

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Budget Supports Obama Administration's Efforts to Strengthen Economic Growth, Make Government More Efficient

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*Treasury Identifies \$286 Million in FY2013 Savings, Proposes Consolidation of the Bureau of the Public Debt and Financial Management Service*

*Budget Request Makes Key Investments to Spur Economic Growth and Job Creation, Protect our National Security Interests*

**WASHINGTON** – Today, Treasury Secretary Tim Geithner highlighted key components of the Treasury Department's Fiscal Year 2013 Budget that will help support the Obama Administration's comprehensive efforts to strengthen economic growth, create new jobs, and make government more efficient.

"The President's Budget makes critical investments to strengthen our nation's economic competitiveness and spur job creation, while putting in place long-term fiscal reforms that will help improve our capacity to sustain growth in the future," said Treasury Secretary Tim Geithner. "As part of that comprehensive strategy, Treasury is continuing to support key priorities that will help strengthen economic growth, as well as identifying innovative ways to deliver essential services at lower costs to taxpayers."

### ***Improving Efficiency, Reducing Taxpayer Costs, Reforming Government***

Overall, the Treasury Budget request proposes operating efficiencies and program reductions that would reduce taxpayer costs by \$286 million in FY2013 and produce additional ongoing savings in future years.

As part of its continued efforts to help make government more efficient, Treasury is proposing to consolidate the Bureau of the Public Debt (BPD) and the Financial Management Service (FMS) into a single organization named the *Fiscal Service*. This consolidation would save an estimated \$36 million over five years through management, administrative, and support service efficiencies.

The proposed consolidation comes on the heels of the merger of FMS and BPD's data centers, which Treasury completed in January 2012. This data center merger and ongoing integration of the two bureaus' IT services are projected to save an additional \$129 million over five years.

The President's Budget also proposes legislation to provide Treasury with the ability to change the composition of coins to utilize more cost-effective materials. Currently, the costs of making the penny and the nickel are more than twice the face value of each of those coins. Treasury is also implementing additional measures to improve the efficiency of coin and currency production, including improved manufacturing practices and administrative cost reductions, which will save more than \$75 million in FY2013.

These savings build on a number of steps that the Department has taken during the last three years to improve efficiency and reduce taxpayer costs, including:

- In December 2011, Vice President Biden and Secretary Geithner announced that the United States Mint is suspending production of surplus Presidential \$1 Coins for circulation, which will reduce production costs by at least \$50 million annually.
- Treasury is continuing to transition to electronic payments for federal beneficiaries and retirees, which will save more than \$300 million over the first five years and convert approximately 135 million check payments to electronic payments per year.
- Treasury's e-file program has saved taxpayers \$63.9 million by increasing the electronic filing rate for individual tax returns from 66 percent in 2009 to 76.9 percent in 2011.
- Environmental improvements made at the Treasury Department are producing an estimated \$3.5 million in energy and lease cost savings annually. Those green design and construction features also helped the Treasury Building earn LEED Gold Certification, making it the oldest LEED-certified building in the world.

The FY2013 Budget request for Treasury's operating bureaus – excluding the Internal Revenue Service (IRS) – is 2.7 percent below the FY 2012 enacted level and 6.8 percent below the FY2010 enacted budget. The IRS's request includes investments in enforcement activities that will contribute significantly to improving voluntary compliance with the tax code. Every dollar spent on the IRS yields more than four dollars in increased revenue from non-compliant taxpayers, and the enforcement investments included in the FY2013 Budget are expected to produce \$1.5 billion in additional annual revenue once fully implemented.

Additionally, Treasury's request includes funding for initiatives that are critical to full and effective IRS implementation of the Affordable Care Act, which is projected to lower the deficit by more than \$1 trillion over the next two decades.

### ***Spurring Economic Growth and Job Creation***

The Treasury Budget request makes key investments that will help spur economic growth and job creation.

The FY2013 Budget provides \$221 million for the Community Development Financial Institutions (CDFI) Fund, which promotes economic development investments in underserved and distressed communities. Of the total request, up to \$25 million for the Healthy Food Financing Initiative will support increased availability of affordable, healthy food alternatives in underserved communities.

The President's Budget also proposes tax cuts for middle class families, small businesses, and American manufacturing that will help strengthen economic growth and job creation. These include extending through the end of 2012 the 2 percent payroll tax cut that will save \$1,000 this year for a typical family; providing tax incentives for locating jobs and business activity in the United States; expanding and enhancing tax incentives for small business investment, and other key measures. Additional details on these tax cut proposals are available in the Treasury "Greenbook" at the following [link](#).

***Protecting our National Security Interests***

The FY2013 Budget requests \$2.9 billion for Treasury's International Programs, which provide a cost-effective means to advance our national security and support export opportunities for American companies and workers, while addressing key global challenges.

Of the total funding requested for Treasury's International Programs, \$2 billion is a continuation of funding for the General Capital Increases (GCIs) at the Multilateral Development Banks (MDBs) and funding for the concessional windows at the MDBs. The FY2013 Request also includes funding to address complex global challenges, with \$134 million for the Global Agriculture and Food Security Program (GAFSP) as well as funding of \$25.4 million for Treasury's Office of Technical Assistance.

The Treasury Department's Office of Terrorism and Financial Intelligence (TFI) plays a critical role in safeguarding the financial system against illicit use and combating rogue nations, terrorist facilitators, weapons of mass destruction (WMD) proliferators, money launderers, drug kingpins, and other national security threats. The FY2013 Treasury Budget request provides \$100 million for TFI, which will be used for blocking the flow money to terrorist organizations and their support networks and for implementing targeted economic sanctions against foreign regimes. These sanctions were a critical factor in removing the Qadhafi regime from power in Libya and they continue to add pressure to the regimes in Iran, Syria, and North Korea.

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