

2011 Explanatory Notes

Departmental Management

Office of Budget and Program Analysis

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DEPARTMENTAL MANAGEMENT

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Purpose Statement

The Office of Budget and Program Analysis (OBPA) was established in June 1981. Its predecessor organization 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 mission of OBPA is to provide analyses and information to the Office of the Secretary and other policy officials to support informed decision-making regarding the Department's programs and policies, budget, legislative, and regulatory actions.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 2009, there were 46 permanent full-time employees.

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

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OFFICE OF BUDGET AND PROGRAM ANALYSIS

Available Funds and Staff Years
2009 Actual 2010 Estimate and 2011 Estimate

<u>Item</u>	<u>2009</u>		<u>2010</u>		<u>2011</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Salaries and Expenses	\$8,270,432	49	\$9,436,000	60	\$9,547,000	60
Transferred to WCF.....	-400,000	--	--	--	--	--
Total, Salaries and Expenses....	8,270,032	49	9,436,000	60	9,547,000	60

Permanent Positions by Grade and Staff Year Summary
2009 Actual 2010 Estimate and 2011 Estimate

<u>Grade</u>	<u>2009</u> <u>Washington, D.C.</u>	<u>2010</u> <u>Washington, D.C.</u>	<u>2011</u> <u>Washington, D.C.</u>
ES.....	5	5	5
GS-15.....	13	13	13
GS-14.....	10	13	13
GS-13.....	10	8	8
GS-12.....	5	6	6
GS-11.....	4	5	5
GS-10.....	1	1	1
GS-9.....	4	5	5
GS-8.....	3	1	1
GS-7.....	2	0	0
GS-4.....	0	3	3
GS-3.....	1	0	0
Total Permanent Positions.....	58	60	60
Unfilled Positions end-of-year.....	-12	--	--
Total, Permanent Full-Time Employment, end-of-year.....	46	60	60
Staff Year Estimate.....	49	60	60

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OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriation Language

For necessary expenses of the Office of Budget and Program Analysis, [\$9,436,000] \$9,547,000.

Lead-off Tabular Statement

Appropriations Act, 2010.....	\$9,436,000
Budget Estimate, 2011	<u>9,547,000</u>
Increase in Appropriation.....	<u>+111,000</u>

Summary of Increases and Decreases

(On basis of appropriation)

<u>Item of Change</u>	2010 <u>Estimate</u>	<u>Pay Costs</u>	2011 <u>Estimate</u>
Office of Budget and Program Analysis	\$9,436,000	+\$111,000	\$9,547,000

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Project Statement
(On basis of appropriation)

	<u>2009 Actual</u>		<u>2010 Estimate</u>		<u>Increase or Decrease</u>	<u>2011 Estimate</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Office of Budget and Program Analysis.....	\$8,270,432	49	\$9,436,000	60	+\$111,000	\$9,547,000	60
Unobligated Balance.....	383,568	--	--	--	--	--	--
Total Available or Estimate.....	8,654,000	49	9,436,000	60	+111,000	9,547,000	60
Transfer to Working Capital Fund....	400,000	--	--	--			
Total, Appropriation...	9,054,000	49	9,436,000	60			

Justification of Increases and Decreases

(1) An increase of \$111,000 for the Office of Budget and Program Analysis (OBPA).

(a) An increase of \$111,000 to fund increased pay costs.

The proposed funding level is needed to cover pay and benefit cost increases for existing staff. This will ensure adequate resources are available to coordinate the preparation and submission to Congress of a performance-based budget, and to provide analyses and information to support decision-making regarding budgetary, legislative, and regulatory proposals. About 90 percent of OBPA funds are needed to cover salary and benefit costs.

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Geographic Breakdown of Obligations and Staff Years
2009 Actual 2010 Estimate and 2011 Estimate

	2009		2010		2011	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia.....	\$8,270,432	49	\$9,436,000	60	\$9,547,000	60
Unobligated balance.....	383,568	--	--	--	--	--
Total, Available or Estimate	<u>8,654,000</u>	<u>49</u>	<u>9,436,000</u>	<u>60</u>	<u>9,547,000</u>	<u>60</u>

Classification By Objects
2009 Actual 2010 Estimate and 2011 Estimate

	2009	2010	2011
Personnel Compensation:			
Washington, D.C.....	\$5,913,495	\$6,926,000	\$7,021,000
11 Total personnel compensation.....	5,913,495	6,926,000	7,021,000
12 Personnel benefits	1,247,138	1,828,000	1,869,000
Total pers. comp. & benefits	<u>7,160,633</u>	<u>8,754,000</u>	<u>8,890,000</u>
Other Objects:			
21 Travel.....	2,333	10,000	10,000
23.3 Communications, utilities, and misc. charges	69,490	100,000	100,000
24 Printing and reproduction.....	97,186	100,000	100,000
25.2 Other services.....	100,340	100,000	100,000
25.3 Purchases of goods and services from Government Accounts	502,001	147,000	134,000
26 Supplies and materials.....	126,282	125,000	113,000
31 Equipment.....	212,167	100,000	100,000
Total other objects.....	<u>1,109,799</u>	<u>682,000</u>	<u>657,000</u>
Total direct obligations	<u>8,270,432</u>	<u>9,436,000</u>	<u>9,547,000</u>
<u>Position Data:</u>			
Average Salary, ES positions	\$153,715	\$161,147	\$161,147
Average Salary, GS positions.....	\$102,715	\$110,703	\$113,196
Average Grade, GS positions	13.5	14.3	14.3

DEPARTMENTAL MANAGEMENT
OFFICE OF BUDGET AND PROGRAM ANALYSIS
STATUS OF PROGRAM

The Office of Budget and Program Analysis (OBPA) coordinates the preparation of Departmental budget estimates, 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; participates in strategic planning; 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, and is one of the coordinators of the Department's 2008 Farm Bill implementation activities.

OBPA supports the USDA mission by contributing guidance, sound analysis, and objective information regarding the Department's budget, programs, and legislative and regulatory actions.

Current Activities:

- Develop and maintain instructions and guidance for budget formulation, presentation and execution;
- Improve program delivery and effectiveness, by assisting the Secretary in ensuring agencies: continually improve performance; implement program improvement plans; regularly assess progress; and are held accountable for results.
- Prepare materials, including the USDA Budget Summary and Annual Performance Plan, and Explanatory Notes, for presentation and justification of the budget to the Congress, news media, interest groups, and the public;
- Coordinate Departmental response to Congressional questions for the record regarding Secretarial and agency Appropriations hearings;
- Develop alternatives and supporting data for use by policy officials in making budget decisions, including reprogramming and reallocation of funding;
- Serve as liaison with the Office of Management and Budget and Appropriations Committees of the Congress to explain, justify and defend USDA's budget request;
- Maintains a close working relationship with the Congressional Budget Office and Congressional authorizing committees related to funding of mandatory programs;
- Conduct reviews of current programs, proposed programs, 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;
- Ensure agency-developed material requiring action by the Office of the Secretary is analytically-sound, consistent with Administration policy, program, and budget requirements, and consistent with statutory authorities;
- Develop and maintain the Departmental Manual (DM 1260-1) governing the preparation, review, and clearance of legislative reports and the annual legislative program and ensure consistency in agency development of legislative information;

- Provide comprehensive analyses of the potential costs, benefits, and programmatic implications of proposed legislation to assist in the formulation of the Department's views;
- Coordinate the clearance of legislative proposals and reports, and regulations through USDA policy officials and the Office of Management and Budget (OMB), including responding to inquiries, providing documentation to OMB to support proposals, maintaining transmittal and clearance records, and notifying agencies of policy decisions and OMB action;
- Develop and maintain Departmental Regulation (DR 1512-1) governing the preparation, review and clearance of regulatory actions and ensure consistency with Departmental standards, as well as Congressional and Administration requirements, in agency regulatory development;
- Review regulatory actions for consistency with regulatory requirements, Executive Orders, and authorizing statutes and prepare analytical and explanatory information for policy officials to facilitate clearance of documents; and
- Coordinate and provide appropriate assistance in the preparation of the USDA portion of the Administration's Regulatory Plan and the Semi-Annual Regulatory Agenda.

Selected Examples of Recent Progress:

Performance Management. The Director of OBPA serves as USDA's Performance Improvement Officer (PIO) and is a member of the Government-wide Performance Improvement Council. The PIO is charged with supervising the performance management activities of the Department and developing a performance based budget. The Department is currently finalizing an update to the Strategic Plan, which will include four Strategic Goals and other management initiatives. OBPA participated in revising the Strategic Plan and worked with senior staff and OMB to develop the Department's High Priority Performance Goals, performance measures, and program outcomes. OBPA developed presentations to display funding information based on the Strategic Goals. Further information on USDA's performance can be found at: http://www.usda.gov/wps/portal/!ut/p/s.7.0.A/7.0.1OB?navid=PERFORMANCE_IMP&parentnav=HOME&navtype=RS.

Budget Summary and Related Information. OBPA revised the annual Budget Summary to include program results and other performance information for key measures that support the Department's strategic objectives for fiscal year 2010. The 2010 Budget Summary and Annual Performance Plan provides an overview of the Department's programs and budgets, and provides funding highlights. In addition, the document provides targets for key performance measures. The Budget Summary and Annual Performance Plan was released to the public on and is available at <http://www.obpa.usda.gov/budsum/FY10budsum.pdf>. The 2010 Explanatory Notes are also available to the public through the USDA web site.

Review of Regulatory Actions. During fiscal year 2009, OBPA was actively involved in the review and clearance of approximately 180 regulatory workplans which included numerous high priority Farm Bill related workplans. In addition, OBPA was actively involved in the review and clearance of approximately 150 regulations including regulations involving: 2008 Farm Bill programs, livestock disaster assistance, avian influenza, WIC Program vendor cost containment, requirements for poultry dealer contracts with growers, rural microentrepreneur assistance, and the designation of biobased items for Federal procurement.

Review of Legislative Actions. During fiscal year 2009, OBPA assisted in the preparation and review of approximately 330 legislative reports. These reports were reviewed to ensure consistency with the program, policy and budgetary objectives of the Administration; based on adequate analysis, and programmatic soundness.

Farm Bill Implementation. OBPA continued to provide leadership to assist with implementation of the 2008 Farm Bill. OBPA coordinates the clearance of Farm Bill regulations with subcabinet officials and OMB; ensures that implementation efforts are coordinated across mission areas; and tracks progress and reports to policy officials and Congress.

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OFFICE OF BUDGET AND PROGRAM ANALYSIS

Summary of Budget and Performance
Statement of Goals and Objectives

OBPA has one strategic goal, and three objectives that contribute to the strategic goals of the Department.

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
OBPA contributes to all USDA strategic goals.	<p>Agency Goal 1: Support the USDA mission of providing "leadership on food, agriculture, natural resources, rural development and related issues based on sound public policy, the best available science, and efficient management" by contributing guidance, sound analysis, and objective information regarding the Department's budget, programs, and legislative and regulatory actions.</p>	<p><u>Objective 1.1:</u> Assist the Office of the Secretary and other policy officials in decision-making and policy implementation by providing objective information and analyses regarding the Department's programs and policies.</p> <p><u>Objective 1.2:</u> Ensure the Department's budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities and is presented with associated performance information and linkages to the USDA Strategic Plan, and applicable laws.</p> <p><u>Objective 1.3:</u> Ensure the Department's legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p><u>Key Outcome 1:</u> The Secretary and other policy officials have the objective information necessary to make informed policy decisions in a timely manner.</p> <p><u>Key Outcome 2:</u> The final Departmental budget is consistent with policy decisions and allocates resources to agencies according to priorities and is presented with associated performance information and linkages to the USDA Strategic Plan, and applicable laws.</p> <p><u>Key Outcome 3:</u> The Department's legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.</p>

DEPARTMENTAL MANAGEMENT
OFFICE OF BUDGET AND PROGRAM ANALYSIS

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- Assist policy makers in decision-making and policy implementation.
- Make significant contributions to the relevance and accuracy of controlled correspondence.
- Meet Circular A-11 requirements and submit budget materials to OMB and Congress on time.
- Complete 98 percent of regulatory reviews on time.
- Review and clear 80 percent of legislative reports on time.

Key Performance Outcomes and Measures

Goal 1: Support the USDA mission of providing “leadership on food, agriculture, natural resources, rural development and related issues based on sound public policy, the best available science, and efficient management” by contributing guidance, sound analysis, and objective information regarding the Department’s budget, programs, and legislative and regulatory actions.

Key Outcome 1: The Secretary and other policy officials have the objective information necessary to make informed policy decisions in a timely manner.

Key Performance Measures:

- Yearly effectiveness rating in assisting policymakers in decision-making and policy implementation, as evidenced by annual informal assessment.
- Significant contribution made to the relevance and accuracy of controlled correspondence.

Key Performance Target: Effective in assisting policymakers in decision-making and policy implementation.

Key Outcome 2: The final Departmental budget is consistent with policy decisions and allocates resources to agencies according to priorities, performance and applicable laws.

Key Performance Measures:

- Relevant, accurate, and timely materials produced to present and support the budget.

Key Performance Target: Meet Circular A-11 requirements and the budget will be submitted to OMB and Congress on time.

Key Outcome 3: The Department’s legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.

Key Performance Measure:

- USDA legislative and regulatory proposals are reviewed and cleared within the assigned OBPA timeframe.

Key Performance Target:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Percent of legislative reports are reviewed and cleared within established timeframes.	80%	80%	80%	80%	80%	80%
Percent of regulatory reviews are completed within established timeframes.	98%	98%	98%	98%	98%	98%

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OFFICE OF BUDGET AND PROGRAM ANALYSIS

Summary of Budget and Performance
Full Cost by Agency Strategic Objective

Dollars in thousands

	FY 2009	FY 2010	FY 2011
Strategic Objective 1.1: Assist the Office of the Secretary and other policy officials in decision-making and policy implementation by providing objective information and analyses regarding the Department's programs and policies.			
Administrative Costs (Direct)	\$2,714	\$3,032	\$3,068
FTE	16	19	19
Performance Measure:			
Percent of legislative reports reviewed and cleared within established timeframes.	80%	80%	80%
Percent of Regulatory reviews completed within established timeframes	98%	98%	98%
Strategic Objective 1.2: Ensure the Department's Budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities, performance, and applicable laws.			
Administrative Costs (Direct)	\$2,969	\$3,515	\$3,556
FTE	17	23	23
Performance Measure:			
Percent of legislative reports reviewed and cleared within established timeframes.	80%	80%	80%
Percent of Regulatory reviews completed within established timeframes	98%	98%	98%
Strategic Objective 1.3: Ensure the Department's legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.			
Administrative Costs (Direct)	\$2,587	\$2,889	\$2,923
FTE	16	18	18
Performance Measure:			
Percent of legislative reports reviewed and cleared within established timeframes.	80%	80%	80%
Percent of Regulatory reviews completed within established timeframes	98%	98%	98%
Total Cost all Strategic Objectives	\$8,270	\$9,436	\$9,547
Total FTEs	49	60	60