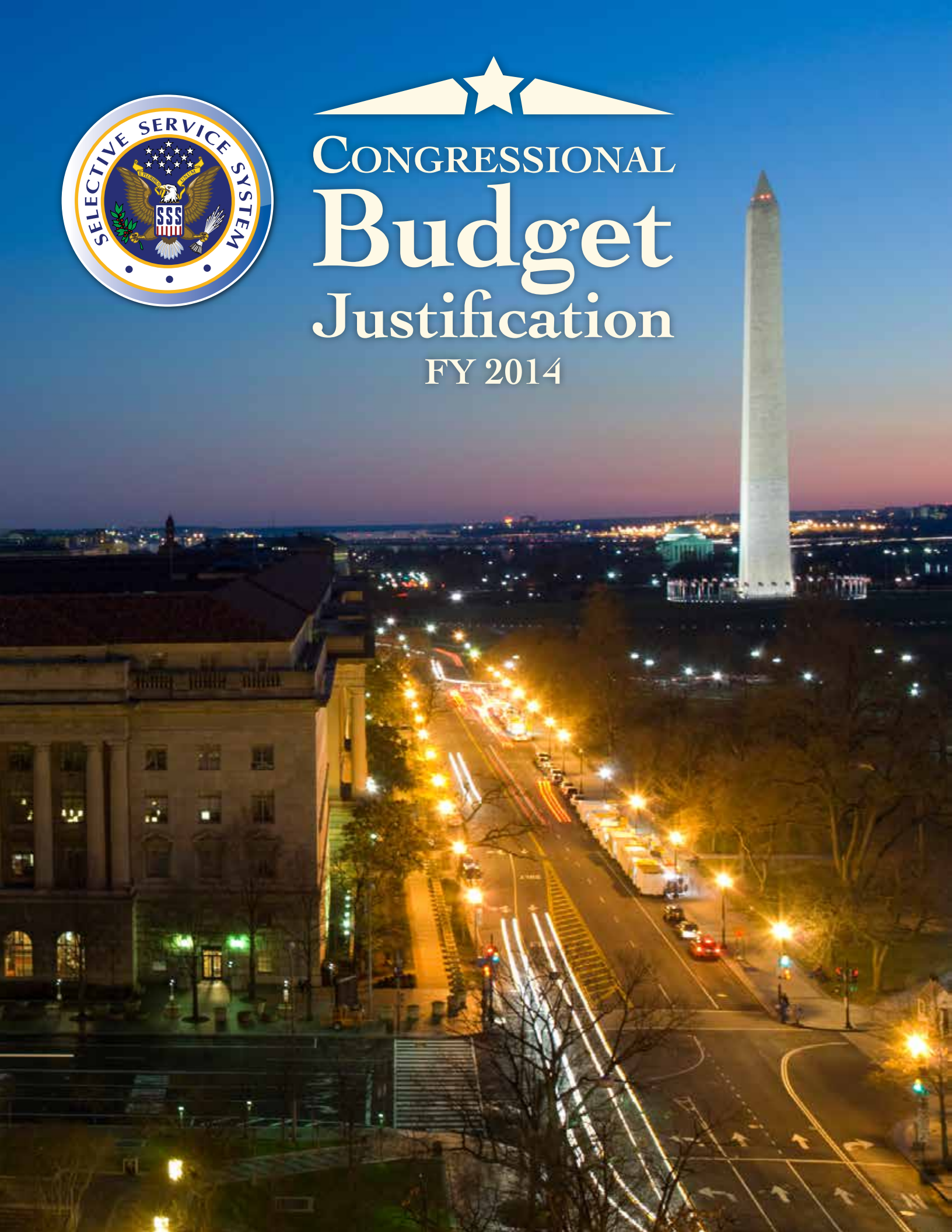




CONGRESSIONAL  
**Budget**  
Justification  
FY 2014



April 10, 2013

The Honorable Ander Crenshaw  
Chairman, Subcommittee on Financial  
Services and General Government  
Committee on Appropriations  
U.S. House of Representatives  
B-300 Rayburn House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

The enclosed Selective Service System's (SSS) FY 2014 Congressional Budget Justification for a \$24 million appropriation is enclosed. It reflects a comparable request to the President's FY 2013 request with the exception of an anticipated 1.0 civilian pay increase. It maintains a level staff request with the agreed-upon FY 2013 level.

Our ongoing registration program continues to directly support U.S. Armed Forces recruiting. Our goal is to maintain at least a 90 percent compliance rate each calendar year (CY). For CY 2012, we achieved a rate of approximately 92 percent.

Our Registration, Compliance and Verification (RCV) mainframe migration to a smaller, more capable platform was implemented ahead of schedule, and already has paid dividends. We avoided obsolete COBOL mainframe support costs, have greater capability and responsiveness, and Personally Identifiable Information is more secure. Finally, we will continue to build upon our ranking in "The Best Place to Work in the Federal Government for 2011" as the "most improved small Federal Agency" by the Private Partnership for Public Service; as well as our 2012 ranking among the top ten small agencies with effective leadership.

On behalf of the dedicated men and women of the Selective Service System, I thank you for your support of this Agency's national security mission and would be pleased to discuss any of these issues with you at your convenience.

Sincerely,



Lawrence G. Romo

Enclosure

April 10, 2013

The Honorable Richard J. Durbin  
Chairman, Subcommittee on Financial  
Services and General Government  
Committee on Appropriations  
U.S. Senate  
SD-184 Dirksen Senate Office Building  
Washington, D.C. 20510

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Enclosure

# Selective Service System

## FY 2014 Congressional Budget Justification

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## EXECUTIVE SUMMARY

Under Federal statute {50 U.S.C. App. 451 et seq.}, the Selective Service System (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 expanded. 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 System.

The Agency possesses a nationally significant registrant database of America's young men ages 18 through 25. In addition, the SSS manages an 11,000 member pool of civilian volunteer 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 procedure 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 customer service to the public. 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 (\$14,690K).
  - Strive to maintain acceptable registration compliance rates.
  - Maintain ability to timely 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 (COs).
  
- **Goal 2** - Ensure management excellence to promote economy, efficiency, and effectiveness in the management of SSS programs and supporting operations (\$9,444K)
  - World-Class Customer Service.
  - Ensure efficient and effective human resource and procurement management.
  - Promote efficient and effective financial management.
  - Foster efficient and effective information technology management.
  - Ensure efficient and effective management of public communications and registration awareness of Agency programs.

## HIGHLIGHT OF FISCAL YEAR 2013 PROGRAMS

This FY 2013 Performance Budget of \$24,134,000 reflects an increase of \$134,000 to cover the anticipated 1.0 percent pay raise for civilian staff. The following chart summarizes the cost for each goal.

(\$ in 000s)			
	FY 2012 Actual	FY 2013 CR	FY 2014 Est.
Goal 1	\$15,174	\$15,174	\$14,690
Goal 2	\$8,810	\$8,810	\$9,444
Total Budget Authority	\$23,984	\$23,984	\$24,134

## STRATEGIC GOALS AND OBJECTIVES

**GOAL 1:** Ensure the capacity to provide timely manpower to DOD during a national emergency. (FY 2014: \$14,690K)

To fulfill its readiness mission in accordance with DoD's long-standing reduced readiness requirement for Agency activation together with Office of Management and Budget guidance, 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 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 at one of the area offices located throughout the nation. If a claimant is reclassified by a local board as a conscientious objector (CO) who objects to all forms of military service, he is required to serve in a non-military capacity aiding the health, welfare and safety of the U.S. for 24 months. SSS will place these "alternative service workers" with non-military employers and track the progress of their required service. The claims process also allows for appeals.

**OBJECTIVE 1.1:** Strive to maintain acceptable registration compliance rates.

## **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 for male immigrants.

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 (most electronic, some paper), maintain a compliance program to identify nonregistrants, 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 registration awareness programs using print, broadcast, and social media, the Internet, public speaking and exhibit/conference opportunities, as well as special mailings to states with low registration compliance rates. Other activities include registrar programs, primarily in high schools and at Workforce Investment Act job training locations, work with federal and state agencies to facilitate registration through electronic data exchange, and assistance fostering state legislation in support of the registration requirement.

## **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 Investment Act, National Farmworker Jobs Program and other programs that reach potentially hard-to-find 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 at least 87% of all registrations electronically.
- Maintain a registration compliance rate of at least a 90% for men ages 18 through 25.

**OBJECTIVE 1.2:** Maintain timely 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 a deferment, postponement, or exemption. 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 U.S. 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 with other Federal and state agencies, as well as relevant public/private entities, for peacetime and expansion requirements. Agency planning necessitates on-going interface with DoD and MEPCOM to guarantee a responsive capability to satisfy DoD manpower requirements.



## **Means**

- Ensure registrant induction and classification plans, policies, and procedures including concomitant documentation that are adaptable to approved scenarios.
- Provide preparedness training to full-time staff, State Directors, Reserve Force Officers, 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% or higher.
- Implement corrective action resulting from periodic assessments for peacetime and activation capability, overall efficiency, and effectiveness.
- Maintain 95% or higher passing rate for RFOs and State Directors on their periodic certification examination which 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 (COs) by SSS Local Boards.

SSS works continuously on plans, policies, and procedures ensuring their sufficiency to implement a responsive and publicly acceptable Alternative Service Program (ASP). Collaterally, an Alternative Service Employer Network (ASEN) has been established to identify potential employers for COs. 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 CO. In addition to other employment options, the Agency is responsible for placing Alternative Service Workers (ASW) with governmental and non-profit entities in lieu of induction into military service.

## **Implementation**

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

SSS has developed and maintains policies, procedures, and model Memoranda of Understanding (MOU) to support and engage (in peacetime) appropriate potential employers to which ASW can be assigned during a national emergency. A key benefit of these efforts is a database of employment opportunities for COs.

## **Means**

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

## **Measures**

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

<p><b>GOAL 2:</b> Ensure management excellence to promote economy, efficiency, and effectiveness in the management of SSS programs and supporting operations. (FY 2014: \$9,444K)</p>
---

SSS is placing increased emphasis on ensuring that it provides world-class customer service to its customers. An integral part of this endeavor is implementation of active and responsive EEO program, to include periodic training for managers/supervisors/employees and reporting. Action is underway to ensure alignment and integration among its human capital management, financial, operational, information technology, and logistical processes. Naturally, included is an expansion of the Agency's e-government, budget and performance integration, and improvements in financial performance initiatives. The Agency's procurement of an Integrated Financial Management System greatly enhanced its ability to align its budgetary resource expenditures with performance goals.

### **OBJECTIVE 2.1:** World-Class 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 inquires addressing SSS matters are important and warrant the highest level of customer service. We are especially cautious in protecting Personally Identifiable Information (PII). In addition to maintaining an accurate data base which would serve as the foundation for induction and appeals in the event of a national emergency, accurate and timely processing of public transactions provides assistance to many men applying for benefits associated with registration, such as student financial aid, government employment, job training, and U.S. citizenship for immigrants.

**OBJECTIVE 2.2:** Ensure efficient and effective human resource and procurement management.

An increased focus on improving policies, procedures, and standards is necessary to continually improve Agency operations. Over the next five years, the Agency must prepare for a potentially larger than average rate of retirement, increased hiring competition from the public and private sectors, and continued fiscal pressures. Implementing the Human Capital Management Plan is crucial as it will provide a tool to manage better the Agency's most valuable resource: its personnel.

**OBJECTIVE 2.3:** Promote efficient and effective financial management

SSS is focused on improving and achieving success in all areas. A continuation of "clean audit" opinions under the auspices of the Accountability of Tax Dollars Act of 2002 remains paramount and continues to be achieved annually. The Agency will continue its implementation of an integrated financial management system. Additionally, its e-government initiative, to automate all government travel under the e-Travel concept, has been successfully concluded, advancing integration in the area of budget, human capital, and programmatic performance. These are the primary activities employed to improve Agency management and performance.

**OBJECTIVE 2.4:** Foster efficient and effective Information Technology management.

SSS will continue modernizing the technical environment of the Agency, guided by the Government Performance Results Act, Information Technology Management Results Act, Federal Information Security Management Act (FISMA), and other statutory or regulatory documents. The Agency is committed to providing the technical services which create a secure environment capable of satisfying mission requirements.

**OBJECTIVE 2.5:** Promote efficient and effective management of public communications addressing Agency programs and awareness of the legal registration requirement.

SSS faces the ongoing paradoxical challenge of public concern: a) the more communications made, the greater the public concern about an imminent draft; b) the less Selective Service says, the greater the amount of misinformation available. With over 6,000 young men turning 18 every day, our outreach to community leaders, other governmental and associations entities, public and private influencers, and media will continue to play an ever expanding role.

During FY 2014, SSS activities for registration reminders will include development and deployment of awareness materials, focus group sessions with registrants to test public service announcements, and publicity related items. 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**

External audits and SSS self-assessments of financial and IT operations and public affairs provide annual examination of Agency adherence to common standards and principles. The Agency is committed to a “clean” audit each and every year. SSS will continue to address budget, human capital, and performance documents to ensure that budgetary expenditures coincide specifically with the goals and program activities contained in the Agency’s planning and reporting documents.

## **Means**

- Provide accurate and timely financial data access to Agency decision makers.
- Align budget, human capital, and performance documents.
- Achieve annual unqualified audit opinion on financial statements.
- Continue to develop Agency technical infrastructure towards an environment capable of supporting all modernization initiatives.
- Respond to public, governmental and private inquiries with improved 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.

## **Measures**

- Complete Performance and Budget Integration.
- Update and implement financial management plans and manuals.
- Continue annual audit results with unqualified audit opinions.
- Ensure compliance with FISMA by eliminating shortfalls as well as ensuring the protection of personal identification information.
- Distribute quality public service advertising materials to every national media market and obtain public service air-time in at least 90% of the major markets and 95% of all media markets.
- Improve response turnaround times for all types of responses: White House, congressional, media, internal customers, and the general public.
- Implement the SSS Human Capital Management Plan. Analyze the progress of the Human Capital Management Plan, including closing critical skills gaps, talent management, and succession planning.

**SELECTIVE SERVICE SYSTEM**  
**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; *\$24,134,000: 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. (Financial Services and General Government Appropriations Act, 2012).*

Note. – A full-year appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

**SELECTIVE SERVICE SYSTEM  
PROGRAM AND FINANCING SCHEDULE  
(\$ in 000s)**

Identification code 90-0400-0-1-054	FY 2012 <u>Actual</u>	FY2013 <u>CR</u>	FY 2014 <u>Estimate</u>
<b>Obligations by program activity:</b>			
00.01 Direct program	23,984	23,984	24,134
01.01 Reimbursable program	370	370	370
10.00 Total Obligations	24,354	24,354	24,504
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	23,984	23,984	24,134
22.30 Unobligated Balance Lapsing	0	0	0
23.95 New obligations	23,984	23,984	24,134
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation (definite)	23,984	23,984	24,134
43.00 Appropriation (total)	23,984	23,984	24,134
<b>Changes in obligated balances:</b>			
72.40 Obligated balance, start of year	3,000	4,000	5,000
72.45 Adjustment to obligated balance, start of year	0	0	0
73.10 New obligations	24,354	24,354	24,504
73.20 Total outlays (gross)	(23,354)	(23,354)	(23,504)
73.40 Adjustments in expired accounts	0	0	0
74.40 Obligated balance, end of year	4,000	5,000	6,000
<b>Outlays (gross) detail:</b>			
86.90 Outlays from new discretionary authority	23,354	23,354	23,354
86.93 Outlays from discretionary balances	0	0	0
86.97 Outlays from new mandatory authority	0	0	0
87.00 Total outlays (gross)	23,354	23,354	23,354
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from Federal sources	370	370	370
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	23,614	23,614	23,651
90.00 Outlays	23,000	23,000	23,142

**SELECTIVE SERVICE SYSTEM  
SALARIES AND EXPENSES  
OBJECT CLASSIFICATION  
(\$ in 000s)**

	FY 2012	FY 2013	FY 2014
Identification code 90-0400-0-1-054	<u>Actual</u>	<u>CR</u>	<u>Estimate</u>
<b>Personnel compensation:</b>			
11.1 Full-time permanent positions	9,729	9,729	9,729
11.3 Position other than permanent	520	520	490
11.5 Other personnel compensation	18	18	18
11.8 Special personal services payments	2,239	2,239	2,373
<b>11.0 Total personnel compensation</b>	<b>12,506</b>	<b>12,506</b>	<b>12,610</b>
12.0 Personnel benefits: civilian	3,062	3,062	3,166
13.0 Benefits for former personnel	0	0	0
<b>Total Compensation</b>	<b>15,568</b>	<b>15,568</b>	<b>15,776</b>
21.0 Travel & transportation of persons	295	295	240
22.0 Transportation Miscellaneous	3	3	3
23.1 Rental payments to GSA	590	590	590
23.2 Rent, non-Federal	210	210	210
23.3 Communication, utilities, and miscellaneous charges	1,670	1,670	1,670
<b>23.0 Total rent and communication</b>	<b>2,768</b>	<b>2,768</b>	<b>2,713</b>
24.0 Printing and reproduction	520	520	520
25.0 Other services	3,500	3,500	3,500
26.0 Supplies and materials	160	160	160
31.0 Equipment	1,468	1,468	1,465
42.2 Indemnities	0	0	0
<b>99.0 Subtotal, direct obligation</b>	<b>23,984</b>	<b>23,984</b>	<b>24,134</b>
99.0 Reimbursable obligations (DoD Recruiting)	370	370	370
<b>99.0 Total obligations</b>	<b>24,354</b>	<b>24,354</b>	<b>24,504</b>

**SELECTIVE SERVICE SYSTEM  
SALARIES AND EXPENSES  
PERSONNEL SUMMARY**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
	<u>Actual</u>	<u>CR</u>	<u>Estimate</u>
Identification code 90-0400-0-1-054			
Total number of full-time permanent positions:	155	152	152
Total compensable work-years:			
Average RFOs on-Board <sup>1/</sup>	175	175	175
Full-time equivalent employment	118	124	124
Average ES salary	\$138,000	\$ 147,000	\$ 147,000
Average GS grade	GS-12	GS-12	GS-12
Average GS salary <sup>2/</sup>	\$ 85,000	\$ 88,000	\$ 88,000
Average RFO salary <sup>3/</sup>	\$ 16,073	\$ 16,581	\$ 16,929

<sup>1/</sup> Reserve Force Officers (RFOs) maintained at a maximum level of 175, which includes 150 funded and 25 on-loan RFO's. No Active-Duty officers are authorized.

<sup>2/</sup> Average GS salaries increased due to projected within-grade increases. It does not represent a grade creep.

<sup>3/</sup> Average RFO salaries include training, travel, drill pay, and pension. Approved pay raises have increased RFO salaries.



**Selective Service Systems**  
**Report on Obligations for Information Technology Systems**  
(In \$000s)

	FY 2012 <u>Actual</u>	FY 2013 <u>CR</u>	FY 2014 <u>Estimate</u>
1. <u>Capital Investment</u>			
A. Purchase of hardware	109	109	109
B. Purchase of software	229	229	338
C. Site or facility	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	338	338	447
2. <u>Personnel</u>			
A. Compensation, benefits, and travel	6,252	6,252	6,283
B. Work-years	<u>(63)</u>	<u>(63)</u>	<u>(63)</u>
3. <u>Equipment rental, space, and other operations costs</u>			
A. Lease of hardware	66	66	41
B. Lease of software	0	0	0
C. Space	230	230	230
D. Supplies and other	<u>5</u>	<u>5</u>	<u>5</u>
Subtotal	301	301	276
4. <u>Commercial services</u>			
A. ADPE time	0	0	0
B. Voice communications	65	65	65
C. Data communications	96	96	96
D. Operations and maintenance	200	200	200
E. Systems analysis, programming & design	1,800	1,800	0
F. Studies and other	75	75	8
G. Significant use of information technology	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	2,236	2,236	369
5. <u>Inter-agency services</u>			
A. Payments	1,276	1,276	1,276
B. Offsetting collections	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal			

**SELECTIVE SERVICE SYSTEM**  
**REPORT ON OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS**  
**(\$ in 000s)**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
	<u>Actual</u>	<u>CR</u>	<u>Estimate</u>
<u>Totals</u>			
Work Years	(63)	(63)	(63)
Total obligations	10,403	10,403	8,651

**SELECTIVE SERVICE SYSTEM  
MAJOR INFORMATION TECHNOLOGY ACQUISITION PLANS  
2012 – 2014  
(\$ in 000s)**

**Item: Purchase of Hardware**

	<u><b>FY2012</b></u>	<u><b>FY2013 CR</b></u>	<u><b>FY2014 Est.</b></u>
Obligations:	109	109	109

Descriptions: The funding associated with this category will include limited updates to certain technical equipment based on age, volume of usage, and criticality to current Agency operations. Agency priorities will be addressed to the best ability possible with limitations of current and future funding.

**Item: Lease of Hardware**

	<u><b>FY2012</b></u>	<u><b>FY2013 CR</b></u>	<u><b>FY2014 Est.</b></u>
Obligations:	66	66	41

Descriptions: For letter production, Selective Service System (SSS) leases an industrial laser printer. Additionally, SSS leases mail sorting and inserter equipment used to manage mail pertaining to the registration requirement.

**Item: Purchase of Software**

	<u><b>FY2012</b></u>	<u><b>FY2013 CR</b></u>	<u><b>FY2014 Est.</b></u>
Obligations:	229	229	338

Descriptions: Spending has increased in this category because Selective Service is supporting a number of systems in-house while it transitions to cloud-based services. As more systems are migrated to the cloud, spending in this category should decrease. The Agency is also participating in the Shared Services initiative in the hope of reducing cost.

**Item: Lease of Software**

	<u><b>FY2012</b></u>	<u><b>FY2013 CR</b></u>	<u><b>FY2014 Est.</b></u>
Obligations:	0	0	0

Descriptions: Selective Service is implementing cloud computing to comply with the President's E-Gov initiative. Two systems are scheduled to be migrated to a cloud environment during FY 2013. The lease of software services to meet these government security requirements and initiatives has resulted in a request for increased funding in this category for FY 2014.

**Item: Commercial Services**

	<u><b>FY2012</b></u>	<u><b>FY2013 CR</b></u>	<u><b>FY2014 Est.</b></u>
Obligations:	2,236	2,236	369

Descriptions: Routine on going expenses related to leased telecommunications services, maintenance of IT equipment, and data entry services.

SSS is implementing cloud computing to comply with the President's E-Gov initiative. Two systems are scheduled to be migrated to a cloud environment during FY 2013. If this project is successful, the Agency will identify other systems eligible to be migrated during FY 2014.

The Agency is also pursuing the shared services initiative in the hope of realizing cost savings by teaming with other agencies for IT-related services. This initiative is currently in the initial planning stage, but SSS believes it might realize reduced operating expense as the initiative is developed.

In addition, the Agency has made substantial improvements to its FISMA compliance rating. The FY 2012 audit resulted in closing a number of outstanding deficiencies. During FY 2013, the Agency will continue to improve its data program in support of FISMA and related security requirements. The RCV program will be phasing out and will need less funding, which explains why the obligations in the above table are decreasing from FY 2012 through FY 2014.