

**Office of the
Administrator**

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Office of the Administrator

Proposed Appropriation Language

For necessary expenses of the Office of the Administrator in the National Nuclear Security Administration, including official reception and representation expenses (not to exceed \$12,000), [~~\$336,826,000~~] *\$333,700,000*, to remain available until expended.

Explanation of Change

The only change from FY 2004 is the proposed funding amount.

Office of the Administrator Overview

Funding Schedule by Appropriation

(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Office of the Administrator Program Direction	330,314 ^a	339,980	- 3,154 ^b	336,826 ^c	333,700

Public Law Authorization:

P.L. 108-136, National Defense Authorization Act, FY 2004

P.L. 108-137, Energy and Water Development Appropriations Act, FY 2004

FYNSP Schedule

(dollars in thousands)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FYNSP Total
Office of the Administrator	333,700	339,700	346,700	352,700	359,700	1,732,500

FY 2003 Execution

(dollars in thousands)

	FY 2003 Appropriation	Homeland Security Transfer	Rescission	Reprogram- ming	Comp Adjustment	FY 2003 Comparable
Office of the Administrator	330,929	- 2,911	- 2,151	9,125	-4,678 ^d	330,314 ^a

FY 2004 Appropriation

(dollars in thousands)

	FY 2004 Enacted Appropriation	Use of Prior Year Balances	Pending Rescission	Reprogram/ Transfers	Comp Adjustments	Current FY 2004 Comparable
Office of the Administrator	339,980	0	- 2,006	0	- 1,148	336,826 ^{bc}

^a The FY 2003 program level for the Office of the Administrator was \$5,639,796 higher than the new budget authority reflected in this table, achieved through the planned use of prior year unobligated balances.

^b Reflects the pending 0.59% rescission of \$2,006,000, the transfer of \$1,100,000 to the Office of Science, \$300,000 to the Office of Nuclear Energy, and \$252,000 from the Office of Environmental Management.

^c The FY 2004 program level for the Office of the Administrator will be achieved through the planned use of prior year unobligated balances in the amount of \$10,543,164. These balances are available from FY 2002 and earlier years. Re-engineering activities, primarily Permanent Change of Station (PCS) moves, will be funded through the use of these funds.

^d Reflects the transfer of \$4,014,000 to the Office of Security Operations, \$1,050,000 to the Office of Science, and \$370,000 to the Office of Nuclear Energy; also reflects the transfer of \$511,000 from the Office of Security Operations and \$245,000 from the Office of Environmental Management.

Mission

The Office of the Administrator creates a well-managed, inclusive, responsive, and accountable organization through the strategic management of human capital; enhanced cost-effective utilization of information technology; and greater integration of budget and performance data.

Benefits

The Office of the Administrator appropriation supported 2,003 onboard Federal personnel nationwide at the end of FY 2002. By the end of FY 2004, that number will be reduced to 1,705 onboard personnel (a decrease of 298 or 14.9 percent from the end of FY 2002). The Office of the Administrator provides the Federal personnel and resources necessary to plan, manage, and oversee the operation of the National Nuclear Security Administration (NNSA). The Nation benefits from having a highly educated and skilled cadre of Federal managers overseeing the operations of the defense mission activities and performing many specialized duties including leading Emergency Response teams and safeguards and security oversight. The nation also benefits from the recent Re-engineering of the NNSA Federal organizations and staff that demonstrated that the staff deployment is regularly assessed against current and future program needs, tough program management standards in the Program Assessment Rating Tool (PART), and for the most efficient and cost effective deployment of Federally-funded management resources.

Program and Strategic Goals

The Office of the Administrator appropriation supports the following goals:

Defense Strategic Goal: To protect our national security by applying advanced science and nuclear technology to the Nation's defense.

General Goal 1, Nuclear Weapons Stewardship: Ensure that our nuclear weapons continue to serve their essential deterrence role by maintaining and enhancing the safety, security, and reliability of the U.S. nuclear weapons stockpile.

General Goal 2, Nuclear Nonproliferation: Provide technical leadership to limit or prevent the spread of materials, technology, and expertise relating to weapons of mass destruction; advance the technologies to detect the proliferation of weapons of mass destruction worldwide; and eliminate or secure inventories of surplus materials and infrastructure usable for nuclear weapons.

Contribution to General Goals 1 and 2

The Office of the Administrator (program goal 01,02.50.00.00), contributes to General Goals 1 and 2 by providing the Federal personnel and resources necessary to plan, manage, and oversee the operation of the National Nuclear Security Administration's programs designed to meet these goals.

The Office of the Administrator appropriation has one program goal that contributes to General Goals 1 and 2 in the "goal cascade." This goal is:

Create a well-managed, inclusive, responsive, and accountable organization through the strategic management of human capital; enhanced cost-effective utilization of information technology; and greater integration of budget and performance data.

Annual Performance Results and Targets

Performance Indicators	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Endpoint Target Date
Number of NNSA Federal employees (Efficiency measure)	1,768 Federal employees (down from 2,003)	1,705 Federal employees (down from 1,768)	1,705 Federal employees	1,705 Federal employees	1,705 Federal employees	1,705 Federal employees	1,705 Federal employees	FY 2004
Annual NNSA Employment Efficiency Index to measure effectiveness in filling needed positions in accordance with approved Managed Staffing Plans (Efficiency Measure)	Completed workforce plans and staffing targets	72 percent (new baseline)	80 percent	85 percent	90 percent	90 percent	90 percent	FY 2007
Average NNSA Program score on the OMB PART assessment indicating progress in budget performance integration and results (Efficiency measure)	No previous target	70 percent	75 percent	80 percent	85 percent	85 percent	85 percent	FY 2007
Percentage of NNSA Employees who are aware that they can take a leadership role in fostering a diverse and inclusive workplace	No previous target	Develop NNSA's diversity metrics and baseline	60 percent	70 percent	80 percent	90 percent	100 percent	FY 2009
Number of procurement actions awarded as a result of NNSA's Strategic Sourcing Initiative	Defined NNSA's Strategic Sourcing Initiative	Award three contracts at a minimum cost savings of ten percent	Award four contracts at an additional cost savings of ten percent	Award three contracts at an additional cost savings of ten percent	Award two contracts at an additional cost savings of ten percent	Award two contracts at an additional cost savings of ten percent	Award two contracts at an additional cost savings of ten percent	On-going
Percentage of NNSA federal offices consolidated to the NNSA Information Technology (IT) Common Environment/Service Center ^a	NNSA Federal sites integrated to a single IT Enterprise Service Level Agreement	Baseline and initiate NNSA IT Service Center Stand-up and Common Environment project	75 percent	100 percent	Target completed	Target completed	Target completed	FY 2006

^a NOTE: Annual cost savings (gross) of \$11M against an operating baseline of \$34M will be achieved through a rationalized and modernized architecture resulting in reduced requirements for contractor support, equipment replacement and maintenance, and software procurement and licensing (E-gov/Efficiency measure)

Means and Strategies

The Office of the Administrator program will use various means and strategies to achieve its goals. However, various external factors may impact the Office of the Administrator's ability to achieve these goals. The program also performs collaborative activities to help meet its goals. The NNSA is adopting a number of enhanced business systems to make sure that we are excellent stewards of U.S. national nuclear security matters. We are implementing a disciplined planning, programming, and budgeting process to assure taxpayers that these programs are integrated and cost effective. We are adopting information and acquisition management tools and practices to do our job better and more efficiently. We will use creative personnel practices to ensure the best talent is recruited, retained, and rewarded, and all employees are accountable to the NNSA Administrator for performance in achieving their elements of the NNSA's mission. As we continue standing up the new NNSA organization, we are reducing management layers and improving reporting relationships. The Re-engineering concept that has been developed jointly by managers throughout the organization is redeploying technical staff where the work is performed, and centralizing common business and administrative functions to improve the quality of oversight and increase efficiency. Congressional support of excepted service authority to cover all of NNSA's 850 engineering and scientific positions is crucial to providing the highest quality technical managers in the NNSA; and implementation of Planning, Programming, Budgeting, and Evaluation (PPBE), as the core business practice, will facilitate linkage of program performance with managerial appraisals.

Validation and Verification

To validate and verify program performance, NNSA will conduct various internal and external reviews and audits. NNSA's programmatic activities are subject to continuing review by the Congress, the General Accounting Office, the Department's Inspector General, the National Security Council, the Defense Nuclear Facilities Safety Board, the Department's Office of Engineering and Construction Management, and the Department's Office of Independent Oversight and Performance Assurance. Each year numerous external independent reviews are conducted of selected projects. Additionally, NNSA Headquarters senior management and field managers conduct frequent, in-depth reviews of cost, schedule, and scope to ensure projects are on-track and within budget.

NNSA has established a comprehensive validation and verification process as part of its Planning, Programming, Budgeting and Evaluation (PPBE) system. Long-term performance goals are established/validated during the Planning Phase and linked in a performance cascade to annual targets and detailed technical milestones. During the Programming Phase, budget and resources trade-offs and decisions are evaluated based on the impact to annual and long-term performance measures. These NNSA decisions are documented and used to develop the budget requests during the Budgeting Phase. Program and financial performance for each measure is monitored and progress verified during the Execution and Evaluation Phase.

NNSA validation and verification activities during the PPBE Execution and Evaluation phase include a set of tiered performance reviews to examine everything from detailed technical progress to program management controls to corporate performance against long-term goals. This set of reviews includes: (1) the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART); (2) NNSA Administrator Program Reviews; (3) Program Managers Detailed Technical Reviews; (4) quarterly reporting of progress through the Department's JOULE performance tracking system; and (5) the NNSA Administrator's Annual Performance Report.

The NNSA Administrator reviews each NNSA program at least annually during the NNSA Administrator Reviews. These reviews involve all members of the NNSA management council to ensure progress and recommendations are fully integrated for corporate improvement. The focus of these reviews is to verify and validate that NNSA programs are on track to meet their long-term goals and annual targets.

The program managers conduct a second more detailed review of each program. These Program Manager Detailed Technical Reviews are normally held at least quarterly during the year. The focus of these reviews is to verify and validate that NNSA contractors are achieving detailed technical milestones that result in progress towards annual targets and long-term goals. These two reviews work together to ensure that advanced warnings are given to NNSA managers in order for corrective actions to be implemented.

The results of all of these reviews are reported quarterly in the Department's JOULE performance tracking system and annually in the NNSA Administrator's Annual Performance Report and the DOE Performance Accountability Report (PAR). Both documents help to measure the progress NNSA programs are making toward achieving annual targets and long-term goals. These documents are summary level to help senior managers verify and validate progress toward NNSA and Departmental commitments listed in the budget.

In addition, NNSA programs are independently reviewed. These independent reviews are conducted by the General Accounting Office, Inspector General, National Security Council, Foster Panel, Defense Nuclear Safety Board, Secretary of Energy Advisory Board, and others. Recent Inspector General and General Accounting Office reports on the Office of the Administrator include PPBE Process and Structure (A02AL048) and Review of NNSA's Management Structure (360337).

Program Assessment Rating Tool (PART)

NNSA is using the OMB PART process to perform annual internal self-assessments of the management strengths and weaknesses of each NNSA program. Among other things, the PART process helps NNSA ensure that quality, clarity, and completeness of its performance data and results are in accordance with standards set in the Government Performance and Results Act of 1993 and reinforced by the President's Management Agenda. Independent PART assessments conducted by OMB provide additional recommendations to strengthen NNSA programs.

The Office of Management and Budget will not conduct a PART review on the Office of the Administrator program. NNSA's self assessment of the Office of the Administrator's PART status was completed in the first quarter of FY 2004 and resulted in the program receiving a rating of 84 percent (Moderately Effective).

Steps to create the NNSA of the Future

FY 2003

- Finalized managed staffing plans for each Headquarters element, the NNSA Service Center, and each Site Office.
- Reduced Federal staffing by 235 positions.
- Implemented Planning, Programming, Budgeting, and Evaluation (PPBE), Business Operating Procedure.

- Finalized approach to support service contracts by consolidating multiple contracts to one administrative and one technical contract.
- Provided Diversity Leadership Training for about 1,200 NNSA supervisory and non-supervisory employees (GS13 and above: 6 two-hour modules each).
- Implemented corporate Information Technology (IT) investment decision making, completed initial planning for NNSA Federal Sector Common IT Environment.

FY 2004

- Voluntary separation incentives used in the first quarter of FY 2004 to accelerate office closings and support voluntary attrition (67 employees took a buyout).
- NNSA Performance Management and Recognition Program being implemented to move all sites to a single system for assessing and awarding employee performance consistent with the President's Management Agenda.
- Oakland Federal building being vacated by September 30, 2004, resulting in a savings of approximately \$3.3 million annually.

Significant Program Shifts in FY 2005

- The FY 2005 budget transfers \$1,150,000 and 10 Full Time Equivalents, or FTE's to the Office of Science for functions previously supported by the Oakland Operations Office.
- The FY 2005 budget transfers \$300,000 and one FTE to the Office of Nuclear Energy for the Nuclear Energy Agency (NEA) function in Paris.
- The FY 2005 budget request also reflects a transfer from the Office of Environmental Management of \$266,000 and 2 FTEs to the NNSA for support of the Off-Site Source Recovery Program at the Los Alamos National Laboratory.
- Funding to support the Department's A-76 studies have been provided by NNSA Program Direction through FY 2003, no funds have been requested in FY 2004 or FY 2005 for follow-on efforts. To the extent A-76 savings are realized in FY 2004, consideration should be given to those staffing reductions already absorbed by NNSA through the Re-engineering of our Federal Staff to avoid creating future funding shortfalls by counting those reductions twice. Federal manpower eliminated by Re-engineering has already been reflected in the funding estimates included in the FY 2005 Congressional Budget Request.
- The Weapons Activities, Defense Nuclear Nonproliferation, and Office of the Administrator appropriations in FY 2003 provided funding for Defense Contract Audit Agency (DCAA) assessments. In FY 2004 and beyond, these assessments will be funded consistent with the Department's methodology for allocating costs based on total budget authority. These funds are identified in each appropriation's FY 2005 Congressional Budget Request. The Office of the Administrator will provide \$91,459 in FY 2004 and \$91,206 in FY 2005. The total NNSA contribution in FY 2004 is \$2,151,900 and in FY 2005 the total NNSA contribution is \$2,255,100.

During the transition to the NNSA of the future, implementation of Re-engineering initiatives realigning personnel will require that funding estimates be refined periodically. Adjustments as we undergo this ambitious process are unavoidable due to factors beyond management control, such as the pace of retirements. Flexibility is needed, and understanding that our efforts are a work in progress. An example of the type of flexibility requiring adjustments in funding estimates is the area of Permanent Change of Station (PCS) moves (which cost \$100,000 on average); until we know how many people choose to either accept a directed reassignment or leave NNSA instead of relocating, we will be unable to know exactly the number of people requiring PCS funding versus hiring new people at the receiving personnel locations. NNSA has chosen to provide staff sufficient time to make important personal career decisions; this “humane” aspect of the process has delayed absolute estimates for employee relocation.

NNSA managers have finalized the managed staffing plans and the NNSA planning process is on target. NNSA began reassigning staff to support critical needs during the first quarter of FY 2004 and we are slightly ahead of our first quarter projections for FY 2004. The pace of both voluntary and directed reassignments is governed by funding availability. Our goal is to complete all reassignments by the end of FY 2004 with any remaining funding requirements for PCS moves completed early in FY 2005.

The enacted appropriations for both FY 2003 and FY 2004 contained funding earmarks for Defense Nuclear Nonproliferation within the Office of the Administrator. This budget submission fully funds projected hiring and on-board staffing in Defense Nuclear Nonproliferation up to 251 Federal employees by the end of FY 2004. However, NNSA does not support continued “fencing” of these funds as it limits the Administrator’s flexibility in adjusting priorities as required.

The Office of the Administrator budget is comprised of approximately 65 percent Salaries and Benefits for NNSA Federal staff. The remaining 35 percent includes several major efforts with largely fixed costs in the areas of Information Technology, Working Capital Fund, and support for the International Offices. This leaves a relatively small percentage of truly discretionary spending in the areas of Travel, Training, and Support Services.

Re-engineering Progress FTE and Staffing Levels FY 2002 – FY 2005

	FY 2002 Actual End of Year Headcount	FY 2003 Actual End of Year Headcount	FY 2003 Actual End of Year Headcount	FY 2004 Projected End of Year Headcount	FY 2004 Projected End of Year Headcount	FY 2005 Projected End of Year Headcount	FY 2005 Projected End of Year Headcount
Office of the Administrator							
NNSA staff subject to Re-engineering							
Headquarters	458	390	365	344	315	315	315
NNSA Service Center	679	631	565	525	475	475	475
Livermore Site Office	82	83	90	90	91	91	91
Los Alamos Site Office	75	77	87	98	103	103	103
Sandia Site Office	63	63	83	87	89	89	89
Nevada Site Office	136	114	96	96	92	92	92
Pantex Site Office	75	74	70	77	82	82	82
Y-12 Site Office	74	73	70	77	81	81	81
Kansas City Site Office	52	52	54	52	50	50	50
Savannah River Site Office	25	24	23	22	20	20	20
Subtotal, Staff subject to Re-engineering	1,719	1,581	1,503	1,468	1,398	1,398	1,398
Staff exempt from Re-engineering							
Defense Nuclear Nonproliferation 3/	207	206	219	242	251	251	251
Emergency Operations 4/ 5/	77	42	46	53	56	56	56
Subtotal, Staff exempt from Re-engineering	284	248	265	295	307	307	307
TOTAL, Office of the Administrator	2,003	1,829	1,768	1,763	1,705	1,705	1,705

1/ FTE usage of 1,862 included 24 FTEs transferred to Security Operations, 10 to Science, 1 to Nuclear Energy and 2 from Environmental Management.

2/ FTE usage of 1,772 included 10 FTEs transferred to Science, 1 to Nuclear Energy and 2 from Environmental Management.

3/ Includes 9 Non-NNSA employees at Chicago.

4/ Includes 2 Non-NNSA employees at Chicago, 1 at Richland, 1 at Idaho, 1 at Savannah River, and 1 at the Oak Ridge National Lab.

5/ Reflects the transfer of 26 FTEs to Security Operations and 7 FTEs to Energy Security and Assurance in FY 2003.

Program Direction

Funding by Site

(dollars in thousands)

	FY 2003	FY 2004	FY 2005
Office of the Administrator			
Headquarters	137,564	140,396	137,937
NNSA Service Center.....	111,415	102,759	98,701
Livermore Site Office.....	12,844	16,072	16,489
Los Alamos Site Office.....	11,964	14,558	15,865
Sandia Site Office.....	8,635	12,056	12,518
Nevada Site Office.....	16,026	17,700	17,542
Pantex Site Office.....	9,944	10,768	11,591
Y-12 Site Office.....	9,641	10,833	11,674
Kansas City Site Office.....	6,001	6,159	6,012
Savannah River Site Office.....	3,548	3,148	2,925
Chicago (Non-NNSA).....	2,132	1,849	1,902
Idaho (Non-NNSA).....	150	132	136
Richland (Non-NNSA).....	150	132	136
Savannah River (Non-NNSA).....	150	132	136
Oak Ridge (Non-NNSA).....	150	132	136
Total, Office of the Administrator.....	330,314	336,826	333,700
Total, Full Time Equivalent.....	1,829	1,763	1,705
Total, End of Year Headcount.....	1,768	1,705	1,705

Detailed Justification

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Salaries and Benefits	211,737	217,605	212,646
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Provides support for the National Nuclear Security Administration (NNSA) Federal staff (1,705 Full Time Equivalents or FTEs in FY 2005), including annual Cost of Living Adjustments (COLAs), within-grade increases, promotions, severance costs, performance awards, health and retirement benefits, and other compensation adjustments. The request also supports the international offices, including foreign service nationals.

The FY 2005 Congressional Budget Request reflects a cost avoidance of over \$37 million realized by the reduction in NNSA Federal staffing levels of 298 positions (payroll would have been \$37 million higher in FY 2005 if those staff reductions had not been realized). Payroll is included in this estimate to fully fund projected hiring and on-board staffing in Defense Nuclear Nonproliferation up to 251 Federal employees by the end of FY 2004.

The decrease of \$4,959,000 or 2.3 percent from FY 2004 is directly attributable to the reduction in staff (partially offset by the effects of the COLA and escalation). FY 2004 reflects buyouts costs of \$4,260,000 and projected attrition savings of \$6,847,053.

The salary portion of this budget consumes approximately 80 percent of the estimate, leaving about 20 percent for benefits. A cost of living adjustment of 2 percent is reflected in the salary calculations as of January 2004, and another 1.5 percent is included in the salary estimates as of January 2005. Benefits escalation, particularly the Government’s share of health insurance premiums, has proven to be much more costly than average cost of living adjustments (increasing over 10 percent annually in recent years). The Government pays about 70 percent of an employee’s health insurance premium.

The January 2004 cost of living adjustment, if enacted at 4.1 percent as proposed in the Conference Report of the FY 2004 Omnibus Appropriation, would cost another \$3,080,595 in FY 2004 to implement and add \$4,270,291 to FY 2005 payroll calculations.

Travel.....	10,776	10,007	10,007
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Includes domestic and foreign travel necessary to conduct NNSA business. Domestic travel supports management oversight, public outreach, and national security assistance and interface with the Site Offices, the Service Center, Headquarters, the laboratories, and local governments. International travel is increasing with the growth of the NN mission. It is a key element of the nonproliferation work with international agencies and the Former Soviet Union republics.

Increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.

Support Services	34,344	32,737	32,737
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Provides Technical Support for highly specialized analytical expertise required to address critical technical program issues in nonproliferation and national security (FY 2005 \$21,279,000). Also provides Management Support for studies and review of NNSA corporate policies and procedures concerning management operations and planning (FY 2005 \$4,911,000) as well as Administrative Support and other non-technical support such as operation of mailrooms and maintenance of various databases (FY 2005 \$6,547,000).

Increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.

Information Technology also provides \$19,419,000 of Automated Data Processing (ADP) Support in FY 2005 (shown in the Other Related Expenses object class in total).

Other Related Expenses	73,457	76,477	78,310
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Provides all Information Technology support for the NNSA Federal staff, including network services, maintenance and equipment; help desk support; and user equipment and software, including support for Department-wide systems such as the financial information reporting systems. Also included is support for implementation of NNSA's capital planning and acquisition management programs associated with IT investments at NNSA M&O facilities. The Information Technology program for FY 2005 of \$34,965,000 is managed on the Plan, Build, and Operate model and budgeted as follows: Plan (including M&O oversight) \$2,450,000; Build \$11,866,000; and Operate \$20,649,000.

Provides for necessary training and skills maintenance of the NNSA Federal staff in FY 2005 of \$1,810,000.

Provides the Headquarters working capital fund contribution of \$16,224,000 in FY 2005 for NNSA's share of the common Washington infrastructure support charged by the DOE working capital fund (e.g., rents and utilities), as well as procurement of specific NNSA Headquarters infrastructure requirements through the Department (e.g., telephone lines, printing and reproduction, supplies, general office space modifications and construction). Includes working capital fund support for in FY 2005 of \$1,293,000 for office moves, office renovation, furniture, and office equipment. Also includes \$440,000 for field occupancy costs.

Supports largely fixed Working Capital Fund costs in the field during FY 2005 of \$11,999,000 associated with facilities and maintenance; occupancy costs; rental payments; and overall operations and maintenance of both rented and owned Federal space, including utilities, janitorial expenses, telecommunications, and minor construction costs.

Supports Defense Contract Audit Agency (DCAA) audit assessment of \$91,206 in FY 2005. The total NNSA contribution in FY 2005 is \$2,255,100.

Provides \$12,000 for official reception and representation expenses for NNSA activities.

Provides all other activities required to support NNSA’s Federal personnel in FY 2005 of \$11,475,794. Funding includes support for minor procurements; equipment maintenance; supplies and materials; printing and reproduction; the National Archives and Records Administration (NARA) records center; the Diversity Partnership program; support for the international offices; Small Business Administration Certification; and other services and miscellaneous activities.

Increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.

Total, Office of the Administrator	330,314	336,826	333,700
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Explanation of Funding Changes

FY 2005 vs. FY 2004 Request (\$000)
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- **Salaries and Benefits**

Reflects a 2.3 percent decrease associated with the accelerated attrition of NNSA staff by the end of FY 2004, partially offset by the cost of living adjustment, benefits escalation, promotions, and within-grade increases

- 4,959
- **Travel**

No change; increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.....

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- **Support Services**

No change; increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.....

0

▪ **Other Related Expenses**

Increased Information Technology funding is due to the net effect of the Service Center Standup/NNSA Common Environment Project, investing in the project is partially offset by operational costs coming down (+\$618,000).

Increases required for escalation costs or new priority mission areas will be met through further management savings and efficiencies realized from Re-engineering across the NNSA complex.

Reflects an increase in Other Related Expenses due to completion of Re-engineering efforts associated with final Permanent Change of Station costs in the first quarter of FY 2005; Re-engineering efforts are being funded through the use of prior year balances in FY 2004 (+\$1,215,000).....

+ 1,833

Total Funding Change, Office of the Administrator.....

-3,126

Funding Profile by Category

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Headquarters					
Salaries and Benefits.....	77,786	83,991	82,081	-1,910	-2.3%
Travel.....	6,323	6,007	6,007	+0	+0.0%
Support Services.....	20,034	18,071	18,071	+0	+0.0%
Other Related Expenses.....	33,421	32,327	31,778	-549	-1.7%
Total, Headquarters.....	137,564	140,396	137,937	-2,459	-1.8%
Total, Full Time Equivalents.....	611	610	593	-17	-2.8%
Total, End of Year Headcount.....	598	593	593	+0	+0.0%
NNSA Service Center					
Salaries and Benefits.....	70,814	58,141	51,701	-6,440	-11.1%
Travel.....	2,085	1,799	1,799	+0	+0.0%
Support Services.....	5,763	6,766	6,766	+0	+0.0%
Other Related Expenses.....	32,753	36,053	38,435	+2,382	+6.6%
Total, NNSA Service Center.....	111,415	102,759	98,701	-4,058	-3.9%
Total, Full Time Equivalents.....	636	527	477	-50	-9.5%
Total, End of Year Headcount.....	570	477	477	+0	+0.0%
Livermore Site Office					
Salaries and Benefits.....	8,225	11,453	11,870	+417	+3.6%
Travel.....	317	317	317	+0	+0.0%
Support Services.....	2,251	2,251	2,251	+0	+0.0%
Other Related Expenses.....	2,051	2,051	2,051	+0	+0.0%
Total, Livermore Site Office.....	12,844	16,072	16,489	+417	+2.6%
Total, Full Time Equivalents.....	83	90	91	+1	+1.1%
Total, End of Year Headcount.....	90	91	91	+0	+0.0%
Los Alamos Site Office					
Salaries and Benefits.....	9,898	12,492	13,799	+1,307	+10.5%
Travel.....	233	233	233	+0	+0.0%
Support Services.....	1,038	1,038	1,038	+0	+0.0%
Other Related Expenses.....	795	795	795	+0	+0.0%
Total, Los Alamos Site Office.....	11,964	14,558	15,865	+1,307	+9.0%
Total, Full Time Equivalents.....	77	98	103	+5	+5.1%
Total, End of Year Headcount.....	87	103	103	+0	+0.0%
Sandia Site Office					
Salaries and Benefits.....	7,244	10,665	11,127	+462	+4.3%
Travel.....	113	113	113	+0	+0.0%
Support Services.....	769	769	769	+0	+0.0%
Other Related Expenses.....	509	509	509	+0	+0.0%
Total, Sandia Site Office.....	8,635	12,056	12,518	+462	+3.8%
Total, Full Time Equivalents.....	63	87	89	+2	+2.3%
Total, End of Year Headcount.....	83	89	89	+0	+0.0%

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Nevada Site Office					
Salaries and Benefits.....	11,060	12,734	12,576	-158	-1.2%
Travel.....	642	475	475	+0	+0.0%
Support Services.....	1,847	1,200	1,200	+0	+0.0%
Other Related Expenses.....	2,477	3,291	3,291	+0	+0.0%
Total, Nevada Site Office.....	16,026	17,700	17,542	-158	-0.9%
Total, Full Time Equivalents.....	126	108	104	-4	-3.7%
Total, End of Year Headcount.....	108	104	104	+0	+0.0%
Pantex Site Office					
Salaries and Benefits.....	8,130	8,954	9,777	+823	+9.2%
Travel.....	176	176	176	+0	+0.0%
Support Services.....	1,283	1,283	1,283	+0	+0.0%
Other Related Expenses.....	355	355	355	+0	+0.0%
Total, Pantex Site Office.....	9,944	10,768	11,591	+823	+7.6%
Total, Full Time Equivalents.....	74	77	82	+5	+6.5%
Total, End of Year Headcount.....	70	82	82	+0	+0.0%
Y-12 Site Office					
Salaries and Benefits.....	7,769	8,961	9,802	+841	+9.4%
Travel.....	310	310	310	+0	+0.0%
Support Services.....	1,005	1,005	1,005	+0	+0.0%
Other Related Expenses.....	557	557	557	+0	+0.0%
Total, Y-12 Site Office.....	9,641	10,833	11,674	+841	+7.8%
Total, Full Time Equivalents.....	73	77	81	+4	+5.2%
Total, End of Year Headcount.....	70	81	81	+0	+0.0%
Kansas City Site Office					
Salaries and Benefits.....	5,526	5,684	5,537	-147	-2.6%
Travel.....	179	179	179	+0	+0.0%
Support Services.....	44	44	44	+0	+0.0%
Other Related Expenses.....	252	252	252	+0	+0.0%
Total, Kansas City Site Office.....	6,001	6,159	6,012	-147	-2.4%
Total, Full Time Equivalents.....	52	52	50	-2	-3.8%
Total, End of Year Headcount.....	54	50	50	+0	+0.0%
Savannah River Site Office					
Salaries and Benefits.....	2,954	2,554	2,331	-223	-8.7%
Travel.....	288	288	288	+0	+0.0%
Support Services.....	80	80	80	+0	+0.0%
Other Related Expenses.....	226	226	226	+0	+0.0%
Total, Savannah River Site Office.....	3,548	3,148	2,925	-223	-7.1%
Total, Full Time Equivalents.....	24	22	20	-2	-9.1%
Total, End of Year Headcount.....	23	20	20	+0	+0.0%

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Chicago Operations Office (Non-NNSA)					
Salaries and Benefits.....	1,731	1,448	1,501	+53	+3.7%
Travel.....	110	110	110	+0	+0.0%
Support Services.....	230	230	230	+0	+0.0%
Other Related Expenses.....	61	61	61	+0	+0.0%
Total, Chicago Operations Office.....	2,132	1,849	1,902	+53	+2.9%
Total, Full Time Equivalents.....	7	11	11	+0	+0.0%
Total, End of Year Headcount.....	11	11	11	+0	+0.0%
Idaho Operations Office (Non-NNSA)					
Salaries and Benefits.....	150	132	136	+4	+3.0%
Travel.....	-	-	-	+0	+0.0%
Support Services.....	-	-	-	+0	+0.0%
Other Related Expenses.....	-	-	-	+0	+0.0%
Total, Idaho Operations Office.....	150	132	136	+4	+3.0%
Total, Full Time Equivalents.....	1	1	1	+0	+0.0%
Total, End of Year Headcount.....	1	1	1	+0	+0.0%
Richland Operations Office (Non-NNSA)					
Salaries and Benefits.....	150	132	136	+4	+3.0%
Travel.....	-	-	-	+0	+0.0%
Support Services.....	-	-	-	+0	+0.0%
Other Related Expenses.....	-	-	-	+0	+0.0%
Total, Richland Operations Office.....	150	132	136	+4	+3.0%
Total, Full Time Equivalents.....	1	1	1	+0	+0.0%
Total, End of Year Headcount.....	1	1	1	+0	+0.0%
Savannah River Operations Office (Non-NNSA)					
Salaries and Benefits.....	150	132	136	+4	+3.0%
Travel.....	-	-	-	+0	+0.0%
Support Services.....	-	-	-	+0	+0.0%
Other Related Expenses.....	-	-	-	+0	+0.0%
Total, Savannah River Operations Office.....	150	132	136	+4	+3.0%
Total, Full Time Equivalents.....	-	1	1	+0	+0.0%
Total, End of Year Headcount.....	1	1	1	+0	+0.0%
Oak Ridge Operations Office (Non-NNSA)					
Salaries and Benefits.....	150	132	136	+4	+3.0%
Travel.....	-	-	-	+0	+0.0%
Support Services.....	-	-	-	+0	+0.0%
Other Related Expenses.....	-	-	-	+0	+0.0%
Total, Oak Ridge Operations Office.....	150	132	136	+4	+3.0%
Total, Full Time Equivalents.....	1	1	1	+0	+0.0%
Total, End of Year Headcount.....	1	1	1	+0	+0.0%

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Office of the Administrator					
Salaries and Benefits.....	211,737	217,605	212,646	-4,959	-2.3%
Travel.....	10,776	10,007	10,007	+0	+0.0%
Support Services.....	34,344	32,737	32,737	+0	+0.0%
Other Related Expenses.....	73,457	76,477	78,310	+1,833	+2.4%
Total, Office of the Administrator.....	330,314	336,826	333,700	-3,126	-0.9%
Total, Full Time Equivalents.....	1,829	1,763	1,705	-58	-3.3%
Total, End of Year Headcount.....	1,768	1,705	1,705	+0	+0.0%

Support Services

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Technical Support	22,323	21,279	21,279	0	0.0%
Management Support.....	5,152	4,911	4,911	0	0.0%
Administrative Support.....	6,869	6,547	6,547	0	0.0%
Subtotal, Support Services	34,344	32,737	32,737	0	0.0%
ADP Support (Information Technology)	13,037 ^a	18,736 ^a	19,419 ^a	+ 683	+ 3.6%
Total, Support Services.....	47,381	51,473	52,156	+ 683	+ 1.3%

Other Related Expenses

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Working Capital Fund ^b	29,404	29,956	29,956	0	0.0%
Miscellaneous Purchases/Other	10,939	10,352	11,567	+ 1,215	+ 11.7%
Training.	1,859	1,810	1,810	0	0.0%
Reception and Representation	12	12	12	0	0.0%
Subtotal, Other Related Expenses.....	42,214	42,130	43,345	+ 1,215	+ 2.9%
Information Technology	18,206 ^c	15,611 ^c	15,546 ^c	-65	- 0.4%
Total, Other Related Expenses.....	60,420	57,741	58,891	+ 1,150	+ 2.0%

^a Information Technology funding is included in total in the Other Related Expenses budget request and shown on this table under Support Services for comparability purposes only.

^b Includes Rental Space and Facility Maintenance.

^c The balance of the Information Technology budget request is shown in Support Services and not reflected on this table under Other Related Expenses for comparability purposes only.

