

EXHIBIT 1

Executive Office of the President



Office of Administration

Fiscal Year 2008 Budget

Executive Office of the President Office of Administration

Mission Statement and Background

The Office of Administration (OA) was created by Reorganization Plan No. 1 of 1977, and was formally established by Executive Order 12028 on December 12, 1977. OA's mission is to provide enterprise-level administrative services to the Executive Office of the President (EOP) and the Office of the Vice President.

OA is organized along the following lines:

Office of the Director includes the Director's personal staff, Office of the General Counsel, and the Equal Employment Opportunity Office. This office provides leadership, manages allocation of resources, and ensures that priorities reflect customer needs.

Office of the Chief Operating Officer manages human resources, library, office supply, receiving and warehousing, duplicating, facilities management, telecommunications, and mail/messenger functions.

Office of the Chief Financial Officer (OCFO) oversees financial management activities related to EOP components. The OCFO directs, manages, and provides policy guidance and oversight of financial management activities and operations, including procurement and travel support.

Office of Security and Emergency Preparedness is responsible for oversight of EOP security, emergency preparedness, and continuity of operations programs. This office also serves as a liaison with the United States Secret Service.

Office of the Chief Information Officer (OCIO) efficiently and effectively delivers strategic and operational technology leadership to the components that OA supports.

Overview

For fiscal year (FY) 2008, the estimated funding requirement for OA is \$103,110,000 and a full-time equivalent (FTE) level of 222. The overall FY 2008 OA budget represents a net increase of \$693,000, or 0.7 percent, from the FY 2007 budget request.

The OA budget is divided into single-year and no-year accounts as follows:

- The Salaries and Expenses (S&E) budget is composed of single-year funds amounting to \$91,187,000, which represents an increase of \$167,000 from the FY 2007 budget request level.

- Personnel compensation and benefits amounts to a \$910,000 increase to cover the expected cost-of-living adjustment for Federal employees. The number of FTEs remains unchanged.
- Within the Enterprise Services Initiative, the OA S&E budget includes the following adjustments from the amounts originally proposed in the FY 2007 request: an increase of \$123,000 for GSA space rent on behalf of Office of Management and Budget (OMB), and an \$866,000 decrease on behalf of the Office of National Drug Control Policy (ONDCP). The net impact is a reduction of \$743,000.
- The Capital Investment Plan (CIP) represents \$11,923,000 in no-year funds. This includes a program increase of \$526,000 in equipment to replace servers dedicated to systems maintained for Human Resources Management. There are no FTEs associated with the CIP.

FY 2008 Estimate

Salaries and Expenses: \$91,187,000

The S&E account supports core OA functions, and the FY 2008 OA budget request reiterates the FY 2007 request in that it moves \$11,176,000 in funding from other EOP components to the OA Enterprise Services Initiative:

- \$10,281,000 for space rent paid to GSA:
 - \$7,528,000 from OMB
 - \$2,753,000 from ONDCP
- \$658,000 for employee transportation subsidies:
 - \$100,000 from the White House Office (WHO)
 - \$2,000 from the Executive Residence (EXR)
 - \$4,000 from the Office of Policy Development (OPD)
 - \$25,000 from the National Security Council (NSC)
 - \$6,000 from the Council of Economic Advisers (CEA)
 - \$327,000 from OMB
 - \$52,000 from ONDCP
 - \$19,000 from the Office of Science and Technology Policy (OSTP)
 - \$119,000 from the United States Trade Representative (USTR)
 - \$4,000 from the Council on Environmental Quality (CEQ)

- \$237,000 for services:
 - \$25,000 for rent-based security charges from the Federal Protective Service (FPS):
 - \$25,000 from ONDCP
 - \$65,000 for health unit services:
 - \$53,000 from OMB
 - \$12,000 from ONDCP
 - \$105,000 for burn bag pickup services:
 - \$77,000 from WHO
 - \$6,000 from CEA
 - \$7,000 from ONDCP
 - \$15,000 from USTR
 - \$42,000 for employee Flexible Spending Account (FSA) administrative fees:
 - \$4,000 from WHO
 - \$1,000 from EXR
 - \$1,000 from NSC
 - \$1,000 from CEA
 - \$22,000 from OMB
 - \$3,000 from ONDCP
 - \$1,000 from OSTP
 - \$8,000 from USTR
 - \$1,000 from CEQ

OA's S&E request includes \$2,522,000 for the OCFO. These funds are used to maintain systems used by the EOP community for financial reporting, financial systems, and internal controls. This funding provides for the ongoing cross-servicing agreements with the Bureau of the Public Debt, Administrative Resource Center (core accounting system), and the Department of Health and Human Services, Division of Payment Management (grant management system), as well as, travel support services, OCFO employee training, and general office supplies for the OCFO.

Capital Investment Plan (CIP): \$11,923,000

The CIP provides \$11,923,000 to support the continued development of EOP information technology infrastructure, and it is a vital component in the mission of the OCIO. The use of these funds is managed and closely controlled by the OCIO. The four areas described below will be supported by the FY 2008 CIP requirement:

- **Customer Solutions (\$4,526,000)** funds are directed to enterprise-wide solutions which serve the common needs of all EOP components as well as unique business requirements of the White House Office and the Office of Administration. This is achieved by analyzing customer requirements, developing customized solutions or finding existing solutions that meet these requirements, and implementing systems that automate common business



practices across the EOP. The particular focus of these implemented systems is on mission, operational and cost effectiveness, as well as statutory compliance. This area supports the migration of the current infrastructure architecture to a common architecture. The overall goal is to reduce the total cost of ownership of EOP information technology while strengthening the service that the OCIO provides to its customers.

- **Customer Service and Desktop Systems (\$2,243,000)** is necessary for ensuring that the technological infrastructure is adequate for supporting the mission of the EOP. This area provides for the scheduled modernization of the desktop, laptop, and printer hardware for all EOP components. Included in this category is the acquisition of enterprise software licenses, augmentation of the infrastructure for wireless handheld communications devices, and the provisioning of equipment and services to support Presidential and Vice Presidential travel.
- **EOP Systems Infrastructure (\$3,974,000)** is needed to ensure that the information technology and communications infrastructure resident within EOP is upgraded to meet the capacity and performance requirements of its mission and organizational requirements. This includes the ongoing update of the EOP data network and supporting infrastructure to provide faster and more reliable network connections, the upgrade of business software that supports EOP functions, and implementation of virtual server technology to improve recoverability and availability of applications. Failure to refresh this core infrastructure will cause outages in vital infrastructure components that degrade critical communication and business functions, resulting in the failure to meet the EOP's mission and goals. This area includes the program increase to replace servers for systems maintained by Human Resources Management.
- **Information Security (\$1,180,000)** includes a significant investment in information technology required for compliance with the common identification standards mandated by Homeland Security Presidential Directive 12. The CIP in this area continues the implementation and improvement of internal security systems that monitor the EOP network. Additionally, the policies and systems which authorize and control user access capabilities are continuously improved upon, increasing the effectiveness of the EOP staff.