

# COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

## FISCAL YEAR 2013 BUDGET JUSTIFICATION



An independent agency responsible for administering the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) and the AbilityOne Program.



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# COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

## BUDGET REQUEST

### EXECUTIVE DIRECTOR'S MESSAGE AND SUMMARY

The FY 2013 Budget Request for the Committee for Purchase From People Who Are Blind or Severely Disabled takes into account the importance of investing in job creation – our core mission – in addition to the austere Federal budget environment and the guidance issued by the Office of Management and Budget dated August 17, 2011. The Committee is the independent Federal agency that administers the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c), as amended.

The AbilityOne Program is a **jobs program**. Despite the challenges of our national economy, ***employment under the AbilityOne Program grew more than 3 percent during FY 2010, providing work to more than 47,000 individuals with disabilities.*** Based on conservative data, more than ***3,300 employees are veterans and 1,600 have significant disabilities.*** We anticipate an additional increase in hours worked and wages for our target population when final FY 2011 data becomes available. Sustaining AbilityOne employment nationwide and our ability to foster new job growth for people who are blind or who have other significant disabilities is absolutely critical in the current environment. AbilityOne is the single largest source of employment for working age Americans with the most significant disabilities, a segment that has only a 21 percent rate of participation in the U.S. labor force<sup>1</sup>.

The AbilityOne Program's focus on creating and maintaining quality employment for this underserved population is well aligned with key Administration goals such as increasing jobs, encouraging economic growth and investing in the future. As the President stated in the 2011 State of the Union address, "*...We measure progress by the success of our people. By the jobs they can find and the quality of life those jobs offer.*"

The Committee actively promotes the capabilities of people who are blind or who have other significant disabilities, and through the Federal procurement system, effectively grows the number of job opportunities offered to these individuals. Our

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<sup>1</sup> The Bureau of Labor Statistics reported that in August 2011, the percentage of people with disabilities in the labor force was 21.0. By comparison, the percentage of persons with no disability in the labor force was 69.9.

[<http://www.bls.gov/news.release/empst.t06.htm> retrieved 9/5/2011].

preliminary data shows that in FY 2011, new full-time equivalent positions created by the AbilityOne Program were up 17% over the comparable FY 2009 performance results, but did not reach the especially high level of FY 2010. Some large projects expected to come to fruition in FY 2011 were delayed, while others were down-scoped for budgetary reasons, which impacted this year's statistics. However, we believe that FY 2012 numbers will show an increase during the first half of the year, which is typically a slower period. At the same time, the Committee's Quality Work Environment (QWE) initiative reinforces choice, supports and workplace flexibilities; access to training; and a clear path to career and advancement opportunities, including opportunities to enhance earnings; all for people who are blind or who have other significant disabilities.

Responsible governance is another key Administration goal that is consistently reflected in the Committee's Strategic Plan. The Committee continues to make stewardship one of its highest priority goals. Effective stewardship encompasses leadership, accountability, transparency and an unwavering focus on achieving the best possible outcomes for people who are blind or who have other significant disabilities. The AbilityOne Program's success in growing employment brings with it the continuous, critical need for the Agency to provide oversight. Seeking opportunities to minimize costs wherever possible, we have taken a significantly conservative approach in developing this budget, while preserving our ability to execute the compliance audit function in FY 2013. Part of the necessary investment in our employment mission is ensuring that we monitor, educate and ensure compliance among the 600-plus participating nonprofit agencies in the AbilityOne Program.

Through transparent, participatory and collaborative practices in FY 2013, the Committee will continue to inform and engage its stakeholders in its other high priority goals, such as measuring and enhancing satisfaction among employees as well as customers, and increasing business efficiencies. We will maximize existing technology and other creative approaches to solicit feedback and to enhance the services we provide at minimal cost. The Agency continues to work with stakeholders to review enterprise-wide business transactions and identify opportunities to decrease cycle time without sacrificing quality or informed decision-making. Over 47,000 jobs held by people who are blind or who have other significant disabilities are dependent on the Committee's ability to add and maintain product or service projects.

The Committee's high-priority strategic goals and indicators are detailed in this budget submission.

They are briefly summarized as follows:

1. Effective stewardship, demonstrated by the number of participating nonprofit agencies verified to be in full compliance with program rules and regulations.
2. Employee and customer satisfaction, demonstrated by increases over time in percentages of employees and customers who report that they are satisfied or highly satisfied with what the AbilityOne Program provides them.
3. Employment growth, demonstrated by the increase in jobs and hours worked by the AbilityOne Program's workforce.

4. Business excellence, demonstrated by improved processes that affect the entire enterprise, including decreased cycle time for the AbilityOne Program's key business transactions.

The Committee has operated at a very low baseline budget of \$5.396 M since FY 2010. The President's budget for FY 2011 proposed funding the Agency at a level of \$5.771 M in order to provide much-needed resources for increased compliance audits and adequate coverage of personnel requirements such as equipment and training. During the most recent Continuing Resolutions, the Agency had to curtail necessary compliance travel, which jeopardized our ability to achieve the high priority Stewardship targets. The Agency was also compelled to cancel one of the few planned, public meetings of its Presidentially-appointed members, who were thus less able to monitor performance, to discuss policy or to address other timely issues facing the AbilityOne Program.

When permanent funds were enacted, the Agency was not addressed specifically, thus was held to the FY 2010 level less 0.2%, for a funding level of \$5.385 M for the remainder of FY 2011. This was more than six percent less than the funding level proposed by the Administration. Accordingly, the Agency was not able to make up all of the lost time and actions in terms of audits or accomplishment of other key targets that contribute to full mission achievement.

The President's budget for FY 2012 proposed a funding level of \$5.771 M, again, to provide much-needed resources for increased compliance duties and adequate coverage of personnel requirements such as equipment and training. While funding at this level was viewed by the Committee as the bare minimum to effectively pursue our high priority goals, at the time of this budget submission, no funding has been enacted for FY 2012.

Recognizing that all Federal agencies must be prepared to do more with less, we have not requested an increase in FY 2013, nor have we requested the FY 2011-2012 funding levels previously approved by the President. A bare-bones budget at the FY 2010 level is hereby submitted, along with the required five percent reduction from the FY 2011 enacted level.

We understand that the President must have information and flexibility to meet the hard spending targets in place and the needs of the Nation. However, we respectfully ask that the Agency's budget not be reduced below the enacted FY 2010 level. The Committee is a micro-agency, administering one program, without the margin to absorb across-the-board decreases. **The Agency oversees a unique \$2.8B jobs program that generated more than \$525 M in wages for Americans with significant disabilities in FY 2010. Personnel and rent account for more than 85 percent of our total budget request. Funding the agency at \$5.396 M is a small but crucial investment in job creation for Americans with the most barriers to stable employment.**

A brief summary of this request is presented below.

<b>Table 1: Budget Summary</b>
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Category:	FY 2012 President's Budget Level	FY 2013 Request	Percent Change from FY 2012 Budget	FY 2013 Request if 5% below FY 2011 enacted	Percent Change from FY 2012 Budget
Personnel	\$3,530,000	\$3,275,000	-7%	\$3,210,000	-9%
Benefits	\$ 876,000	\$ 823,000	-6%	\$ 810,000	-8%
All Other	\$1,365,000	\$1,298,000	-5%	\$1,096,000	-20%
<b>Total</b>	<b>\$5,771,000</b>	<b>\$5,396,000</b>	<b>-6.5%</b>	<b>\$5,116,000</b>	<b>-11%</b>

Salary and benefits account for more than 75 percent of the total budget requested for FY 2013 at either level. The remainder includes necessary expenses for rent and information technology services; it also contains travel, supplies, equipment and other services. If funded at the 5% reduction, we will have to limit priority maintenance on the Agency's information management system, as well as our ability to meet transparency and Open Government principles through services that support the Committee's internal or external communications. We will also forego the planned yet modest training and development investment in Agency personnel. The Committee will continue to identify cost avoidance and savings opportunities to maximize available resources for the highest impact. The funding reflected above, at the FY 2013 requested level, will provide minimum resources to execute the Agency's specifically mandated responsibilities. At five percent below the FY 2011 enacted level, the Agency's ability to successfully execute the mission is diminished.

The Committee's statutory duties include:

- Increase employment opportunities for people who are blind or have other significant disabilities. (Job creation)
- Establish rules, regulations, and policies to assure effective implementation of the Javits-Wagner-O'Day Act and the AbilityOne Program it authorizes. (Job creation)
- Monitor participating nonprofit agencies' compliance with the JWOD Act, Committee regulations and procedures [GAO Report GAO-07-236.] (Program integrity)
- Determine which products and services procured by the Federal Government are suitable to be furnished by persons who are blind or have other significant disabilities employed at qualified nonprofit agencies. (Job creation)
- Determine and revise fair market prices for items procured by the Federal Government. (Job creation)
- Inform Federal agencies about employment of people who are blind or significantly disabled and the statutory mandate that items on the Procurement List be purchased from qualified nonprofit agencies employing this population. (Job creation)
- Encourage and assist entities of the Federal Government to identify additional products and services that can be provided by people who are blind or have other significant disabilities. (Job creation)

The Committee is proud that the AbilityOne network is the single largest source of employment for this segment of the U.S. population. However, it is keenly aware that much more must be achieved in the employment of our target population. Americans who are blind or have other significant disabilities have the highest level of unemployment among all segments of the population. The small investment requested in the Committee's FY 2013 budget (at \$5.396M) is structured to maximize available resources to correct this inequity, while reducing funding from the approved FY 2012 level and adhering to the expectation of fiscal austerity.

The Administration's commitment to *winning the future for people with disabilities* requires a *continued emphasis* on and *capability to provide employment opportunities* through the Javits-Wagner-O'Day Act and the AbilityOne Program. The Committee looks forward to continuing to make these contributions to the Administration's goals and demonstrating excellence in the fulfillment of our employment mission. The premise and purpose of the AbilityOne Program is to enable our citizens who are blind or who have the most significant disabilities to earn their share of the American dream.

Submitted by

E. Ballard  
Executive Director & CEO

## LEGAL AUTHORITY

*The Javits-Wagner-O'Day Act of 1971.  
See 41 U.S.C. 46-48c as amended and 41 CFR  
Chapter 51.*

## MISSION STATEMENT

*To provide employment opportunities for people  
who are blind  
or have other severe disabilities in the manufacture  
and delivery of products and services to the Federal  
Government.*

## COMMITTEE AND ABILITYONE PROGRAM STRUCTURE

The Committee is an independent agency with exclusive responsibility for administering the Javits-Wagner-O'Day Act of 1971 (41 U.S.C. 46-48c), as amended. Accordingly, the Committee oversees an employment and procurement program known as the AbilityOne Program, which is responsible for employing more than 47,000 Americans who are blind or who have other severe disabilities.

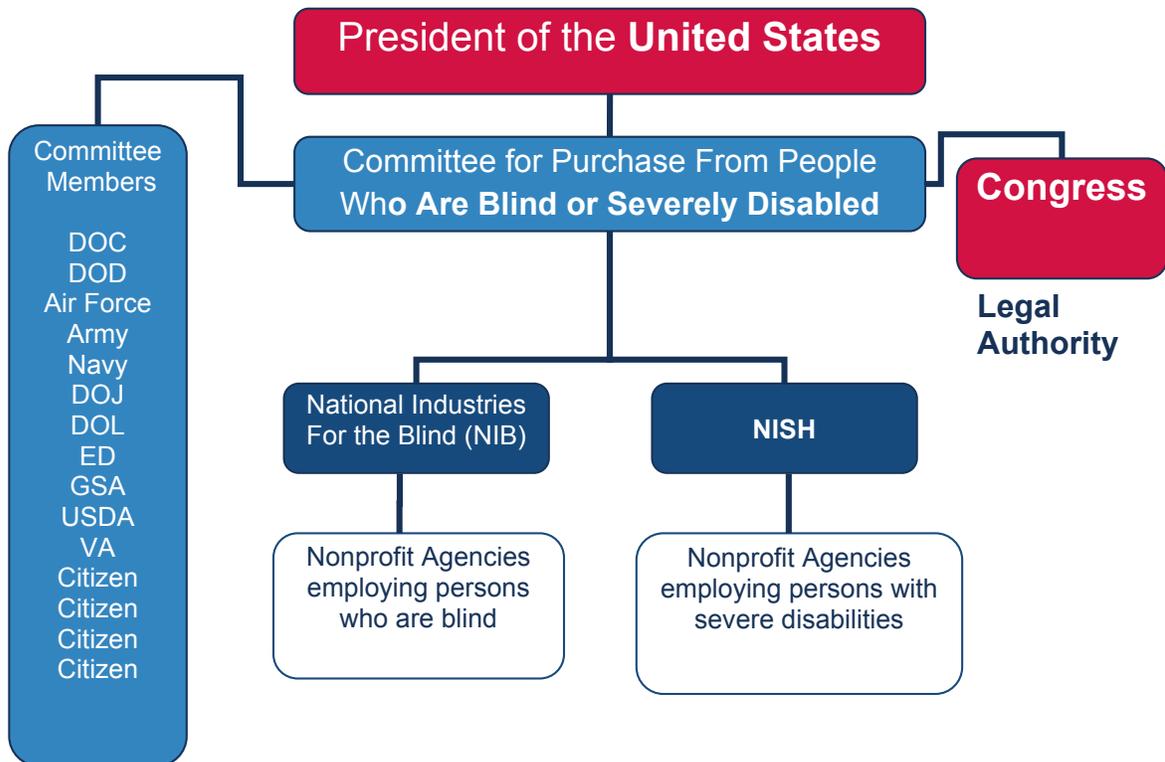
The agency is directed by 15 Committee members appointed by the President, 11 of whom work for and represent other Federal agencies, while four members are private citizens representing the interests of people who are blind or severely disabled. The Committee members formulate policy and vote on significant legal and administrative matters, including additions to the list of products and services for procurement by Federal Agencies and published as the "Procurement List." An Executive Director serves as the chief executive officer and leads a full-time civil service staff in performing the day-to-day activities necessary to administer the Act and the AbilityOne Program.

The Committee's enabling legislation provides for the designation of one or more Central Nonprofit Agencies to assist the Committee in administering the law and the AbilityOne Program. These central nonprofit agencies are National Industries for the Blind (NIB) and NISH (serving people with a range of disabilities). NIB and NISH are private, not-for-profit organizations that allocate orders and provide other technical and financial assistance to more than 600 State and local nonprofit agencies that participate in the AbilityOne Program.

NIB and NISH work with their associated nonprofit agencies and Federal customers to identify Government procurement requirements that can create employment opportunities for individuals who are blind or have other severe disabilities.

Following opportunities for public comment and after due deliberation, the Committee places such product and service requirements on the Procurement List, thus requiring Federal departments agencies seeking to procure such designated products and services to purchase them from the nonprofit agency(ies) designated by the Committee.

## ABILITYONE PROGRAM ORGANIZATION CHART



## AGENCY FY 2013 BUDGET AND PERFORMANCE INITIATIVES

The Committee's Strategic Plan for FY 2010-2014 remains the driver for its performance plan and indicators. The Agency's high-priority goals are (1) Effective Stewardship, (2) Employee and Customer Satisfaction, (3) Employment Growth and (4) Business Excellence. Each goal is further defined below, to include the background and accomplishments, areas identified for improvement, strategies planned to achieve the goal, measures to be used and resources required.

### GOAL 1: EFFECTIVE STEWARDSHIP

As the Federal agency charged with administration of the Javits-Wagner-O'Day Act, the Committee has ultimate responsibility for the integrity, effectiveness and overall stewardship of the AbilityOne Program and its employment mission. Stewardship encompasses several oversight responsibilities related to monitoring and achieving compliance with statutory, regulatory and other appropriate requirements by all nonprofit agencies participating in the AbilityOne Program. It is imperative to protect the integrity, image and long-term employment interests of the AbilityOne Program. Effective stewardship is the cornerstone of the Strategic Plan.

Following a 2007 report and recommendations issued by the Government Accountability Office (GAO), the Committee determined that all compliance reviews of AbilityOne participating nonprofit agencies are inherently governmental and must be performed by Agency personnel. Prior to 2007, the Agency's designated Central Nonprofit Agencies performed a significant share of the total compliance reviews. Assumption of full responsibility for compliance activities had a dramatic impact on the Agency's funding requirements. In addition to the GAO recommendations, the AbilityOne Program's increasing number of manufacturing and/or service job locations – all across the country – requires an appropriate level of resources for the compliance function.

The Committee has implemented several strategies to enhance the compliance function's efficiency and outcomes. The Agency uses a statistically valid sampling method to allow a representative portion of records to be reviewed at each site with a high degree of reliability. Our information management system enables receipt of participating nonprofit agencies' self-certification reports electronically, facilitating the staff's review and identification of discrepancies. The Agency leverages technical assistance visits made by its Central Nonprofit Agencies to increase nonprofit agencies' awareness and understanding of statutory and regulatory requirements. Feedback from such technical assistance visits, as well as annual data we are authorized to collect from AbilityOne participants, enables the Committee staff to target locations that warrant site visits.

Due to the required review of personnel records, adherence to the Health Insurance Portability and Accountability Act (HIPAA) requirements and the need to verify disabled employment in accordance with the Javits-Wagner-O'Day Act, on-site audits remain an essential element of the compliance assurance methodology. We use technology to maximize efficiency and effectiveness of compliance audits. Staff and travel resources are required to ensure that a percentage of the fastest-

growing nonprofit agencies and others that have a heightened potential for noncompliance are audited annually. For this reason, the Committee has calculated in its FY 2013 of \$5.936 M sufficient funds to maintain its compliance staff and to maintain the minimum travel for their fulfillment of the compliance monitoring function.

In light of recent increases in airfare and other travel costs, the Committee's compliance staff will have to seek efficiencies in order to stretch the dollars requested for and allotted for their duties. For example, portable hand-held devices and laptop computers enable compliance staff to maximize their time and maintain full productivity while in a travel status. Video teleconferencing continues to be tested and leveraged by the Agency for several types of meetings in order to decrease total travel costs. A five percent or greater reduction over the FY 2011 enacted budget level would jeopardize the Committee's ability to adequately monitor program compliance, as it would preclude necessary audits and may begin to impact the Agency's ability to maintain the appropriate compliance staffing level.

In FY 2013, the Committee expects to use project level data as well as aggregate annual data, both from its nonprofit agencies and from the Federal Procurement Data System-Next Generation (FPDS-NG) to enhance analysis, decision-making and results. Such data analysis strengthens the Agency's ability to flag problem areas, to identify issues that may require legislative, regulatory, or policy consideration, and to identify the most significant opportunities to increase employment for the AbilityOne workforce. As the Agency accomplishes its mission through the Federal acquisition system, assurance of contract compliance is particularly important and will require increased Committee attention in the future.

The original strategic plan target was to have 100% of participating nonprofit agencies verified by the Committee to be in full compliance with all program requirements by FY 2014. While the intended outcome remains 100% compliance, reduced funding levels since 2010 have impacted the Agency's ability to review at least 20% of the 600-plus participating nonprofit agencies on-site each year. At this time, the Committee will require another year, until FY 2015, to achieve on-site reviews of all participating nonprofit agencies in the past five years. Nevertheless, the Committee plans to perform a minimum of 120-130 compliance reviews in 2013, to include repeat visits to those nonprofit agencies that are found out of compliance in previous visits, to prevent falling further behind schedule. The Committee will review quarterly scorecards to monitor its progress.

The primary resources required to achieve these targets are personnel, travel funds and information technology equipment and software. As noted in the Executive Summary, funds are requested to ensure the agency has the ability to maintain its current compliance positions. To adequately visit and verify AbilityOne-participating nonprofit agencies' compliance with the statutory and regulatory requirements, we anticipate the compliance staff requiring approximately \$95,000 in travel dollars (other travel dollars are discussed in the budget table and narrative later in this document). Funds to maintain the compliance team's computers and portable devices that support their work, both on-site and off-site, are included in the Agency's equipment and services budget object classes.

A second objective related to the stewardship goal is communicating about employment for people who are blind or have other significant disabilities through the AbilityOne Program. The Agency's communications advocate for employment opportunities, educate and increase awareness of the capability of this target population. They also inform stakeholders about the program mission, and protect its unique status as a socioeconomic program within the Government. The Agency continues to raise visibility and garner support for the AbilityOne Program through the execution of its strategic communications plan, utilizing only minimal resources for publications and web design. Program advocacy includes establishing strategic alliances with educational institutions, Federal and commercial business partners, and expanding communications. For example, we continue to partner with Federal agencies that have aligned or complementary missions, and we work with both small and large businesses to further mutual objectives as well as Administration priorities.

Effective communication and partnering will achieve heightened awareness and understanding of the AbilityOne Program, resulting in increased employment and enduring policy support for the employment mission. In FY 2013, the Committee will further deploy Internet-based communication technologies such as webinars, video conferencing, YouTube, etc., to disseminate program information to audiences across America and overseas. The Agency has been successful in reaching millions of viewers, listeners, readers and live audience members through local network and cable broadcasts, radio interviews (also streamed online), major metropolitan newspapers, local papers, trade journals, special targeted presentations and web views. We have program-level benchmark data showing the level of awareness, understanding and preference among key stakeholders. Quantitative research performed in FY 2011 will guide the Agency in assessing the effectiveness of current tactics and the progress toward achieving this strategic objective, and to identify any necessary adjustments in focus or messaging required in FY 2012-2013.

## **GOAL 2: EMPLOYEE AND CUSTOMER SATISFACTION**

The Administration's Plan to Empower People with Disabilities dedicated an entire section to employment. To truly empower an individual, employment must provide personal satisfaction as well as financial income. The Agency has three guiding principles for AbilityOne employment. These principles are the pillars for quality employment and employee satisfaction. These principles state that employees who are blind or have other significant disabilities should have:

- Opportunities to do the work of their choice, with appropriate supports and/or workplace flexibilities;
- Access to on-going training; and
- A clear path to career and advancement opportunities, including opportunities to enhance earnings.

Since November 2008, the Committee has fostered the identification and promotion of best practices within the AbilityOne Program that lead to quality employment and employee satisfaction. To accomplish this, the Committee established a Quality Work Environment (QWE) initiative that provides a strategic, consistent and program wide approach to quality employment and employee satisfaction. In January 2010, the Committee affirmed several best practices, identified by a steering group; that can be shared with and exported to the 600-plus agencies across the AbilityOne Program. By the end of FY 2011, more than 25% of participating nonprofit agencies were early adopters of the QWE initiative. During FY 2012-2013, the remaining affiliated agencies are expected to establish their own QWE plans.

The expected outcome is increased and/or sustained employee satisfaction among the AbilityOne workers who are blind or have other significant disabilities. In FY 2013, we will continue to roll out QWE business plans across the AbilityOne enterprise and identify opportunities to increase employee satisfaction. The resources required by the Committee to achieve these targets are within the Agency's FY 2010 base level, proposed again for FY 2013 at \$5.396 M. A five percent or greater reduction over the FY 2011 enacted budget level would jeopardize the Committee's ability to achieve its objectives and targets for employee satisfaction through implementation and education of the quality work environment concept.

Employee satisfaction is important in its own right, but it is also a driver of customer service excellence. Ensuring the satisfaction and loyalty of Federal customers is equally critical to fulfilling the employment mission of the AbilityOne Program. It is a key driver of Federal agencies' continued use of the AbilityOne Program's products and services. While quality efforts such as Lean Six Sigma reviews and continuous improvement are ongoing, it is important for the AbilityOne Program to actively increase customer satisfaction over specified benchmarks. Without increased funding in 2013, the Committee will deploy strategies to improve customer satisfaction over levels measured in late FY 2011 and early FY 2012. It will analyze customer feedback received, pinpoint areas for improvement, and implement cost-effective tactics to begin to enhance Federal agencies' experience with the AbilityOne Program and level of overall satisfaction. Current Agency staff with expertise in communications, customer relationship management and data analysis will be tapped to define the scope and implementation requirements for both short-term and long-term strategies to address service gaps.

The expected outcome is increased and/or sustained customer satisfaction among the Federal agencies that purchase or use AbilityOne products or services. The target for FY 2013 is establishment and implementation of strategies to measurably increase customer satisfaction, resulting in repeat business from Federal agencies. This and other efforts discussed below must receive our priority attention and investment, to create additional employment for the AbilityOne workforce. A five percent or greater reduction below the FY 2011 enacted budget level would jeopardize the Committee's ability to create and sustain the highest level of customer satisfaction, as reductions in the Agency's efficient operating ability will result from underfunded IT systems support and reduced customer engagement.

### GOAL 3: EMPLOYMENT GROWTH

To provide employment opportunities for people who are blind or significantly disabled the AbilityOne Program must aggressively pursue new employment opportunities. More than 17 million Americans are blind or have other severe disabilities, and they have the highest level of unemployment among all segments of the U.S. population<sup>2</sup>. The AbilityOne Program attempts to correct this inequity, providing more than 47,000 job opportunities to people who are blind or who have other significant disabilities. Thousands of working-age Americans who are eligible for the AbilityOne Program could be served if more work is made available.

The Committee has identified and is pursuing several strategies to increase employment opportunities under the AbilityOne Program. The Agency is employing data mining and proactive engagement with Federal Agencies to identify new opportunities and recommend selection of an AbilityOne solution creating the maximum jobs. As a result, new employment opportunities in lines of business such as contract closeout services, hospital environmental services and total facilities maintenance have been added to the Committee's Procurement List, creating hundreds of jobs for people who are blind or significantly disabled.

However, in today's economic environment and with overall constrained Federal procurement budgets, new jobs are often offset by decreases in employment attributable to shifts in Federal procurement requirements and priorities. These facts heighten the need for the Committee to implement initiatives and business practices that adapt to the Federal procurement environment, neutralize potential job losses and result in employment growth. In FY 2013, the Committee will continue to employ procurement data analysis, to engage with the large procuring agencies and to identify lines of business that create the most jobs for people who are blind or severely disabled, to foster significant employment growth. This can be accomplished at existing (FY 2011) staffing levels and with current funding for the highest priority customer engagement activities, requested again for FY 2013 in the \$5.396 M budget proposal.

The Committee is partnering with other Federal agencies to create and deliver training programs aimed at Federal employees and industry employees who perform Federal contract work, to educate them about the professional capabilities of people who are blind or severely disabled under the AbilityOne Program. To further education and outreach efforts among Federal agencies, and in particular, to increase AbilityOne employment of veterans who are blind or severely disabled, the Committee will continue to work with the Departments of Defense, Labor and Veterans Affairs to develop and execute an integrated strategy to increase AbilityOne employment of veterans. The Committee will establish and update necessary policies and procedures to partner with the Small Business Administration and the small business community to support mutual business development and employment growth.

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<sup>2</sup> Ibid.

The expected outcomes are increases in total jobs and hours of work provided by those jobs to people who are blind or have other significant disabilities, as compared to the previous year. AbilityOne jobs put more than \$525 M in wages in the pockets of more than 47,000 Americans who are blind or significantly disabled in FY 2010, and these numbers are expected to increase in FY 2011. Sustaining the investment in FY 2013 will ensure that jobs continue to be created and the population we serve is able to achieve greater economic independence. A five percent or greater reduction over the FY 2011 enacted budget level would jeopardize the Committee's ability to understand and educate both its customers and its nonprofit agencies who employ individuals with significant disabilities or who are blind.

The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2013 include our existing staff members who work in business operations, pricing, compliance and communications. In FY 2011, the Agency maintained thousands of products and services on its Procurement List through the timely execution of a wide range of necessary business transactions. Through quality customer service and demonstrated sound governance, the AbilityOne Program will have the opportunity to create even more jobs for individuals with disabilities in the future. As noted, a decrease of five percent or more from the Agency's FY 2011 enacted budget level would negatively impact performance and fulfillment of this priority goal.

#### **GOAL 4: BUSINESS EXCELLENCE**

The Committee executes business processes directly linked to key stakeholders and the employment mission. Three primary business processes that require attention, resources and coordination across Federal and nonprofit agencies are (1) the Procurement List addition process that generates employment, (2) fair market pricing policy and procedures, and (3) the Central Nonprofit Agency (CNA) Fee determination process.

The Agency's Procurement List addition process is defined by statute and regulation. Over the past five years, the Agency's business process reengineering has resulted in the deployment of an information management system to provide an electronic workflow vehicle and standardized procedures, resulting in some reduction of processing delays. However, further streamlining is needed to minimize the overall administrative burden and provide more responsive service to Federal customers. While statutory or regulatory change would be necessary to achieve the most sweeping reform, a number of efficiencies are being pursued within the Committee's current authority through an end-to-end review of the processes utilized by all participating organizations. An initial review and diagnosis of the process in FY 2010 has identified four high-opportunity target areas for streamlining and process improvement.

By statute, the Committee is responsible for establishing the fair market price of products and services in the AbilityOne Program. Delays in this process, before or

after the recommendation is received by the Committee, can delay timely contract awards. An end-to-end review of pricing procedures, initiated in FY 2012, will enable the Committee to identify process improvements and efficiencies that have tangible results in FY 2013, assuming a basic level of funding at \$5.396 is enacted. A five percent, or greater, reduction over the FY 2011 enacted budget level would jeopardize the Committee's ability to invest resources into the types of process improvements described above.

Finally, the Central Nonprofit Agency (CNA) Fee Ceiling process is critical to the administration of the AbilityOne Program, as it funds the private, nonprofit CNAs' performance of their designated duties. The fee must be fair and properly applied so that neither the Federal customer nor the nonprofit agencies participating in the program are unduly burdened. Within the past five years, the Committee and CNAs have collaboratively established a process and timeline for the annual Fee Ceiling determination that supports most needs of the CNAs, nonprofit agencies and Federal customers, but the evaluation process should be further refined. The Committee has an obligation to ensure that the CNA Fee is used as intended to benefit the AbilityOne Program overall.

The intended outcome for this goal area is that the Agency's processes are executed in accordance with documented procedures that have been developed with input from stakeholders and efficiently deliver results. The Agency will continue to consult with program leaders, front-line employees, customers, external partners and other stakeholders in developing and implementing this goal. The performance targets for FY 2013 are the reduction of cycle time for both the Procurement List processes and the fair market pricing processes. The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2013 include our existing staff members who work in business operations, pricing, and policy/programs.

## **FY 2013 GOVERNMENT-WIDE INITIATIVES**

### **Improper Payments Reductions**

In accordance with the Improper Payments Information Act of 2002, the Committee reports that it had no significant improper or erroneous payments in FY 2010. As of September 12, 2011, the Committee staff has reviewed and reconciled all FY 2011 payments to date, and has identified no significant improper or erroneous payments in this fiscal year. Therefore, no corrective action is required.

The Committee has no grant making authority, makes no payments to beneficiaries, has no unneeded real property and has no debt collection program. The Committee has fewer than eight contracts for services; none in excess of \$215,000 per year and most are significantly below that threshold. Nearly all of the agency's resources are dedicated to personnel, rent and mission-critical travel. The Agency is committed to monthly reconciliation of all spending, including payroll, and will remain vigilant in oversight of payments.

### **Acquisition Improvements/Workforce**

As noted above, the Committee has very few discretionary funds, once personnel, rent and travel requirements are paid. However, like any office or place of business, the Committee has ongoing requirements for supplies, equipment and business services such as wireless phone service, domestic package delivery and office machine rental. The Committee uses existing government-wide contracts to leverage volume and obtain discount prices. The Agency will seek to minimize office and general supply costs in FY 2013 by continuing to conserve resources – print fewer documents, re-use and repurpose existing supplies, and reduce package delivery and printing costs.

As a small agency, the Committee does not have an acquisition workforce, nor does it have the FTEs available to hire dedicated acquisition professionals. The Committee relies on GSA's agency liaison division to provide acquisition services that are beyond its own capability. The Agency is also training current personnel in basic acquisition skills via online Defense Acquisition University and other Federal training courses.

### **Overlap in Federal Programs**

The Committee will participate in a government-wide review of ways to improve the effectiveness of disability programs through better coordination and alignment of priorities and strategies. This will build on previous efforts that have sought to better coordinate policies and programs across Federal, state and local governments, the service provider community and employers to improve the effectiveness and efficiency of programs serving individuals with disabilities. While some significant coordination efforts have proven successful, the Administration expects collaboration and innovation to improve efficiency and effectiveness as well as reduce costs even further. The focus of the upcoming review will be to work with

agencies authorized to run disability-specific programs and those programs that impact and affect people with disabilities to explore how they can achieve better results for this population by sharing data; defining shared objectives; coordinating goal-setting, integration, implementation and measurement to track progress; and improving management response time when adjustments are needed.

## **INFORMATION TECHNOLOGY**

### **IT Infrastructure, Project Management, Cyber Security**

The Committee's primary business information system was developed and launched in FY 2008.

The Committee continues to make minor enhancements to the system's usability and efficiency, to better support AbilityOne Program business transactions with Federal customers and participating nonprofit agencies. There are no new technological initiatives in development or investments sought for this budget cycle.

This FY 2013 budget request, at \$5.396 M, includes a funding level of \$320,000 for high-priority maintenance of the agency's information management system as well as ongoing support of its local area network. These systems are critical to the Agency's ability to perform mission-critical tasks on a daily basis. Their accessibility and continuity also enable the Committee to increase productivity for staff on official travel and to meet government-wide goals for telework. The Agency requires programming support to maintain its electronic workflow system that automates all AbilityOne business transactions, to include collection of compliance reports. This support requires specialized skills that are not inherently governmental. It is not advantageous to the Agency to directly hire individuals with these specialized skills, which require frequent updates, training and certifications. If funded at five percent less than the FY 2011 enacted level (\$5.116 M), the Committee's ability to maintain IT at the necessary level to fully support the mission workload is impacted. The Agency would have to forego some critical maintenance and will have no opportunity to make minor enhancements that increase efficiency and effectiveness in its Procurement List system.

As noted earlier, the Committee supports the Administration's priorities for information technology; particularly to leverage technology to foster transparency, participation and collaboration. The Agency will leverage commercially available technology to develop and disseminate Internet-based communication, and in particular, will make cost-effective use of video teleconferencing, web meetings and webinars to ensure that AbilityOne participants can share their concerns, best practices and recommendations directly with Agency leaders. These initiatives require no significant investment in FY 2013.

The Committee has an interagency agreement with the Department of Homeland Security, National Cyber Security Division. Under this agreement, DHS provides consolidated intrusion detection, incident analysis and cyber response capabilities in the protection and defense of the Committee's external access points and network. There are no additional funds requested in FY 2013 for this.

## Update: Employee Engagement and Wellness

Employee engagement is directly linked to achievement of agency missions. The Committee is implementing an action plan that will improve employee engagement and satisfaction among its personnel, based on feedback from the most recent Federal Human Capital Survey (FHCS). The following areas were selected because they would have the most significant impact on the Agency's ability to discharge its statutory and regulatory duties, and to execute the policies and strategies necessary to achieve Agency strategic goals:

- Personal Work Experiences
- Recruitment and Retention, and
- Performance Culture.

During FY 2011, the Agency placed a greater emphasis on linking employees with the strategic goals and mission directly or indirectly supported by their positions. For example, all staff members are routinely briefed on strategic initiatives and legislative developments, and asked to share their perspective and expertise on macro-level issues. News impacting the Agency is communicated to managers and employees via weekly senior staff meetings and monthly all-hands meetings. Additionally, organizational training activities have been established, which result in team building and sharing of knowledge among and across departments.

Leadership focus on engagement, communication, performance and human capital management is expected to continue to positively impact these broad areas from the 2008 FHCS. The Committee will use the FHCS results to target an average 25% increase in scores associated with those areas. Recruitment and retention were executed successfully in FY 2011, demonstrated by the Agency reaching 100% staffing and having no attrition.

The Committee is not a Chief Human Capital Officers (CHCO) Act agency, and as such, does not have a formal wellness program. However, its leadership does promote work life balance, and has established policies that provide workplace flexibilities such as alternate work schedules and telework, which can reduce fatigue and stress among employees, and can enable employees to spend more time exercising. The most recent Federal Human Capital Survey (FHCS) scores showed 100% satisfaction scores across the agency for (1) supervisors supporting their needs to balance work and home life, and other life issues and (2) support of telework schedules.

In FY 2013, the Agency will continue to seek innovative means to promote wellness at no cost. The Agency will develop in-house wellness training on a broad array of topics including preventative healthcare, and encourage some form of exercise either within their office space or outside the office (e.g. walking or at a local fitness center.)

## POLICY AND FUNDING PRIORITIES

The Agency's top policy and funding priorities pertain to employment, compliance audits and efficient business practices. Each of these is directly tied to the Agency's strategic goals as discussed in the performance plan/goals section above. At the same time, each of these priorities will advance the Administration's goals and each is critical to the Agency's accomplishment of its mission.

Employment of people who are blind or significantly disabled directly accomplishes the President's objective to empower people with disabilities and is ***"putting America to work"*** as intended in his American Jobs Act. Compliance audits and our goal of effective stewardship specifically accomplish President Obama's goal to responsibly govern the nation. To achieve this Agency priority, it is critical to maintain current funding dedicated to the objective of ensuring oversight and full compliance with all laws and regulations. Efficient business practices ensure strong governance and maximize return on investment. The Agency must continue to leverage available technology in its execution of mission-related business transactions

In the current environment, creating and sustaining employment of people who are blind or who have other significant disabilities is the absolute highest priority, and requires a sustaining level of funding for the Agency at \$5.396 million. Growing jobs and ensuring proper oversight and stewardship are critical investments that will positively affect the country's employment rate.

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## **AGENCY DISCRETIONARY FUNDING TARGETS AND ALTERNATE TARGETS**

The Committee's prior year, current year and budget year requests contain no mandatory funding targets. The Congress has not directed any specific allocation of the Agency's appropriation. No discretionary funding targets were provided for FY 2013 within the Administration's FY 2012 budget.

## **TERMINATIONS, REDUCTIONS AND SAVINGS**

The Committee administers only the Javits-Wagner-O'Day Act and the AbilityOne Program it authorizes.

In terms of savings, the Agency continues to use cost avoidance measures such as deploying technology to reduce processing costs and to lessen its dependency on paper and other consumable supplies. The Agency has minimized the number of hard copy publications it prints and distributes in favor of providing electronic copies online. Adoption of web-based business transactions has already reduced the need for couriers and some package delivery services. In FY 2012 and 2013, leveraging economical video teleconferencing equipment will enable the Agency to reduce travel that is unrelated to program compliance.

Due to obligatory increases in personnel and technology costs, a budget level below \$5.396 M would result in a lack of sufficient funds to support the Agency's human capital infrastructure, to fulfill all statutory, regulatory and contractual obligations. The Committee has already requested and received some limited price reductions from its primary vendors. A further budgetary decrease would preclude the Committee from being able to afford adequate IT support services to ensure continuity of operations for the Agency's electronic workflow and information management system.

## **PROGRAMMATIC INCREASES OR ANOMALIES**

The Agency reached 100 percent of its funded staffing level in FY 2011, and has had no attrition during the year. As personnel and rent costs represent approximately 85% of the Agency's current and requested budget, there is no margin from which a reduction can be absorbed. Should the Agency budget be reduced below the enacted FY 2011 funding, particularly more than five percent below that level, after reducing all other non-mandated spending, it will be necessary to initiate a reduction in force or multiple furloughs to avoid an Antideficiency Act violation. The Committee requires a human capital infrastructure that can fulfill its mission. The current environment of accountability and transparency, along with the critical need to invest in and accelerate job creation, necessitates that the Committee have employees with the experience, skills and

abilities to execute program compliance, policy development and implementation, and education and advocacy to Federal agencies.

## BUDGET REQUEST BY OBJECT CLASS

Table 2: Budget Request by Object Class					
	FY 2010 Authority	FY 2011 Enacted	FY 2012 Request	FY 2013 Request	FY 2013 if at 5% below FY 11 enacted
Personnel	\$3,335,000	\$3,245,000	\$3,530,000	\$3,275,000	\$3,210,000
Benefits	830,000	812,000	876,000	823,000	810,000
Travel	230,000	220,000	238,000	222,000	110,000
Rent & Communications	443,000	550,000	550,000	550,000	550,000
Printing	20,000	20,000	10,000	10,000	10,000
Services	435,000	435,000	460,000	430,000	340,000
Supplies	50,000	50,000	52,000	40,000	40,000
Equipment	53,000	53,000	55,000	46,000	46,000
Losses & Claims	0	0	0	0	0
<b>TOTAL</b>	<b>\$5,396,000</b>	<b>\$5,385,000</b>	<b>\$5,771,000</b>	<b>\$5,396,000</b>	<b>\$5,116,000</b>

### Object Class Narrative for FY 2013 Request at \$5.396 M:

**Salaries and Benefits - \$4,098,000.** Salary and benefits amount to more than 75 percent of the requested budget and covers the Agency's FY 2013 workforce plus required fringe benefits, for a total of 27 FTEs. Each of these positions has been reviewed to ensure it is providing the maximum benefit in support of the Agency's high priority goals, such as program compliance assurance, employment growth and sustainment, disability employment education and communication to Federal agencies. Positions will continue to be reviewed and reprogrammed as necessary to most efficiently and effectively promote the mission. This amount also includes four private citizen Committee members who are appointed by the President to represent the interests of individuals who are blind or who have other significant disabilities. These Special Government Employees are paid at the Executive Level IV rate on a per-diem basis when conducting Committee business.

**Travel - \$222,000.** As a result of GAO recommendations, the Committee has intensified its efforts to provide more oversight of the nonprofit agencies participating in the AbilityOne Program. This was accomplished by increasing the compliance staff and on-site audits. Committee staff on-site audits must assess more than 600 nonprofit agencies' overall compliance with statutory and regulatory requirements, as well as validate and verify the data reported by nonprofit agencies through their annual certifications. This budget line predominately funds the compliance audits, includes travel requirements to increase employment opportunities and other minimal travel by the Committee staff to accomplish the mission. It also includes travel by the private citizen Committee members to conduct official business, and any travel support that may be required as reasonable accommodations to appointed private citizens with disabilities. Direct customer and

stakeholder engagement, training and participating in high-value forums is an integral part of seeking input, maintaining transparency and increasing awareness of the AbilityOne Program, and will be conducted to the extent allowed by available resources. However, in light of the austere budget climate for FY 2013, the Agency will increase use of VTC and web meetings to reduce travel costs as much as possible in areas outside of program compliance.

**Rent & Communications- \$550,000.** The primary driver of this budget class is the negotiated rent for FY 2013 in the Agency's lease, which is approximately \$503,000. The remaining funds requested are necessary for monthly charges for current telecommunications equipment, which will be minimized as much as possible through strategic sourcing. The Committee also maintains high speed web connectivity and remote access Internet service provider accounts. As an agency that serves and employs people with disabilities, we must acquire and sustain systems that are Section 508 compliant. The Agency must also provide staff members access to network and email accounts while on travel or teleworking from home or alternate locations.

**Printing - \$10,000.** In accordance with the Administrative Procedures Act, the Agency continues to have printing costs associated with publishing notices in the Federal Register. This fulfills legal requirements and promotes transparency. The Committee routinely seeks efficiencies in this category and leverages the electronic dissemination of information. The Agency will seek to consolidate and/or minimize the volume of text published in the Federal Register to conserve in this area, and will explore leveraging online publication to provide more detailed information to the public.

**Services - \$430,000.** GSA has informed the Committee that finance and payroll services will increase 81% over the FY2011 rates due to GSA's recent study of its services and cost recovery.

As a small agency, the Committee conserves its employee resources and pays GSA to provide administrative support for HR/personnel support, accounting and payroll services. The Committee will have to offset increased costs in this category by reducing its spending on training services and other services that can be decreased such as OPM support for recruiting and filling vacancies (no vacant positions remain).

This category also includes advisory and assistance services for statutory requirements. For example, in accordance with FISMA, the Committee must review and report on its security functions on a yearly basis. Similarly, the Accountability of Tax Dollars Act of 2002 requires every agency, regardless of size, to conduct an annual audit of its financial statements. In both of these instances, the Committee procures the services of experts to perform the review functions so that the Committee can then take action to ensure full compliance. Finally, a very small portion of this category would fund educational and communications support where again the technical skills exceed the nature of the relatively small Committee staff. While larger agencies have personnel specifically designated to handle such requirements, the Committee must procure services to assist in or perform work that is required to meet these annual statutory requirements.

Another major portion of this category is the operation and maintenance of equipment. The Committee's information management system – the backbone of the Agency's operations database and electronic workflow – requires programming expertise to keep pace with changes in the business environment. The Committee's LAN, VPN, electronic mail, security and Internet systems are mission critical systems. Although the Committee's Chief Information Officer has the expertise and ability to capably handle most day-to-day operations, the LAN, VPN, electronic mail, security and Internet systems have grown both in terms of sophistication and complexity. Rather than attempt to add additional Government employees to the staff, the Committee procures services to perform both on-going, and as required, technical support from commercial firms with special expertise to support network operations.

**Supplies and materials - \$40,000.** The Committee will have to achieve savings in this object class in order to have the necessary funds to cover fixed personnel and rent costs. Staff members will be required to reduce office supplies consumption. Subscriptions to technical references such as Gallery Watch (legislative information), WestLaw (legal information) and other technical journals or publications will be reduced. The agency will seek savings by minimizing the cost of plaques or other nominal tokens of appreciation presented to Federal agencies in the form of awards and recognition. IT supplies, include license upgrades for office software packages, will remain the same.

**Equipment - \$46,000.** The Committee will have to achieve savings in this object class in order to have the necessary funds to cover fixed personnel and rent costs. Where possible, the Agency will delay refreshing office equipment or employee work stations. Employees with routine travel or telework schedules will be issued economical laptops that they will use both in the office and off-site.

**Narrative for FY 2013 Request at 5% below the FY 2011 enacted level (resulting in \$5.116 M):**

If the Agency's budget is reduced in FY 2013 to \$5.116 M, which is five percent below the enacted FY 2011 level, fixed costs will not change. The Agency's salary and benefits requirements can be decreased only slightly, by reducing the number of days in which funding is available for the Committee's Special Government Employees, the private citizens appointed by the President, to serve in this capacity. Their official business, particularly meetings, will no longer be able to be conducted at the same regular intervals, and most, if not all business will have to be conducted only virtually. While some virtual meetings are planned for FY 2013 at the requested funding level of \$5.396 M, a reduction from this level will remove nearly all Agency discretion in conducting business during publicly attended events where engagement, participation and other transparency objectives are furthered. Funds to conduct on-site compliance audits would have to be cut in half, jeopardizing the ability to thoroughly monitor and promote compliance with the law and regulations. Finally, the Committee will be forced to down-scope contractual services that it cannot eliminate without penalty. Particularly in the area of IT support, this would negatively impact the Agency's continuous, reliable operability,

its ability to create process efficiencies, and its ability to fully support remote access for productivity during telework or travel.

A funding level below \$5.116 would not cover the cost of the Agency's workforce, along with fulfillment of all legal, regulatory and contractual obligations. In the event of such a shortfall, in addition to the reductions listed above, the Agency would have to initiate a reduction in force and/or furlough days for its employees. The Committee's ability to create and sustain jobs for people who are blind or who have other significant disabilities will be severely jeopardized.

## PROPOSED APPROPRIATION LANGUAGE

### *COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED*

#### *SALARIES AND EXPENSES*

For expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled, established by Public Law 92-28 (41 U.S.C. 46-48c as amended), \$5,396,000.

## CONCLUSION

The Committee for Purchase From People Who Are Blind or Severely Disabled administers the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c), as amended.

The AbilityOne Program is a **jobs program**. Despite the challenges of our national economy, *employment under the AbilityOne Program grew more than 3 percent during FY 2010, providing work to more than 47,000 individuals with disabilities*. Based on conservative data, more than *3,300 employees are veterans and 1,600 have significant disabilities*. We anticipate an additional increase in hours worked and wages for our target population when FY 2011 is closed out. Sustaining AbilityOne employment nationwide and our ability to foster new job growth for people who are blind or who have other significant disabilities is absolutely critical in this environment. AbilityOne is the single largest source of employment for working age Americans with the most significant disabilities, a segment that has only a 21 percent rate of participation in the U.S. labor force<sup>3</sup>.

The Committee, through the AbilityOne Program, addresses the essence of several of the President's major objectives: **job creation**, workplace diversity and employment of wounded warriors. In fact, the employment opportunities provided under the AbilityOne Program are a vital part of the recovery process for soldiers returning from the war theater with significant injuries. The AbilityOne Program is well aligned with these and other themes expressed in the President's speech regarding the American Jobs Act. By definition, participants in the AbilityOne Program are unable to obtain employment in the competitive market; the AbilityOne Program targets and brings opportunity to individuals who otherwise experience long-term unemployment. Further, the AbilityOne Program helps reduce overall Federal spending through avoiding costs that would incur if the employees in our program are unable to obtain employment and are forced to rely solely on entitlement programs.

This budget request is structured to support the Committee's mission and, particularly, to support its effort to generate and maintain much-needed employment opportunities for people who are blind or have other significant disabilities, while ensuring strong program stewardship. Recognizing the need to maximize resources and perform the mission as economically as possible, the Agency has submitted a request for less funding than it deems necessary to fully and effectively execute its Strategic Plan and

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<sup>3</sup> The Bureau of Labor Statistics reported that in August 2011, the percentage of people with disabilities in the labor force was 21.0. By comparison, the percentage of persons with no disability in the labor force was 69.9. [<http://www.bls.gov/news.release/empsit.t06.htm> retrieved 9/5/2011].

employment mission. However, the funds requested will enable the Committee to minimally pursue its highest priority goals while fulfilling statutory and regulatory requirements.

Employment has long been a pillar of the Administration's Plan to Empower People with Disabilities.

The AbilityOne network employs 47,000 people who are blind or have other significant disabilities nationwide. It is the single largest source of employment for this segment of the U.S. population. The Committee's high priority goal and strategies to grow employment will increase the AbilityOne Program's reach and provide more Americans with disabilities the opportunity to work.

Accordingly, the Committee's goals, strategies and resulting budget request are well aligned with the Administration's priorities for employment, as well as economic growth, accountability, transparency, and maximization of technology to deliver services efficiently and effectively. The President speaks with passion about the need for all Federal agencies to ***"realize more fully the goal of using the talents of all segments of society."*** The AbilityOne Program plays a key role in fulfilling this need, and the Committee looks forward to continuing to execute this mission.

## Appendix A Financial Management

Though it is a small, independent agency, the Committee accomplishes an important mission that is national in scope – touching the lives of more than 47,000 people who are blind or who have other significant disabilities in FY 2011. It does so without a national infrastructure, and with very limited appropriated funds. The agency's enacted 2011 budget was \$5,835,000; a decrease of 0.2 percent from its enacted FY 2010 budget of \$5,396,000. This budget is primarily used to fund salaries and benefits for the Agency's full-time civil service staff and private citizen members, to pay for rent and overhead expenses at the agency's sole office in Arlington, Virginia, and to fund official travel such as on-site audits of nonprofit agencies' compliance with the law and relevant regulations. Any change in the agency's financial position from the previous fiscal year is nominal.

The agency's goals, objectives, targets and measures are focused on administration of the AbilityOne Program nationwide. The External Services Branch of the Finance Division at the General Services Administration (GSA) provided financial systems services to the Committee under an interagency agreement during FY 2011, as they have in years past. These include an accounting system, travel, administrative payments; personnel compensation and benefits; and cash collection and deposits. The Committee relied primarily on audits of the Finance Division conducted by the Office of the Inspector General at GSA to uncover material weaknesses in the systems and to ensure that internal control procedures are in place. No material weaknesses have been reported to the Committee by that office.

Given its small size, for many years the Committee did not have a formal internal controls program, though it did have processes and procedures to prevent the unauthorized use or misappropriation of Government assets going undetected. However, our independent financial auditor advised the Committee that GSA's controls do not include adequate assurance of the accuracy of the reports they generate from the Financial Information Management System (FMIS) on behalf of client agencies such as the Committee. Thus, performing monthly vice periodic reviews and reconciliation of financial statements generated from FMIS was recommended, and has been adopted, to prevent the agency from experiencing a future material weakness in internal control over financial reporting.

The Committee established a spending data quality framework as instructed by the Office of Management and Budget (OMB) and the Open Government Directive. Training and assistance has been obtained to help the Agency avoid experiencing a future material weakness in internal control over financial reporting related to property capitalization.

With the above corrective actions, the Committee provides reasonable assurance that its systems of internal accounting and administrative control comply with applicable requirements of the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123 (revised December 21, 2004). The Committee also provides reasonable assurance that the agency's management accountability and internal controls are adequate and effective.

