

2023 USDA EXPLANATORY NOTES – OFFICE OF BUDGET AND PROGRAM ANALYSIS

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AGENCY-WIDE

PURPOSE STATEMENT

The Office of Budget and Program Analysis (OBPA) was established in June 1981. Its predecessor was established on July 8, 1922 (Secretary’s Memorandum No. 389), under the provisions of the Budget and Accounting Act of 1921, which designated that a Budget Officer was to have charge of the preparation of estimates and other appropriations for the Department. The Director of OBPA performs the function of Performance Improvement Officer as established under Executive Order 13450; the Chief Risk Officer in support of OMB Circular No. A-123; and the Evaluation Officer in compliance with the Evidence Act of 2018.

The mission of OBPA is to ensure that USDA programs are delivered efficiently, effectively, and with integrity by incorporating performance, evidence, and risk into decision making. OBPA advocates for necessary resources and executes the budget to ensure that the USDA can effectively and efficiently accomplish its mission for the benefit of the American people.

OBPA leads USDA’s strategic planning; enterprise risk management; performance management and reporting; budget analysis, justification, and control; and legislative and regulatory actions. OBPA develops the USDA’s Strategic Plan, Annual Performance Plan and Report, Learning Agenda, Annual Evaluation Plan, and Department Risk Profile. It also leads the USDA annual planning, budgeting, and execution process, as well as USDA’s Enterprise Risk Management operations.

Additionally, OBPA serves as the primary liaison with the Office of Management and Budget and Congressional appropriations subcommittees to defend and promote USDA’s program plans and budget estimates. OBPA’s efforts are directed toward improving programs and increasing operational effectiveness and accountability throughout USDA.

OBPA is located in Washington, D.C. As of September 30, 2021, there were 44 permanent full-time employees.

OBPA did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

AVAILABLE FUNDS AND FTEs**Table OBPA-1. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Salaries and Expenses:								
Discretionary								
Appropriations.....	\$9,525	41	\$9,629	41	\$9,629	45	\$20,738	58
Lapsing Balances.....	-22	-	-73	-	-	-	-	-
Total Obligations.....	9,503	41	9,556	41	9,629	45	20,738	58
OES Directives.....	-	-	490	-	753	-	-	-
Total Available, OBPA.....	9,525	41	10,119	41	10,382	45	20,738	58

PERMANENT POSITIONS BY GRADE AND FTEs**Table OBPA-2. Permanent Positions by Grade and FTEs**

Item	2020			2021			2022			2023		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimated Total	D.C.	Field	Estimated Total
SES.....	3	-	3	4	-	4	4	-	4	5	-	5
SL.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-15.....	11	-	11	11	-	11	11	-	11	11	-	11
GS-14.....	13	-	13	13	-	13	13	-	13	16	-	16
GS-13.....	4	-	4	7	-	7	8	-	8	15	-	15
GS-12.....	1	-	1	1	-	1	1	-	1	3	-	3
GS-11.....	2	-	2	2	-	2	2	-	2	2	-	2
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-8.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-7.....	4	-	4	4	-	4	4	-	4	4	-	4
Total Permanent.....	40	-	40	44	-	44	45	-	45	58	-	58
Total Perm. FT EOY....	40	-	40	44	-	44	45	-	45	58	-	58
FTE.....	41	0	41	41	0	41	45	0	45	58	0	58

SHARED FUNDING PROJECTS**Table OBPA-3. Shared Funding Projects (dollars in thousands)**

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Working Capital Fund:				
Administrative Services:				
Material Management Service.....	\$17	\$15	\$15	\$15
Mail and Reproduction Services.....	65	53	30	31
Integrated Procurement Systems.....	1	-	2	2
Procurement Operations Services.....	-	-	1	1
Human Resources Enterprise Management Systems.....	1	1	1	1
Subtotal.....	84	69	49	50
Communications:				
Creative Media & Broadcast Center.....	1	-	1	3
Finance and Management:				
National Finance Center.....	12	12	12	13
Financial Management Systems.....	13	11	11	11
Subtotal.....	25	23	23	24
Information Technology:				
Client Experience Center.....	242	265	280	293
Department Administration Information Technology Office...	11	10	29	30
Digital Infrastructure Services Center.....	34	60	57	60
Enterprise Network Services.....	19	9	16	16
Subtotal.....	306	344	382	399
Office of the Executive Secretariat.....	1	1	1	1
Total, Working Capital Fund.....	417	437	456	477
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach.....	4	3	3	3
Medical Services.....	2	11	11	11
Office of Customer Experience.....	3	4	4	4
Personnel and Document Security Program.....	1	1	2	2
Physical Security.....	3	2	2	2
Security Detail.....	3	2	2	2
Security Operations Program.....	3	3	3	3
TARGET Center.....	1	1	1	1
TARGET Center NCR Interpreting Services.....	-	-	5	7
USDA Enterprise Data Analytics Services.....	4	2	2	2
Total, Department-Wide Reimbursable Programs.....	24	29	35	37
E-Gov:				
E-Rulemaking.....	18	-	-	-
Integrated Acquisition Environment.....	1	-	-	-
Total, E-Gov.....	19	0	0	0
Agency Total.....	460	466	491	514

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses of the Office of Budget and Program Analysis, [~~\$12,760,000~~]\$20,738,000.

LEAD-OFF TABULAR STATEMENT

Table OBPA-4. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2022	\$9,629,000
	+
Change in Appropriation	11,109,000
Budget Estimate, 2023	<u>20,738,000</u>

PROJECT STATEMENT

Table OBPA-5. Project Statement (thousands of dollars, FTE)

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Office of Budget and Program Analysis ..	\$9,525	41	\$9,629	41	\$9,629	45	\$20,738	58	+\$11,109	+13	(1)
Lapsing Balances.....	-22		-73	-	-	-	-	-	-	-	
Total Obligations.....	<u>9,503</u>	<u>41</u>	<u>9,556</u>	<u>41</u>	<u>9,629</u>	<u>45</u>	<u>20,738</u>	<u>58</u>	<u>+11,109</u>	<u>+13</u>	

Table OBPA-6. Project Statement (thousands of dollars, FTE)

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Office of Budget and Program Analysis ..	\$9,503	41	\$9,556	41	\$9,629	45	\$20,738	58	+11,109	+13
Lapsing Balances.....	22	-	73	-	-	-	-	-	-	-
Total Appropriation.....	<u>9,525</u>	<u>41</u>	<u>9,629</u>	<u>41</u>	<u>9,629</u>	<u>45</u>	<u>20,738</u>	<u>58</u>	<u>11,109</u>	<u>13</u>

JUSTIFICATIONS OF INCREASES/DECREASES

1) A net increase of \$11,109,000 and 13 additional FTEs for the Office of Budget and Program Analysis.

The funding change is requested for the following items:

A. An increase of \$208,000 which includes \$88,687 for pay inflation and \$119,313 for FERS for 2022 Pay and FERS:

This increase supports the pay increase which went into effect January 1, 2022, of a 2.7 percent Cost of Living pay increases for civilian employees, and a 1.1 percent increase to cover the expenses for the mandated increase of USDA's contribution to FERS.

B. An increase of \$491,000 for 2023 Pay:

This increase will support the annualization of the 2022 2.7 percent Cost of Living pay increase and the 2023 4.6 percent Cost of Living pay increase.

C. An increase of \$21,000 for working capital fund and shared costs:

This increase supports uncontrollable costs associated with the USDA Working Capital Fund and other Departmental Shared Costs. Without additional funding, OBPA will be unable to meet its obligations to support necessary administrative, information technology and managerial costs incurred by its interagency partners.

D. An increase of \$7,500,000 for Evidence Act Deliverables:

USDA delivers its mission through [hundreds] of programs that are critical to the nation's infrastructure, food and nutrition security, and market development. Entrusted with \$275 billion, the USDA budget requests an increase of \$7.5 million to ensure sound governance and accountability of these critical programs and service delivery to Rural America. Specifically, the funding would establish a centralized analytical team of 10 FTEs in the Office of Budget and Program Analysis to lead the development and implementation of program evaluation, evidence building, and performance management activities, including contracting evaluations with industry experts to methodically assess priority programs and opportunities to improve program delivery to customers. This centralized analytical team will allow the Department to assess investments and program performance such that it can improve and increase the service delivery to all of its customers. Ultimately, the team will support increasing the efficiency and effectiveness of mission operations and mission delivery across the Department.

Establishing this unit will allow the Department to make targeted investments in program evaluations and data analysis and continually improve the capacity of the Department to generate evidence about program and policy effectiveness and implementation; identify areas for improvement of programs, policies, or organizations; better understand the results of investments across the country; and inform mission-critical decisions and policies. By establishing a centralized unit, the Department will be able to identify and leverage efficiencies between projects to avoid duplication or redundancies and leverage best practices from across the Department to support targeted investments with a focus on measuring the impact and effectiveness of our investments and enhancing resources that will improve the equity and inclusiveness of activities across the Department.

This effort supports strengthening the USDA implementation of Government Performance and Results Modernization Act and the Foundations for Evidence-Based Policymaking Act across the entire Department and full mission scope.

E. An increase of \$600,000 for a Regulatory Management System:

OBPA is seeking funding for a new Departmental system to track, develop, and finalize USDA's regulatory actions. USDA currently does not have a Department-wide system for developing and tracking regulatory and related work – the only Department level view for rulemaking is a spreadsheet maintained by OBPA when the document enters for Departmental clearance. The proposed system would provide a single system for document development and tracking with specific features tailored to ensure compliance with the requirements for

rulemaking. Additionally, the system would track more than just the development of USDA's legislative rules. It would also be used for the development and tracking of the Department's Farm Bill implementation activities, including reports and studies, funding announcements, and administrative actions such as guidance documents. The proposed system may also allow for additional features, like the ability to leverage information for populating the Department's regulatory agenda in GSA's ROCIS system. This enhancement would reduce much of the data entry that is required twice a year for the development of the regulatory agenda. Finally, the system would also provide a place to track the development and clearance of Departmental Regulations and Directives, which OBPA recently acquired from the Office of the Executive Secretariat.

F. An increase of \$450,000 and 3 FTEs for the Directives Program:

This increase reflects OBPA's recent acquisition of the Departmental Directives program from the Office of the Chief Information Officer (OCIO). The Directives staff was reorganized into OBPA in 2020; however, the associated funding remained with OCIO. This funding will be used to support the Directives staff who maintain over 300 current Departmental regulations, policies and procedures and ensure process controls for Departmental compliance.

G. An increase of \$1,839,000 and 10 FTEs to rebuild and enhance OBPA's capacity to provide policy analysis, operational support, and performance management leadership to the Department:

OBPA plays a critical role within the Department by ensuring the efficient and effective delivery of all USDA programs; incorporating performance, evidence, and risk into decision making; advocating for necessary resources for mission areas and staff offices to carry out their programs; developing Department-wide documents, which include the USDA's Budget Summary, Strategic Plan and Annual Performance Plan and Report; conducting thorough regulatory and policy analysis for USDA programs; and serving as an advisor for the Office of the Secretary by understanding Secretarial priorities and supporting their implementation throughout the Department and defending USDA's program plans and budget to OMB and Congressional appropriations committees.

As the Department continues to draft the next Farm Bill, 2022-2026 Strategic Plan, as well as implementing the American Rescue Plan, Coronavirus Food Assistance Program, and Executive Orders, OBPA will need to bolster its current staffing to ensure that it is able to efficiently and effectively support Departmental priorities.

This increase will also support USDA's efforts in further establishing an Enterprise Risk Management (ERM) program. OBPA oversees and coordinates USDA's preliminary ERM program, allowing for a Departmental-wide view of risk and opportunity. Currently, some USDA mission areas, such as Rural Development and Farm Production and Conservation have created ERM capacities for their own activities. This requested funding will allow OBPA to maintain and grow a Departmental ERM program, with the goal of providing an organizational view of risks that allows USDA to gauge which risks are directly aligned to achieving strategic goals, objectives and overall programmatic performance. These enhanced ERM efforts will improve USDA's capacity to prioritize actions, optimize resources, and assess changes in the operating environment. Furthermore, the expanded ERM processes will be aligned with the development of the Department's next Strategic Plan and budget formulation process. These efforts will improve and support policymaking and data-driven decision making, thus improving performance and enabling USDA to meet mission and strategic goals and objectives. Without the additional funding and associated staff support, the Departmental ERM approach will not be able to identify and remediate the key risks that may potentially impede the Department's service to the public.

In recent years, OBPA has been forced to absorb pay costs and has experienced challenges in hiring and retaining qualified staff, resulting in a steady decline in staffing with a weakened capacity to fulfill the robust needs of the Department. It has been forced to rely on contractors to fill staffing gaps, but the Department would be better served by building back institutional knowledge and capacity within OBPA. In order to rebuild depth and ensure that OBPA is ready to address new policy priorities and initiatives while still supporting existing programs and the collaboration with OMB and Congressional partners, OBPA will need to hire 10 additional FTEs who will provide the necessary support for USDA's mission areas, staff offices, and performance and evaluation team. Without this funding and increased staffing, OBPA runs the risk of falling short of its mission to deliver these essential responsibilities, which will affect the Department's ability to operate efficiently, effectively, and with integrity. Additionally, this will affect OBPA's ability to dedicate resources to the implementation of critical activities intended to improve government management and service to the American people.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**Table OBPA-7. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	9,503	41	9,556	41	9,629	45	20,738	58
Lapsing Balances.....	22	-	73	-	-	-	-	-
Total, Available.....	9,525	41	9,629	41	9,629	45	20,738	58

CLASSIFICATION BY OBJECTS**Table OBPA-8. Classification by Objects (thousands of dollars)**

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
	Personnel Compensation:				
	Washington D.C.	\$5,597	\$5,284	\$5,290	\$8,450
	Personnel Compensation, Field	-	-	-	-
11	Total personnel compensation.....	5,597	5,284	5,290	8,450
12	Personal benefits.....	1,849	1,851	1,852	3,435
13.0	Benefits for former personnel.....	9	2	-	-
	Total, personnel comp. and benefits.....	7,455	7,137	7,142	11,885
	Other Objects:.....				
21.0	Travel and transportation of persons.....	2	-	-	-
22.0	Transportation of things.....	2	1	2	2
23.1	Rental payments to GSA.....	3	1	3	3
23.3	Communications, utilities, and misc. charges.....	109	83	91	91
24.0	Printing and reproduction.....	79	64	88	88
25	Other contractual services.....	256	355	355	-
25.2	Other services from non-Federal sources.....	827	1,009	1,009	8,499
25.3	Other goods and services from Federal sources.....	475	551	551	100
25.4	Operation and maintenance of facilities.....	113	113	113	-
25.5	Research and development contracts.....	101	205	205	-
26.0	Supplies and materials.....	27	17	50	50
31.0	Equipment.....	54	20	20	20
	Total, Other Objects.....	2,048	2,419	2,487	8,853
99.9	Total, new obligations.....	9,503	9,556	9,629	20,738
	DHS Building Security Payments (included in 25.3).....	\$21	\$10	\$10	\$10
	Position Data:				
	Average Salary (dollars), ES Position	\$198,732	\$199,300	\$199,700	\$199,700
	Average Salary (dollars), GS Position	\$123,289	\$127,855	\$128,903	\$128,093
	Average Grade, GS Position	13.8	13.8	13.9	13.9

Advertising Expenditures

There are no contracts for advertising expenses to report.

STATUS OF PROGRAMS

The Office of Budget and Program Analysis (OBPA) coordinates the preparation of Departmental budget estimates, strategic planning, regulations, and legislative reports; administers systems for the allotment and apportionment of funds; provides analysis of U.S. Department of Agriculture (USDA) program issues, draft regulations, and budget proposals; and provides assistance to USDA policy makers in the development and execution of desired policies and programs. The Director serves as the Department's Budget Officer, Performance Improvement Officer, Chief Risk Officer and Evaluation Officer. OBPA supports the USDA mission by contributing guidance, sound analysis, and objective information regarding the Department's budget, programs, performance, and legislative and regulatory actions.

Current Activities

OBPA ensures agency-developed material requiring action by the Office of the Secretary is analytically- sound, consistent with Administration policy, program, and budget requirements, and is consistent with statutory authorities. The office develops alternatives and supporting data for use by policy officials in making budget decisions, including reprogramming, supplemental funding requests, and reallocation of funding. OBPA ensures agencies continually improve performance, implement program improvement plans, and are held accountable for results to improve program delivery and effectiveness.

OBPA conducts reviews of current programs, proposed programs, agency shutdown contingency plans, organizational plans, and reorganization proposals, including reviews of problem areas perceived to affect management efficiency, program outcomes, and implementation of statutory requirements and Administration policy.

Under its legislative and regulatory duties, OBPA manages the preparation, review, and clearance of legislative reports and the annual legislative program and ensures consistency in agency development of legislative information. This also includes responding to inquiries, providing documentation to the Office of Management and Budget (OMB) to support proposals, maintaining transmittal and clearance records, and notifying agencies of policy decisions and OMB action. Additionally, the office provides comprehensive analyses of the potential costs, benefits, and programmatic implications of proposed legislation to assist in the formulation of the Department's views and coordinates the review and clearance of USDA reorganization packages when Congressional notification is required. OBPA also serves as the focal point for implementation of major legislation such as the Farm Bill, ensuring that all provisions are assigned to the appropriate agency or office, and tracking and reporting on implementation progress such as developing regulations and spend plans, as appropriate.

OBPA also manages the preparation, review, and clearance of regulatory actions and departmental directives to ensure consistency with Departmental standards, as well as Congressional and Administration requirements. The office reviews regulatory actions for consistency with regulatory requirements, Executive Orders, and authorizing statutes and prepares analytical and explanatory information for policy officials. The office plays a key role in coordinating the development of USDA's semiannual regulatory agenda and its clearance within the Department and by OMB. OBPA prepares rules and notices for publication in the Federal Register for topics that span multiple agencies, such as adjustments to civil monetary penalties and calls for regulatory reform suggestions from the public.

Each year, OBPA is responsible for preparing budget materials, including the USDA Budget Summary, Annual Performance Plan and Report, and Explanatory Notes, which are delivered to Congress and available to the public via the internet. OBPA prepares the guidance for each of these deliverables and coordinates the review process. Additionally, OBPA coordinates and provides appropriate assistance in the preparation of the USDA portion of the Administration's Regulatory Plan and the Semi-Annual Regulatory Agenda.

As needed, OBPA coordinates Departmental responses to Congressional questions for the record regarding Secretarial and Agency Appropriations hearings. OBPA also serves as the liaison with (OMB, the Appropriations Committees, and the Congressional Budget Office.

Selected Examples of Recent Progress

During FY 2021, OBPA spearheaded several initiatives including: 1) revising the budget formulation process; 2) developing and implementing an automated solution for more efficient workflow of apportionment analysis and approval; 3) establishing an Enterprise Risk Management initiative for the Department; and 4) chairing the Evidence and Evaluation Committee in response to the Evidence Act.

Budget Formulation: Last year, OBPA revised its budget formulation process to be more efficient and effective in getting the information necessary to make data-driven budget decisions and recommendations. OBPA added two exhibits related to Performance and Evidence to the budget guidance that was released to the Mission Areas and agencies to ensure better alignment of budgetary resources and evidence building activities as well as track progress towards USDA's draft strategic goals for the 2022-2026 cycle. In addition, OBPA worked closely with the Office of the Chief Information Officer (OCIO) to establish a collaborative process for developing spending allocations for information technology. OBPA and OCIO will continue these joint efforts in the next fiscal year to establish a new governance structure for making decisions on major IT systems.

Budget Execution Data Visualization: OBPA continues to leverage resources by collaborating with the Department of Education's Budget Line of Business to improve the MAX Jira Apportionment Workflow Database, a Department-wide automated apportionment workflow system. The MAX Jira system replaced a manual, paper-based clearance process creating more efficient apportionment review and analysis and electronically notifies the next-level reviewer as the request transitions through the clearance process. MAX Jira also provides real-time status reports for better tracking, analyses, and accountability.

OBPA also continues its efforts to improve automated data collection for budget and financial obligations reporting by expanding and enhancing existing tools to track COVID-19 spending against appropriated amounts. During FY 2021, OBPA supported the creation of a dashboard that pulls financial data directly from the financial system of record Status of Funds via an ingest to a Tableau Data Lake. The dashboard refreshes weekly to provide weekly obligations of COVID-19 spending for timely reporting to external stakeholders. OBPA continues to cooperate with the Office of the Chief Financial Officer to automate and validate data input on which these visualizations are built to ensure accurate reporting and tracking of USDA obligations.

In FY 2021, OBPA processed 938 budget execution documents which included 352 apportionments (SF-132s), 210 non-expenditure transfers (SF 1151s), 281 Advice of Allotments, 94 warrant requests, and 1 Treasury Account Fund Symbol (TAFS) Request.

Enterprise Risk Management: The Director of OBPA is the Chief Risk Officer. In this capacity, OBPA established performance and risk management frameworks and lifecycles that support and integrate the USDA's strategic planning and performance activities with budget formulation, and risk across the Department. This fiscal year, OBPA will begin implementation of frameworks.

Strategic Planning: OBPA has led the Department in development of the new USDA 2022-2026 Strategic Plan. This past year, OBPA created a Strategic Planning Working Group (SPWG) with representatives from all Mission Areas and agencies to develop Strategic Goals that align with the Department's priorities for the next four years. OBPA has also worked with the SPWG to develop Departmental key performance indicators that are strategic and show progress towards USDA draft goals.

Evidence and Evaluation: The Director of OBPA is also the Department's Evaluation Officer. As required by the *Foundations for Evidence-Based Policymaking Act of 2018*, USDA is required to designate a Chief Statistical Officer and Chief Data Officer, in addition to the Evaluation Officer. Together, these three officers established the Evidence and Evaluation Committee. During this fiscal year, the Evaluation Officer and OBPA will work with the Committee to assess current evaluation capabilities in the Department, identify gaps, and execute works plans to answer priority questions in the Department-wide Learning Agenda.

Legislative and Regulatory Coordination: During FY 2021, OBPA coordinated the review and clearance of 61 regulatory workplans, 157 funding documents, 62 rules exempt from OMB review, 49 rules deemed not significant by OMB, and 32 significant and economically significant rules requiring OMB review. OBPA also reviewed and approved 236 Federal Register notices and 106 policy or guidance documents that required OMB review.