Analyze and share data to effectively assess performance and determine appropriate work streams.

#### Measures and Indicators of Success:

- Increased use of data in organizational performance assessments and reports

### **Strategy 4.1.C** ▸ Domestic Finance

Wind down sun-setting programs responsibly, maximizing the financial benefit to taxpayers.

#### Measures and Indicators of Success:

- Total cost of programs being sun-setted
- Implementation of wind-down plans

### **Strategy 4.1.D** ▸ International Affairs

Manage U.S. positions at multilateral institutions.

#### Measures and Indicators of Success:

- Value of unmet commitments to multilateral development banks
- Improved multilateral development bank policies for project selection



# Debt Management

Fund the federal government at the least cost over time.

## External Stakeholders

Treasury Market Investors  
Including Primary Dealers

Federal Reserve  
Bank of New York

Securities and Exchange  
Commission

U.S. Commodity Futures  
Trading Commission

Financial Industry  
Regulatory Authority  
Board of Governors

## Desired Outcomes

Sufficient funds raised to finance future deficits and fund Treasury's liquidity buffer at the lowest cost over time to the American taxpayer; Increase in investors attracted to both the primary and secondary Treasury debt market; Treasury information technology systems and infrastructure are sufficiently robust, current, secure, and aligned with investor and issuer needs.

## Why Does This Matter?

The amount of debt issuance needed to fund the government is anticipated to be substantial over the next decade. Evolving technology, investor behavior, and regulations are dynamic forces that create both intermediate and longer-term challenges. Uncertainty related to macroeconomic factors, legislation, and forecast error increase risks to our funding objectives and flexibility.

## Objective 4.2 Strategies

### **Strategy 4.2.A** ▸ Domestic Finance

Improve Treasury market analytics for greater accuracy and responsiveness.

Measures and Indicators of Success:

- On-time and improved analysis products

### **Strategy 4.2.B** ▸ Domestic Finance and Bureau of the Fiscal Service

Develop new products that satisfy investors' needs and help meet Treasury issuance goals.

Measures and Indicators of Success:

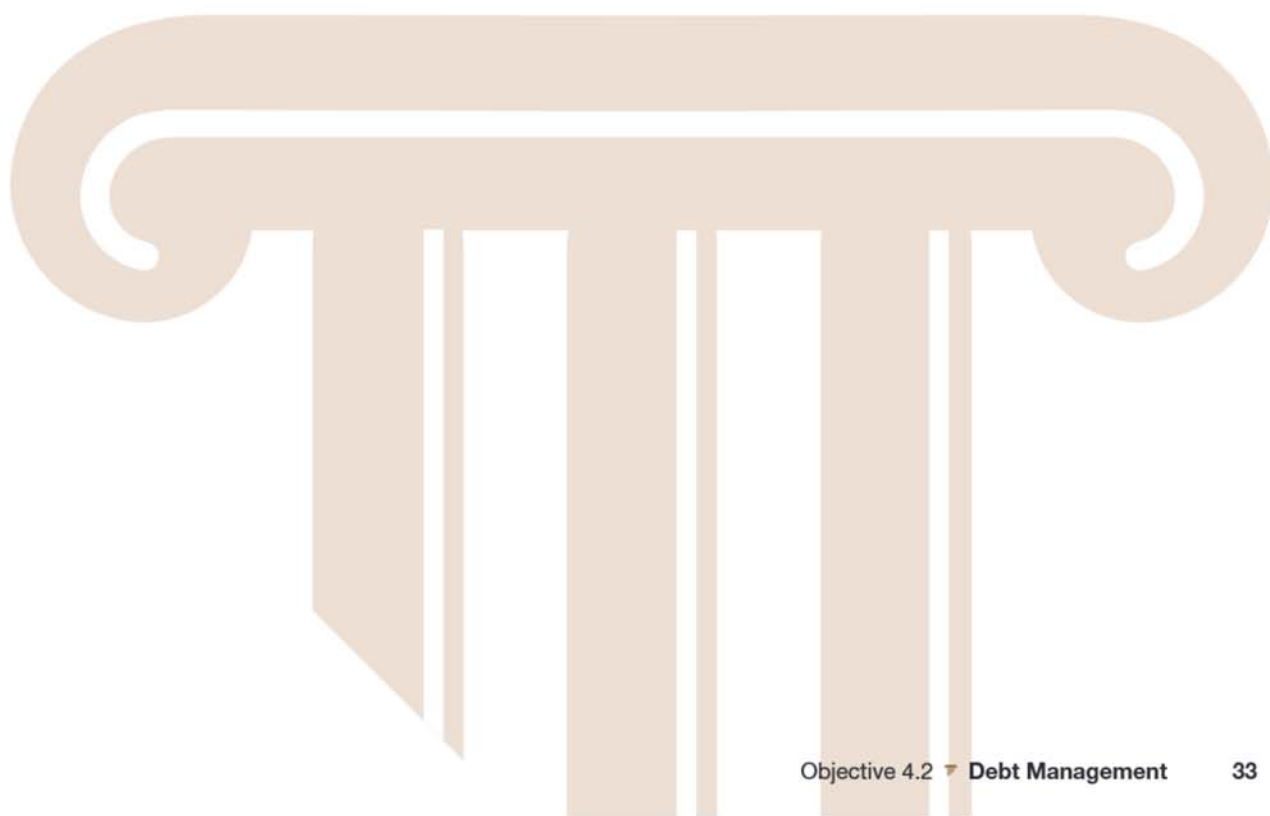
- New products launched

### **Support Strategy 4.2.C** ▸ Domestic Finance and Bureau of the Fiscal Service

Develop a more robust and automated Treasury Debt Issuance System that is secure and scalable.

Measures and Indicators of Success:

- Percentage of auctions successfully completed by the scheduled close
- Percentage of auction results released accurately





# Federal Financial Performance

Improve federal financial management performance using innovative practices to support effective government.

### External Stakeholders

Office of Management and Budget  
Federal Agencies

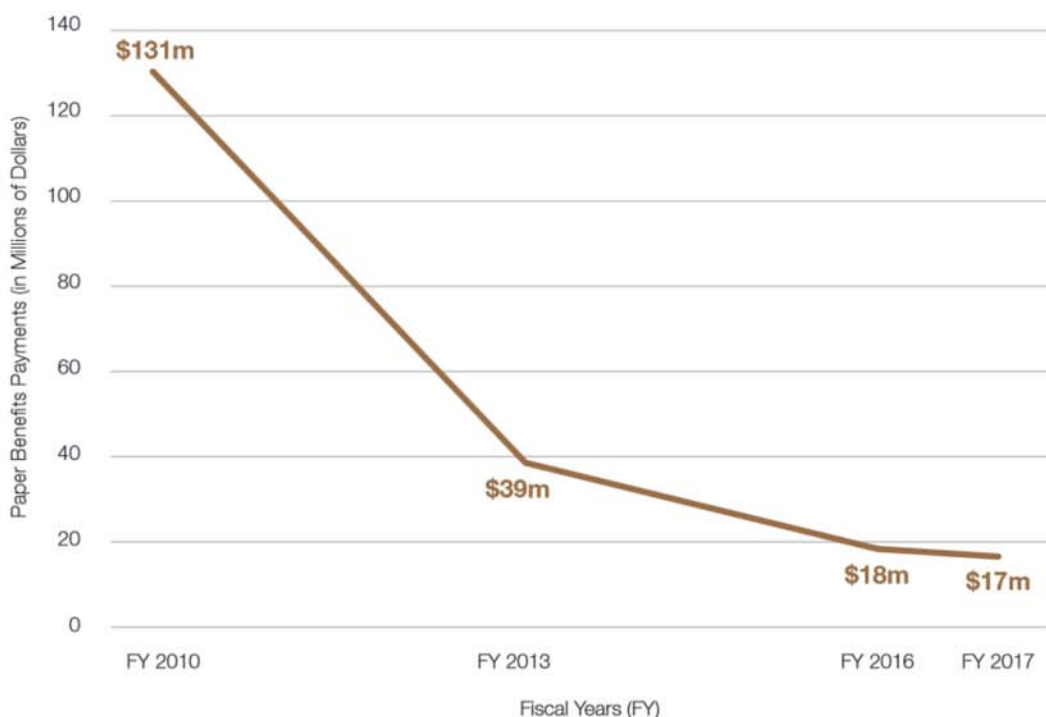
### Desired Outcomes

Implementation of new innovative financial practices; Lower financial management costs; Greater value from and increased use of shared services.

### Why Does This Matter?

We are a central provider of financial management services to the U.S. government. Consequently, we strive to improve the quality of these services and reduce the costs so that agencies can spend more of their resources on their missions and provide value to the American public. As financial technology and practices change, we aim to adopt the best innovative practices to achieve this objective.

### Modernization Effort Decreased Paper Payment Volume



Treasury's Bureau of the Fiscal Service disburses approximately 85 percent of all federal payments, including tax refunds and Social Security benefits. Beginning in 2012, the Bureau launched a modernization effort to increase electronic transactions that led to a savings of more than \$500 million. Source: Treasury

## Objective 4.3 Strategies

### **Strategy 4.3.A** ▸ Domestic Finance and Bureau of the Fiscal Service

Provide new tools and capabilities in support of the financial management community and their respective missions.

#### **Measures and Indicators of Success:**

- Identification and promotion of emerging technologies and practices

### **Strategy 4.3.B** ▸ Domestic Finance

Identify and systematically measure all General Fund exposures from credit, insurance, emergency, and contingency liabilities.

#### **Measures and Indicators of Success:**

- Improved exposures reporting

### **Leading the Charge for Innovative Practices**

To review challenges, opportunities, and trends, we studied and sourced information from numerous innovators including U.S. federal, state, and local governments, international governments, and private-sector experts to create a federal financial management strategy. This strategy will enable the federal financial management community to modernize financial operations and provide insight and leadership to improve agency efficiency and performance.



# Workforce Management

Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.

## External Stakeholders

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Office of Management and Budget

Office of Personnel Management

## Desired Outcomes

An agile, skilled, effective, and diverse workforce; Innovative and inclusive workplace; Sustainable culture of engagement and superior performance.

## Why Does This Matter?

We require an agile, diverse, and inclusive workforce to maximize organizational performance and efficiency, under conditions of constant change, and succeed in achieving our mission. As we pursue agency reform and workforce reshaping initiatives, there are risks of losing institutional knowledge, not being able to nimbly respond to evolving demands, and implementing decisions that impact the workforce that may not be based on strong, evidence-based human capital analysis.

We will transform how we manage our workforce by incorporating a competency-based approach into the Department's human capital management framework. This will provide us with the means to assess and shape capabilities of the workforce, to leverage the workforce to respond to changing mission needs quickly and easily, and to assess the current workforce capacity against the capacity needed to achieve the strategic objectives of the Department.

This approach will allow Treasury to improve organizational performance, compete for talent, support cultural change, enhance training and development effectiveness, improve recruitment and selection processes, reduce turnover, clarify roles, and increase emphasis on business objectives.



## Objective 5.1 Strategies

**Strategy 5.1.A** ~ Management, Bureau Human Resources Officers, Chief Learning Officers, and Diversity and Inclusion Officers

Create an appropriately sized, structured, and skilled workforce with the competencies needed to meet our mission and organizational goals.

**Measures and Indicators of Success:**

- Percentage of identified critical positions with succession plans in Treasury's Integrated Talent Management System
- Established Treasury-wide succession planning framework (or policy)

**Strategy 5.1.B** ~ Management, Bureau Human Resources Officers, Chief Learning Officers, and Diversity and Inclusion Officers

Maximize employee performance and ensure alignment in support of organizational outcomes.

**Measures and Indicators of Success:**

- Percentage of individual performance commitments that are aligned with organizational performance objectives
- Improved Federal Employee Viewpoint Survey (FEVS) satisfaction scores

**Strategy 5.1.C** ~ Management, Bureau Human Resources Officers, Chief Learning Officers, Equal Employment, and Diversity and Inclusion Officers

Improve diversity and engagement through transparency, fairness, and inclusion.

**Measures and Indicators of Success:**

- Improvement in FEVS diversity and inclusion index

**Support Strategy 5.1.D** ~ Management and Bureau Human Resources Officers

Employ technological solutions that advance the management and leadership of the workforce.

**Measures and Indicators of Success:**

- Percentage of primary system functionality used
- Reduce the number of human resources information technology systems



# Treasury Infrastructure

Better enable mission delivery by improving the reliability, security, and resiliency of Treasury’s infrastructure.

## External Stakeholders

- Office of Management and Budget
- Office of Personnel Management
- General Services Administration — Unified Shared Services Management
- Congress
- Industry and Vendors
- National Security Council
- Department of Homeland Security

## Desired Outcomes

Infrastructure to securely deliver on Treasury’s strategic priorities; Potential disruptions to operations have been anticipated and appropriately responded to.

## Why Does This Matter?

Although we have improved our resilience, significant risks exist and more lethal threats are emerging at an alarming pace, with some threats difficult to identify early on. Risks associated with outdated information technology (IT) infrastructure include inefficiency, increased cyber vulnerability, and compliance issues. Aging infrastructure makes information systems vulnerable to attack, which has led to an environment increasingly at risk of breaches.

Our facilities and offices must safeguard employees against incidents and injuries. Additionally, as our risk and planning processes continue to mature, we must improve our ability to identify potential incidents that could disrupt critical operations and put proper mitigations in place.



Treasury’s ownership of some buildings creates a different set of concerns than managing leased space.

## Objective 5.2 Strategies

### **Strategy 5.2.A** ~ Management and Bureau Information Technology Officers

Modernize and secure Treasury's technology and information resources, including the federal government's payments and collections systems.

#### Measures and Indicators of Success:

- Cyber risk is managed at the 'adaptive' level based on self-assessment
- Performance of IT services compared to best-in-class industry benchmarks
- Improved Federal Employee Viewpoint Survey scores for the "Employees have tools to do their job" question

### **Strategy 5.2.B** ~ Management and Treasury Operations Community

Prioritize health, safety, and security improvement projects for Treasury-owned buildings.

#### Measures and Indicators of Success:

- Establishment of a non-IT capital planning process that ensures that risks to personnel, facilities, and mission are identified and prioritized
- Occupational Safety and Health Administration recordable rate
- List of priority shared services capital investments established and reviewed semi-annually
- 90 percent of the highest priority capital investments (as established by the governance body) fully funded for the year of execution

### **Strategy 5.2.C** ~ Management and Risk Management Community

Develop a strategic approach to identifying, anticipating, and developing contingency plans to prepare the workforce and organizations for threats that are difficult to respond to or foresee.

#### Measures and Indicators of Success:

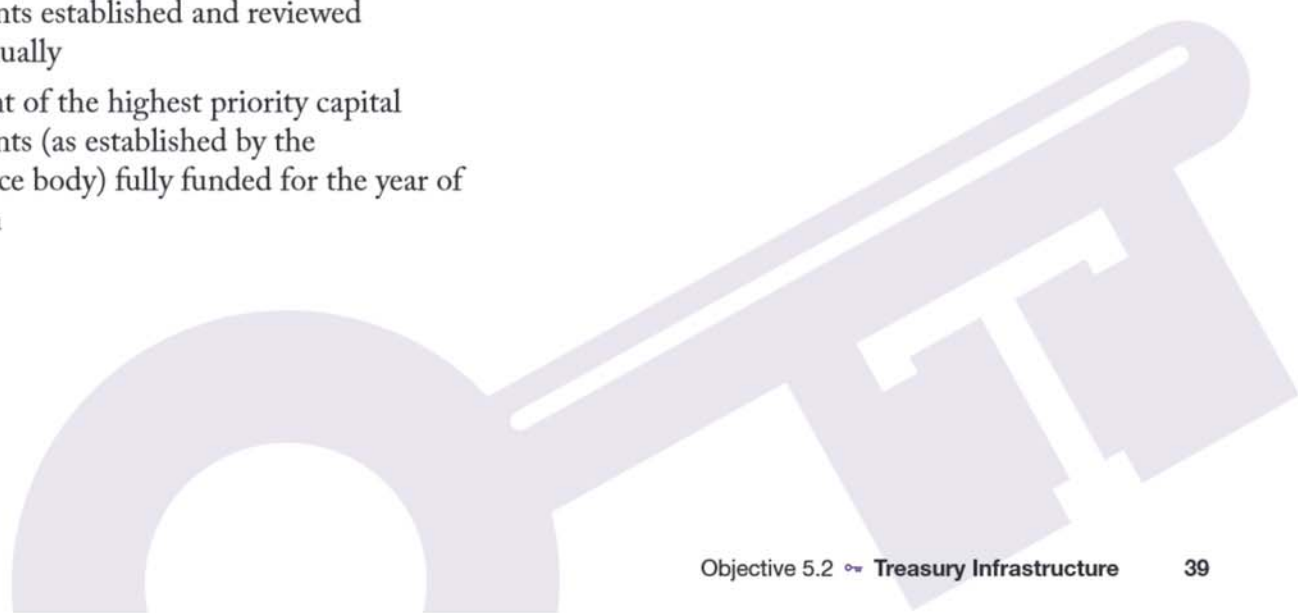
- Completion of a study of potential major threats to Treasury's mission, personnel, and infrastructure
- Completed contingency plans for major operations and threats

### **Support Strategy 5.2.D** ~ Management and Treasury Operations Community

Create the capability to fully fund a reserve for capital investments.

#### Measures and Indicators of Success:

- Franchise fund reserve capacity implemented
- Governance and reserve policy established
- Capital investment workflow process implemented





# Customer Value

Improve customer value by increasing the quality and lowering the cost of Treasury's products and services.

## External Stakeholders

Customers, including American taxpayers who depend on our services and core processes

## Desired Outcomes

Treasury products and services are driven by customer needs through efficient and effective operations.

## Why Does This Matter?

Successful businesses provide exceptional value to their customers through two core lean manufacturing tenets: satisfying customer's needs and reducing operating costs. The same principles can apply to our operations to increase value to customers by eliminating non-value-added processes and improving flow, thereby reducing costs and improving quality. We have an opportunity to drive efficiencies using continuous process improvement methods and make the most of capital investments by streamlining acquisition workflows.

## Treasury's Shrinking Virtual Footprint

Since 2010, we closed 25 of 61 data centers (41 percent) and reduced data center square footage from 1,147,413 square feet to 666,038 square feet (58 percent). As we increase our usage of cloud computing, we anticipate further reductions.

## Objective 5.3 Strategies

**Strategy 5.3.A** ~ Management and Bureau Contracting Officers

Improve the acquisition lifecycle.

**Measures and Indicators of Success:**

- Percentage of procurements using Category Management or Best in Class vehicles
- Obligations and number of procurement actions processed by quarter

**Strategy 5.3.B** ~ Management and Treasury Continuous Process Improvement Community

Drive efficiencies through continuous process improvement.

**Measures and Indicators of Success:**

- Process improvement projects completed and projected savings
- Cost per unit (Bureau of Engraving and Printing and the U.S. Mint)
- Paperless collections and payments (Bureau of the Fiscal Service)
- Cost to collect \$100 (Internal Revenue Service)
- Enterprise self-assistance participation rate (Internal Revenue Service)

**Strategy 5.3.C** ~ Management, Treasury Organizational Performance Management Community, and Treasury Data Communities

Employ robust organizational performance management, supported by data analytics.

**Measures and Indicators of Success:**

- Percent of positive responses to the Federal Employee Viewpoint Survey question on managers' communicating goals and priorities
- Automated collection and periodic refresh of key data and analytics
- Consolidated oversight of 90 percent of desired data within Treasury

**Strategy 5.3.D** ~ Management and Treasury Operations Community

Identify opportunities to further consolidate office space to reduce footprint driven by reform efforts and organizational changes.

**Measures and Indicators of Success:**

- Utilization Rate (facility usable square feet per person)
- Number of Treasury leases

**Support Strategy 5.3.E** ~ Management and Treasury Franchise Fund

Customers achieve their mission by optimized funding, regardless of source.

**Measures and Indicators of Success:**

- Consolidated budget cycles
- Average annual rate change

**Support Strategy 5.3.F** ~ Management and Treasury Continuous Process Improvement Community

Develop process improvement professionals.

**Measures and Indicators of Success:**

- Proportion of trained and certified process improvement professionals in each Treasury organization



# Tracking Progress & Annual Updates

## Tracking Progress

The *Government Performance and Results Act of 1993 (GPRA)* and the *GPRA Modernization Act of 2010* established the need for agencies to identify performance goals, report progress against targets, and conduct data-driven reviews. These practices serve two key purposes for stakeholders within and outside of the organization: to assess the organization’s health and impact, and to inform decision-making and strategy (including effective resource allocation). In this spirit, we developed a strategic framework supported by best-in-class organizational performance practices to help achieve the Department’s strategic objectives.

Our organizational performance reviews provide a regular forum for open dialogue and

coordination between Department and bureau and office leadership, bringing together different perspectives to set and align priorities, identify and solve problems, review agency performance goals, and drive evidence-based decisions and results. The cycle integrates statutory requirements to conduct organizational performance reviews of agency strategic objectives, agency priority goals, and cross-agency priority goals.

## Annual Updates

Each year following the SOAR, we will provide an annual update to the strategic plan to highlight any shifts in strategies or objectives resulting from our analysis of outcomes, success criteria, and other evidence.

## Treasury’s Annual Organizational Performance Review Cycle

|                       | <b>Fall</b><br>(October – November)  | <b>Winter</b><br>(February – March)   | <b>Spring</b><br>(April – May)   | <b>Summer</b><br>(June – July)  |
|-----------------------|--|---|--|---|
| <b>Focus</b>          | <b>Organizational Performance</b>  | <b>Strategic Objective Annual Review (SOAR)</b>   | <b>Organizational Performance</b>  | <b>Budget</b>   |
| <b>Chair</b>          | Chief Operating Officer/<br>Assistant Secretary<br>for Management<br>(ASM) – Performance<br>Improvement<br>Officer (PIO)   | ASM – PIO/<br>Deputy PIO  | Chief Operating Officer/<br>ASM – PIO  | ASM – PIO   |
| <b>Goals/Outcomes</b> | <ul style="list-style-type: none"> <li>Review prior year’s performance at the bureau/office level</li> <li>Set priorities for year ahead</li> <li>Recognize successes</li> </ul> | <ul style="list-style-type: none"> <li>Evaluate cross-agency progress toward strategic objectives</li> <li>Identify strategic shifts/validate Treasury priorities</li> <li>Outline potential topics for annual review with OMB</li> </ul> | <ul style="list-style-type: none"> <li>Assess progress on priorities</li> <li>Identify necessary adjustments/near-term improvements</li> <li>Surface problems or assistance needed</li> <li>Recognize successes</li> </ul> | <ul style="list-style-type: none"> <li>Connect priorities to future funding</li> <li>Explore performance impacts</li> <li>Strengthen IT acquisition, budgeting, and accountability</li> </ul> |



