



Congressional Budget Justification



Fiscal Year 2018

FY 2018 Congressional Budget Justification

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EXECUTIVE SUMMARY

The Selective Service System's (SSS) FY 2018 budget estimate of \$22.9 million is identical to the FY 2017 requested and enacted amounts.

Under Federal statute {50 U.S.C. 3801 *et seq.*}, the SSS is the independent agency of the Federal Government responsible for preserving America's ability to conduct a fair and equitable draft for the military in an emergency. The SSS statutory missions are to be prepared to provide trained and untrained personnel to the Department of Defense (DoD) and to manage a program of civilian community service for men designated as conscientious objectors by SSS. This includes being prepared to classify registrants during a mobilization.

While registration is the only mission component publicly visible today, preparedness is crucial to foster timeliness, fairness, and equity if activated. Minimum preparedness requires maintaining a classification structure capable of immediate operation during a national emergency, including adequate personnel to re-institute the full operation of the Agency.

The Agency possesses a nationally significant database of 78 million records representing America's young men ages 18 through 25 that have registered with SSS. This database grows by 2 – 2.5 million records per year. In addition, SSS manages an 11,000-member pool of civilian volunteers (Board Members), has developed an Alternative Service Program for men who would be classified as conscientious objectors, and has experience in conducting a fair and equitable classification process to determine who should serve when not all can serve.

SSS has two overriding strategic goals that support the achievement of its missions: to improve registration compliance rates and readiness. Together the goals ensure that SSS has the capability to provide manpower to the DoD when directed.

Goal 1 — Ensure the capacity to provide timely manpower to DoD during a national emergency. (\$15,343K)

- Maintain a minimum registration compliance rate of 90 percent.
- Maintain the ability to call, classify, and deliver personnel.
- Be prepared to administer a fair and equitable program of civilian alternative service in lieu of military service for registrants classified as conscientious objectors.

Goal 2 — Ensure management excellence to promote economy, efficiency, and effectiveness in the management of SSS programs and supporting operations. (\$7,557K)

- Provide outstanding customer service.
- Ensure efficient and effective human resources management.
- Promote efficient and effective financial management.
- Foster efficient and effective secure information technology management.
- Ensure efficient and effective management of public communications and registration awareness of Agency programs.

PROGRAM HIGHLIGHTS

The FY 2018 Performance Budget request of \$22,900,000 is identical to the FY 2017 appropriation.

	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Goal 1	\$15,343,000	\$15,343,000	\$15,343,000
Goal 2	\$ 7,360,000	\$ 7,557,000	\$ 7,557,000
Total Budget Authority	\$22,703,000	\$22,900,000	\$22,900,000

Workforce Initiative

The Selective Service System completed FY 2016 with 121 full-time equivalents (FTE). Based upon projected requirements for Operations, Cybersecurity, Information Technology, Human Resources Capital Management (HRCM), Financial Management (FM), and other support services, the Agency's FTE target is 124 in FY 2017 and FY 2018.

STRATEGIC GOALS AND OBJECTIVES

GOAL 1 — Ensure the capacity to provide timely manpower to DoD during a national emergency. (\$15,343K)

To fulfill its readiness mission in accordance with DoD's long-standing reduced readiness requirement for Agency activation, SSS will remain prepared to provide manpower as close as possible to 193 days after activation (M+193). This requires that SSS perform adequate planning to ensure that any future delivery of manpower would be timely, fair, and operate successfully overall, together with its component functions. If activated by Congress and the President, SSS will hold a national draft lottery; contact those registrants who have been selected via the lottery; arrange their transportation to a Military Entrance Processing Station (MEPS) for mental, moral, and medical testing; and activate a classification structure consisting of area offices, local boards, and appeal boards. This procedure would be followed for delivery of both trained and untrained personnel.

Once notified of the results of their evaluation at the MEPS, any registrant who has been found qualified for military service may choose to file a claim for exemption, postponement, or deferment. If a claimant is reclassified by a local board as a conscientious objector who objects to all forms of military service, he is required to serve in a non-military capacity for 24 months. SSS will place these Alternative Service Workers (ASWs) with non-military employers and track the progress of their required service.

OBJECTIVE 1.1

Maintain a minimum registration compliance rate of 90 percent.

Registration

By law, SSS is to furnish manpower to DoD in the event of a national emergency. The registration of young men is a critical element of this perennial mission. And, consequently, the maintenance of an up-to-date database of contact information for men ages 18 through 25 is a necessary component of the Agency's peacetime mission. The registration program consists of the identification, contact, and in-processing of young men, together with maintenance of an automated database of registrants, supported by a public registration awareness effort.

Registration Compliance

The higher the national registration compliance rate, the more fair and equitable any future draft would be for each registered individual. The Agency performs registration awareness activities, together with automated compliance endeavors, to: (1) identify non-registrants and remind them of their obligation to register; and (2) inform young men that they need to register to remain eligible for federal and state student financial aid, job training, government employment, and U.S. citizenship.

To help ensure that any future selection is fair and equitable, and that registration-age young men do not lose federal and state benefits associated with the registration requirement, many states and U.S. territories have implemented and continue to implement laws that require or allow men to register with SSS when they apply for a state driver's license or identification card.

The Registration, Compliance, and Verification information systems support the Agency's

requirement to register men when they turn 18. These mission critical systems process registrations (mostly by electronic means, some by paper forms), maintain a compliance program to identify non-registrants, create and distribute various types of associated registration/compliance mailings, produce statistical registration/compliance reports, verify registrations for outside entities, and continually maintain the accuracy of the registration data.

Implementation

SSS will continue to work with federal and state agencies to facilitate registration through electronic data exchange, assist in fostering state legislation in support of the registration requirement, and increase its web presence. This may enable the Agency to reduce printed forms and mailings, tailor registration awareness programs, and continue other limited public outreach opportunities, including public speaking engagements and registrar programs — primarily in high schools and at Workforce Innovation and Opportunity Act job training locations.

Means

- Support states in their efforts to pass legislation requiring young men to register with the SSS as a condition for obtaining a motor vehicle driver's permit/license and/or state identification card.
- Maintain current and negotiate new initiatives with other state and federal agencies to facilitate registration, including tape matching, electronic data exchange, and encouraging secured access to information.
- Maintain cost-effective registrar programs in high schools and with agencies involved with the Workforce Innovation and Opportunity Act, National Farmworker Jobs Program, and other programs that reach potentially hard-to-reach registrants.

- Maintain the Agency's registration awareness programs, to include production and distribution of information via print, radio, social media, Internet, and public presentations.

Measures

- Maintain a registration compliance rate of 90 percent or greater for men ages 18 through 25.
- Maintain at least 87 percent of all registrations electronically.

OBJECTIVE 1.2

Maintain the ability to call, classify, and deliver personnel.

Personnel Delivery Program

The purpose of the Personnel Delivery Program is to randomly select registrants, contact selected registrants, and arrange for their delivery to MEPS. The lottery activity within this program addresses the need for a random sequence selection, while the personnel delivery activity addresses the need to place those individuals selected into the military's induction system.

Registrant Reclassification Program

The Registrant Reclassification Program addresses the needs of those who are administratively, physically, and mentally fit for induction, but who qualify for an exemption, postponement, or deferment. Activities for registrant reclassification include the identification, interview, appointment, and training of Board Members who will decide claims. Included also are the development and maintenance of plans for expansion of the field structure across the United States. This program preserves the nation's capability to conduct a fair and equitable draft in an emergency.

Implementation

SSS maintains registrant induction, classification, and appeal plans, as well as a minimum cadre of personnel trained to expand the Agency upon the authorization of the Congress and the President. The Agency ensures the currency of Memoranda of Understanding (MOUs) with other federal and state agencies, as well as relevant public/private entities, for peacetime and expansion requirements. Agency planning necessitates ongoing interface with DoD and U.S. Military Entrance Processing Command (USMEPCOM) to guarantee a responsive capability to satisfy DoD manpower requirements.

Means

- Ensure registrant induction and classification plans, policies, and procedures, including concomitant documentation, are adaptable to approved scenarios.
- Provide preparedness training to full-time staff, State Directors, military Reserve Force Officers (RFOs), and Board Members.
- Periodically assess key components of Agency activation capability.

Measures

- Maintain call and deliver plans; ensure adequacy and integration of other preparedness plans and standard operating procedures.
- Maintain Board Member strength at 90 percent or higher.
- Implement corrective action resulting from periodic assessments for peacetime and activation capability, overall efficiency, and effectiveness.

- Maintain 95 percent or higher passing rate for RFOs and State Directors on the periodic certification examination that tests their capability to perform their activation responsibilities.

OBJECTIVE 1.3

Be prepared to administer a fair and equitable program of civilian alternative service in lieu of military service for registrants classified as conscientious objectors.

SSS is required by law to provide a supervised 24-month term of civilian alternative service, in lieu of military service, for all registrants classified as conscientious objectors. In addition to other employment options, the Agency is responsible for placing ASWs with governmental and non-profit entities in lieu of induction into military service.

To meet this requirement, SSS works continuously on plans, policies, and procedures to ensure its ability to implement a responsive and publicly acceptable Alternative Service Program (ASP). This includes being prepared to establish and populate an Alternative Service Employer Network (ASEN) with eligible employers capable of employing ASWs. Potential employers are identified and provisional employment agreements are sought to increase the number of employer partners that may be called upon in any return to conscription.

Implementation

SSS periodically assesses and enhances the policies and procedures of the ASP, the mechanism used to employ and monitor conscientious objectors during their 24-month term of alternative service. This is accomplished through consultation with the conscientious objector community, program evaluations, management reviews, and outside audits, along with federal, state, and non-profit stakeholder inputs.

SSS has developed and maintained policies, procedures, and model MOUs to support and engage (in peacetime) appropriate potential employers to which ASWs can be assigned during a national emergency. A key benefit of these efforts is a database of employment opportunities for conscientious objectors.

Means

- Employ feasible technology wherever practical and introduce cost savings and streamlined procedures into the Agency's revised preparedness endeavors.
- Establish, maintain, and expand MOUs with federal and state agencies and non-government organizations.

Measures

- Possess capacity to activate Alternative Service Offices to ensure timely assignment of ASWs.
- Be prepared to ensure timely, consistent handling of job reassignment claims.
- Increase membership in the ASEN.

GOAL 2 — Ensure management excellence to promote economy, efficiency, and effectiveness in the management of SSS programs and supporting operations. (\$7,557K)

SSS is placing increased emphasis on ensuring that it provides outstanding customer service. An integral part of this endeavor is implementation of a more active and responsive Equal Employment Opportunity program, to include periodic training for managers, supervisors, and employees. Action is ongoing to more closely align and integrate human capital, financial, operational, information technology, and logistics management processes.

OBJECTIVE 2.1

Provide outstanding customer service.

Improving customer service has been identified as one of two Agency high priority performance goals. SSS provides information pertaining to various legislative matters, policy, procedures, and information contained in specific records. Such information is provided to both individuals and to public and private institutions. Processing and responding to inquiries addressing SSS matters are important and warrant the highest level of customer service. In addition to maintaining an accurate database, which would serve as the foundation for induction and appeals in the event of a national emergency, accurate and timely processing of information updates provides assistance to many men applying for benefits associated with the registration requirement. These benefits include, but are not limited to, student financial aid, government employment, job training, and U.S. citizenship for immigrants.

OBJECTIVE 2.2

Ensure efficient and effective human resources management.

SSS has increased its focus on improving the policies, procedures, oversight, and customer service necessary to enhance operations, and to better manage its most valuable resource — its people. The Agency has set goals to develop and implement its Human Capital Management Plan (HCMP) and to evolve its hiring practices. SSS has expanded the pool of qualified veteran applicants available to the Agency through its participation in the *VA for Vets* program led by the U.S. Department of Veterans Affairs. The Agency is also realizing gains through its participation in the *Pathways Programs* sponsored by the U.S. Office of Personnel Management and through advertising employment opportunities to returned Peace Corps volunteers who qualify for non-competitive Federal appointments, as well as targeted Schedule A applicants. Overall, these enable SSS to have

additional avenues for identifying and hiring outstanding candidates.

OBJECTIVE 2.3

Promote efficient and effective financial management.

SSS is focused on continuous improvement and achieving success in every aspect of its financial operations. Its integrated financial management system, Oracle Federal Financials, enabled the Agency to maintain a reliably consistent level of quality in its financial performance and reporting, and helped to enhance budget, human capital, and performance integration. SSS continues to enforce its internal control mechanisms; provide tailored training to employees involved in the budgeting, accounting, procurement, and travel management processes; safeguard against improper payments; and to ensure that it is in compliance with pertinent statutes, regulations, internal and external directives, and other applicable guidance. This effort improved the budget execution process and directly contributed to an unmodified (“clean”) financial audit opinion.

OBJECTIVE 2.4

Foster efficient and effective secure information technology management.

The Agency is committed to providing a modern, secure network fully capable of meeting mission demands and the public’s expectations of an open and service-oriented government. SSS has nearly completed its multi-year technology upgrade of the Agency’s hardware, software, and systems. All desktops now have standardized operating systems and the network systems hardware has been refreshed. The Agency now has two cloud-based operating systems, and the independent FY 2016 Federal Information Security Management Act (FISMA) audit revealed no significant deficiencies and no material weaknesses. SSS will continue to modernize the Agency’s computer network guided by the Government Performance and Results

Modernization Act of 2010, FISMA, and other legal or regulatory documents.

OBJECTIVE 2.5

Ensure efficient and effective management of public communications and registration awareness of Agency programs.

With over 6,300 young men turning 18 every day, our outreach to community leaders, other governmental and organizational entities, public and private influencers, and media will continue to play an ever evolving role. The Agency will continue to solicit free public service broadcast time, while also reaching out to community groups that interface with the out-of-the-mainstream men who are not registered.

Implementation

Collectively, SSS will continue to refine these objectives to ensure that budgetary expenditures align with the readiness goals and objectives contained in the Agency’s planning and reporting documents. SSS will use external audits, self-assessments of financial and IT operations, and annual examinations to assess progress toward its stated objectives – including its commitment to achieving an unmodified, independent audit opinion each year.

Means

- Provide accurate and timely financial data access to Agency decision makers.
- Align budget, human capital, and performance documents.
- Achieve an annual unmodified audit opinion on financial statements.
- Develop Agency technical infrastructure towards an environment capable of supporting all modernization initiatives.

- Respond to public, governmental, and private inquiries within acceptable turnaround times.
- Conduct media interviews, air public service announcements, and develop materials to publicize the registration requirement.
- Continue focus group testing of publicity materials and themes with registrants to validate registration awareness material.
- Maintain a comprehensive Human Capital Management Plan.
- Continue annual audit results with unmodified audit opinions.
- Ensure compliance with FISMA by eliminating shortfalls as well as ensuring the protection of personally identifiable information.
- Distribute quality public service advertising materials to every national media market and obtain public service air-time in at least 90 percent of the major markets and 95 percent of all media markets.
- Improve response turnaround times for all types of responses: White House, congressional, media, internal customers, and the general public.

Measures

- Complete performance and budget integration.
- Update and implement financial management plans and manuals.
- Continue the implementation of the SSS Human Capital Management Plan. Analyze the progress of the Human Capital Management Plan, including closing critical skills gaps and talent management.

APPROPRIATION LANGUAGE SHEET

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$750 for official reception and representation expenses; \$22,900,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever the President deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TABLE 1 - PROGRAM AND FINANCING SCHEDULE
(\$000)

Identification code 90-0400-0-1-054	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Obligations by program activity:			
00.01 Direct program	22,703	22,900	22,900
01.01 Reimbursable program	370	370	370
10.00 Total Obligations	23,073	23,270	23,270
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23,073	23,270	23,270
22.30 Unobligated Balance Lapsing	2,217	2,236	2,236
23.95 New obligations	25,290	25,506	25,506
New budget authority (gross), detail:			
Current:			
40.00 Appropriation (definite)	22,703	22,900	22,900
43.00 Appropriation (total)	22,703	22,900	22,900
Changes in obligated balances:			
72.40 Obligated balance, start of year	3,815	3,848	3,848
72.45 Adjustment to obligated balance, start of year	203	204	204
73.10 New obligations	22,957	23,156	23,156
73.20 Total outlays (gross)	23,216	23,417	23,417
73.40 Adjustments in expired accounts	622	627	627
74.40 Obligated balance, end of year	3,137	3,164	3,164
Outlays (gross) detail:			
86.90 Outlays from new discretionary authority	19,901	20,074	20,074
86.93 Outlays from discretionary balances	3,314	3,343	3,343
86.97 Outlays from new mandatory authority	0	0	0
87.00 Total outlays (gross)	23,215	23,417	23,417
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from Federal sources	370	370	370
88.00 Offsetting collections (cash) non-Federal sources	6	6	6
Net budget authority and outlays:			
89.00 Budget authority	22,703	22,900	22,900
90.00 Outlays	22,839	23,041	23,041

**TABLE 2 - OBLIGATIONS BY OBJECT CLASS
(PERSONNEL SERVICES AND BENEFITS)
(\$000)**

Object Class	Description	FY 2016 Actual	FY 2017 Enacted	FY 2018 Estimate	% Increase or Decrease
11.1	General Pay Schedule	8,843	8,931	9,101	1.9%
11.3	Other Pay Schedules	864	873	889	1.9%
11.5	Overtime & Awards	48	49	49	1.9%
11.6	Time Off Awards	129	130	133	1.9%
11.8	Military Pay	1,763	1,800	1,846	2.6%
12	Personnel Benefits	3,114	3,145	3,205	1.9%
13	Ex-Employee Benefits	6	6	6	1.9%
Total		14,766	14,933	15,229	2.0%
Requested FTE		124	124	124	

**TABLE 3 - OBLIGATIONS BY OBJECT CLASS
(CONTRACTUAL SERVICES AND SUPPLIES)
(\$000)**

Object Class	FY 2016 Actual	FY 2017 Enacted	FY 2018 Estimate	% Increase or Decrease
21	254	237	230	(3%)
23.1	973	975	975	0%
23.2	75	160	160	0%
23.3	1,998	1,950	1,850	(5%)
24	315	341	341	0%
25.2	106	220	220	0%
25.3	92	100	100	0%
25.6	114	100	90	(10%)
25.7	1,726	1,300	1,127	(13%)
25.8	89	115	115	0%
25.9	1,090	914	914	0%
26	246	290	290	0%
42.2	22	0	0	0%
99	86	86	80	(7%)
Total	7,187	6,789	6,493	(4%)

**TABLE 4 - OBLIGATIONS BY OBJECT CLASS
(ACQUISITION OF CAPITAL ASSETS
(\$000))**

<u>Object Class</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Enacted</u>	<u>FY 2018 Estimate</u>	<u>% Increase or Decrease</u>
31	750	1,178	1,178	0%
Total	750	1,178	1,178	0%
Total Budget by Object Class	22,703	22,900	22,900	0%

**TABLE 5 – SALARIES AND EXPENSES
PERSONNEL SUMMARY**

Identification code 90-0400-0-1-054	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Total number of RFOs on board ¹	153	150	175
Full-time equivalent employment	121	124	124
Average ES/EX salary	\$154,119	\$ 155,660	\$ 169,670
Median GS grade	GS-11	GS-11	GS-11
Average GS salary ²	\$ 74,501	\$ 75,246	\$ 82,018
Average RFO salary ^{3, 4}	\$ 13,455	\$ 13,738	\$ 14,026

¹ Reserve Force Officers (RFOs) maintained at a maximum level of 175, which includes 150 funded and 25 on loan (no cost).

² Average GS salary increases are due to approved pay raises in FY 2017 and FY 2018, within-grade increases, and other anticipated benefit increases.

³ Average RFO salary includes drill pay and allowances (P&A), annual training P&A, pension costs, pay raises, and DoD published pension factors. Excludes travel costs.

⁴ FY 2017 and FY 2018 average RFO salaries include the approved pay increases.

**TABLE 6 - REPORT ON OBLIGATIONS
FOR INFORMATION TECHNOLOGY SYSTEMS**
(\$000)

	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
1. Capital Investment			
A. Purchase of hardware	199	199	250
B. Purchase of software	531	532	600
Subtotal	730	731	850
2. Personnel Compensation, benefits, and travel			
Subtotal	1,331	1,344	1,494
3. Commercial services			
A. Voice communications	82	82	82
B. Data communications	241	264	260
C. Operations and maintenance	199	203	603
D. Studies and other	1	1	1
Subtotal	523	550	946
4. Total Obligations	2,584	2,625	3,290

**TABLE 7 - MAJOR INFORMATION TECHNOLOGY
ACQUISITION PLANS 2016 – 2018**

(\$000)

Item: Purchase of Hardware	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Obligations:.....	199	199	250

Description: The funding associated with this category will include limited updates to computer equipment based on age, volume of usage, and criticality to current Agency operations. Agency priorities will be addressed to the best extent possible.

Item: Purchase of Software	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Obligations:.....	531	532	600

Description: Expenditures and budget projections in this category support internally hosted mission critical systems. Funding to purchase software will also be used to maintain cloud-based services. SSS is also participating in the shared service initiatives with other agencies to further reduce costs.

Item: Commercial Services	FY 2016 <u>Actual</u>	FY 2017 <u>Enacted</u>	FY 2018 <u>Estimate</u>
Obligations:.....	523	550	946

Description: Funding under this category is used for ongoing costs, related to leased telecommunications services, IT equipment maintenance, and data entry services. In addition to the cloud computing services previously outlined.



**Selective Service System
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