The Obama Administration continues to challenge Federal agencies to make the Nation’s government more effective, deliver more to the taxpayers, and manage Federal resources more responsibly. To meet this challenge, the Department of the Interior is reviewing programs, encouraging employees to identify savings opportunities, and investigating new ideas to increase the effectiveness and efficiency of government operations. Interior’s efforts focus on the following strategies with the highest potential to achieve meaningful performance improvement across the Department:

- Implementing Federal Information Technology Acquisition Reform.
- Strengthening Interior’s cybersecurity posture.
- Promoting accountability and innovation through open government.
- Facilitating space consolidation by reducing leased space and maximizing space utilization.
- Implementing strategies to reduce energy use, increase sustainability, and make Federal facilities more resilient.
- Attracting and motivating top talent.

The Department of the Interior is working aggressively to meet the Administration’s challenge on management and performance-based alignment of priorities and resources, and the progress is reflected in the 2017 President’s budget.

**FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT**

The Federal Information Technology Acquisition Reform Act of 2014 directs agencies to expand the authority of Department level Chief Information Officers to ensure accountability, control, and transparency over all information technology resources throughout the agency. Under this Act, CIOs must participate in a significant manner in strategic planning, budget formulation and execution, acquisitions, and human resources activities as it relates to Information Management and Technology; and maintain senior executive partnerships with these communities to establish effective management controls around all IMT decisions and expenditures. The CIO is the final decision making authority for all major IMT investments, with non-major investments delegated to a direct report. The FITARA requires agencies to establish clear, direct lines of accountability from the agency CIO to component organization—bureau or office for Interior—CIOs or information technology leaders.

Information Management and Technology is an integral part of Interior’s operations that crosscuts all programs and significantly impacts the cost, efficiency, and effectiveness of conducting business at the Department. Implementing FITARA will ensure consistent management of these vital resources, since
a stable, agile, and secure IMT environment is critical to achieving the Department’s mission. Interior began its FITARA implementation effort in 2015, and in 2017 the budget requests $2.6 million to continue implementation activities. Specifically, Interior will realign reporting structures to ensure senior IMT officials within bureaus are accountable to the Department CIO. Each bureau will implement a plan to align and consolidate all IMT within the bureau. These two efforts combined will ensure the agency CIO has visibility and control over all IMT within the agency, allowing for increased standardization, cost savings, and improved security. In addition, the Department will enhance processes and procedures for planning and budgeting for IMT investments, contracting IMT products and services, and managing IMT effectively throughout its lifecycle. Complementing FITARA, the 2017 budget requests $3.0 million for Interior’s Digital Services team to increase the efficiency and effectiveness of the Department’s highest impact digital services.

**STRENGTHENING INTERIOR’S CYBERSECURITY POSTURE**

The budget includes $34.7 million in the appropriated working capital fund to continue the Department’s remediation of its cyber security systems and processes, an increase of $24.7 million from the 2016 enacted level. The additional funding will allow Interior to strengthen its cybersecurity posture and secure the Department’s most valuable information to maintain the trust of the employees, customers, partners, and the American public. This funding continues the Interior remediation activities launched in 2015 and supports Department of Homeland Security Continuous Diagnostics and Mitigation investments to identify, isolate, and quantify cyber threats.

In 2017, the Department plans to support the goals of the President’s Management Council Cybersecurity Assessment, the DHS United States Computer Emergency Readiness Team Engagement Report recommendations, and DHS Continuous Diagnostics and Mitigation Operations and Maintenance. Interior will address cybersecurity posture, information security continuous monitoring programs, intrusion remediation, and malware defense solutions that address advanced persistent threats, risk mitigation plans, shared service environments, data center assets, firewall auditing and configuration management, anti-phishing and malware defense solutions, authentication efforts, data and application architectures, application portability, and other enterprise level capabilities. The Department will collaborate with bureaus and offices on these priorities to avoid duplication of effort and maximize the value to the organization.

**DATA ACT**

The Digital Accountability and Transparency Act, signed into law on May 9, 2014, mandates data transparency. Specifically, the Act expands the Federal Funding Accountability and Transparency Act of 2006 by requiring the disclosure of direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies. The intent is to enable taxpayers and policy makers to track Federal spending more effectively. The Department continues efforts to support the implementation of the DATA Act. In 2015 and 2016, Interior actively participated in the development of government-wide standard definitions for the 57 data elements, conducted inventory and analysis activities of the data based on the standards definitions, and worked with the software vendors to implement system changes. In 2017, the Department requests $10.2 million for implementation—including organizational change management, business processes, and policy improvements—to increase data quality and transparency. The implementation also will apply to shared services provided by Interior.

**FINANCIAL AND BUSINESS MANAGEMENT SYSTEM**

The Financial and Business Management System is a modern, integrated, secure system that supports and facilitates improved management, accountability, and transparency in budget execution, financial management, acquisition and financial assistance, fleet and facilities management, and property management. The system continues to deliver promised improvements in functionality, consistency in reporting, standardized internal controls and processes, and improved data availability. These advances provide the tools necessary for the Department to actively manage its fiscal resources and promote efficient spending to support operations and cut waste. The system enables Interior to terminate the operation of numerous legacy systems, allows bureaus and offices to conduct quarterly closings and reconciliations, and supports the Department’s clean financial audits.

In 2017, the budget maintains the 2016 enacted level of $53.9 million to continue efforts to optimize and
leverage FBMS, including critical technical and security improvements and compliance efforts related to the business management reporting requirements of the DATA Act. Using a Federal government shared service provider during 2017, Interior will continue to implement a standardized and integrated Department level budget formulation and performance management tool to improve data quality and consistency across the Department and decrease manual processes, while maintaining the flexibility that allows individual bureaus to equip and deploy compatible tools that efficiently meet bureau-specific needs.

**SPACE CONSOLIDATION**

The Interior Department has placed a high priority on reducing its footprint in commercial leased space and reconfiguring space to support higher occupancy and maximize space utilization. The Department set a goal to reduce the total portfolio of owned, leased, and General Services Administration provided office and warehouse space by 1.3 million square feet by 2020. Since 2012, Interior reduced office and warehouse space by 1.5 million square feet and is actively identifying, promoting, and incentivizing consolidation opportunities and facilitating bureau colocations wherever possible. Interior also established space reduction targets, defined an office space utilization design standard, and continues to restrict the acquisition of new facilities and leased space.

In 2016, the modernization of the sixth and final wing of the Main Interior Building will be completed, including infrastructure upgrades that improve energy efficiency and sustainability and reconfigured space to support higher occupancy. In 2017, the budget includes $6.4 million, an increase of $5.2 million, for space consolidation planning and initiatives. The Department will begin preliminary efforts on the renovation of the South Interior Building in Washington, D.C. The project will focus on much needed infrastructure upgrades, energy sustainability, and interior design improvements that will ultimately result in increasing the population of the facility from 170 to over 400. Future proposed improvements to the Main and South Interior Buildings will help advance agency goals to terminate commercial leases in the Washington, D.C., area and consolidate employees into federally owned space.

In 2017, funds will also be used to initiate the consolidation of employees and reduce rental costs in Boise, Idaho. Consolidation of staff from commercial space to underutilized Department owned space will result in removal of 33,000 square feet of space from the current portfolio while maximizing the utilization of 21,000 square feet of owned space on the National Interagency Fire Center Boise Campus. This action will improve space utilization by 50 percent and decrease annual rent and operational costs by over $1.5 million once the consolidation project is completed.

In 2017, the Department will continue its planning efforts, including working closely with GSA to consolidate staff in the Denver, Colorado, metropolitan area into federally owned space. Denver, Colorado, and Washington D.C., house nearly 16 percent of Interior’s employees, and space consolidations provide a significant opportunity to reduce the real estate footprint and avoid future costs.

**SUSTAINABILITY**

The Department is working to integrate practices which support sustainability in operations and help reduce greenhouse gas emissions, further demonstrating Interior’s commitment to the conservation, protection, and responsible use of natural and cultural resources. These efforts help protect the Nation from pollution, conserve natural and cultural resources for future generations, save taxpayer dollars through avoided energy costs, and make Federal facilities more resilient.

In accordance with Executive Order 13693, Planning for Federal Sustainability in the Next Decade, the Department committed to reducing its direct greenhouse gas emissions by 36 percent relative to the 2008 baseline by 2025. Each year, Interior reports its progress toward meeting the Executive Order’s sustainability goals and strategies for improving performance in the Strategic Sustainability Performance Plan.

Interior tracks its progress through OMB’s Sustainability and Energy Scorecard. The scorecard includes metrics related to reducing greenhouse gas emissions, energy intensity, water use intensity, and fleet petroleum use, as well as measuring increases in renewable energy use and the sustainable buildings inventory. The Department also is evaluated on whether it is meeting targets related to sustainable acquisitions and electronics stewardship. To date, Interior reduced direct greenhouse gas emissions by 15 percent relative to 2008; reduced building energy intensity—measured in British thermal units per gross square foot—by 33 percent relative to
2003; drew 12 percent of facility electricity use from renewable energy sources; reduced potable water intensity—measured in gallons per gross square foot—by nine percent relative to 2007; reduced fleet petroleum use by 22 percent relative to 2005; and increased the sustainable buildings inventory to three percent of buildings over 5,000 gross square feet.

In 2017, Interior will continue implementing strategies to reduce building energy and potable water intensity, increase the use of clean and renewable energy, implement onsite renewable energy projects, continue pollution prevention initiatives, and reduce the use of fossil fuels in both buildings and fleet.

**HUMAN RESOURCES**

The Interior Department’s 70,000 employees in 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States are critical to protecting and managing the Nation’s natural resources and cultural heritage, providing scientific and other information about those resources, and providing services to American Indians, Alaskan Natives, and affiliated island communities. The Department benefits from a knowledgeable workforce that is passionate about Interior’s mission, dedicated to public service, highly skilled, and reflective of the diversity of the Nation. Differences in background, thought, education, and experience contribute to the varied perspectives in the workplace and create a synergy for higher performance and success in the achievement of Interior’s mission goals.

Recognizing the vital role of its employees, Interior is investing in efforts to improve hiring processes, close mission-critical skill gaps, develop the leaders for tomorrow, improve employee engagement, and strengthen human capital processes, tools, and strategies. With a significant number of employees meeting retirement eligibility requirements, it is imperative Interior use all available tools to recruit and retain talented individuals to support its mission. One area of focus is mission critical occupations, especially for cyber-related positions. Bureau human resources professionals are working closely with their information technology counterparts and selecting officials to update their respective information technology workforce planning efforts and to implement the new workforce requirements in recently enacted legislation.

To ensure the Department is identifying the best talent, it is leveraging government-wide and agency-specific hiring flexibilities to improve the current selection procedures and time to hire rates. Through improved outreach efforts to internal and external stakeholders, Interior will ensure selecting officials receive enhanced training and toolkits to improve the hiring experience and will strengthen its partnerships with potential recruitment pipelines with an emphasis on diversity outreach and youth engagement.

Consistent with the December 2015 Executive Order on Strengthening the Senior Executive Service, Interior is working to enhance leadership development programs to include providing developmental assignments for SES employees, assessing the developmental needs of all SES members, and developing a formal executive onboarding program.

In an effort to strengthen human capital management, accountability, and workforce data collection, Interior will review the various human resources information technology systems to identify potential efficiencies and cost savings that can improve performance management, skill gap identification, program evaluation, technical and leadership development, employee engagement, and knowledge transfer.

As a Department, Interior recognizes the importance of its mission and the critical role people play in its accomplishment. Accordingly, Interior is continually identifying ways to improve the employee experience to meet mission attainment. To that end, based on data from the Federal Employee Viewpoint Survey results and accountability reviews, bureaus and offices will analyze the most recent survey results and develop action plans to improve employee engagement in 2017.

**SPECIAL PAY RATES**

In 2015, the Office of Personnel Management approved the Department’s request to establish special pay rate tables for specific occupational series and locations engaged in oil and gas activities. Advances in technologies, such as hydraulic fracturing and horizontal drilling in shale formations onshore and deepwater drilling offshore, have made it possible to develop substantially more oil and gas resources than ever before. These technological advances make it imperative Interior be able to keep pace with the private sector in hiring and retaining sufficient staff with the skills and experience needed to effectively and efficiently oversee the changing oil and gas industry. The 2017 budget request includes
$8.3 million to support OPM approved pay table increases for these critical positions.

Interior’s role in oil and gas management and oversight is critically important to its responsibilities in preserving human and ecological health while also satisfying the Nation’s energy needs. In 2017, the Department will continue to work with OPM to review positions and locations that may benefit from a special pay rate. These efforts will help bridge the salary gap for key oil and gas positions and help Interior carry out critical oversight activities.