

2022 USDA Explanatory Notes – EXECUTIVE OPERATIONS
OFFICE OF BUDGET AND PROGRAM ANALYSIS

Agency-Wide.....2
 Purpose Statement.....2
 Available Funds and FTEs.....2
 Permanent Positions by Grade and FTEs.....3
 Shared Funding Projects4
Account 1: Salaries and Expenses5
 Appropriations Language.....5
 Lead-Off Tabular Statement5
 Project Statements.....5
 Geographic Breakdown of Obligations and FTEs7
 Classification by Objects7
 Status of Programs8

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; 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 the necessary resources required and executes the budget to ensure 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, Department Risk Profile and 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, 2020, there were 40 permanent full-time employees.

OIG and GAO Reports

Table OBPA-1. In-Progress OIG Reports (audits pending closure)

Audit Report Number	Issuance Date	Title
50501-0018-12	10/12/2018	FY 2018 FEDERAL INFORMATION SECURITY MODERNIZATION ACT AUDIT

AVAILABLE FUNDS AND FTEs

Table OBPA-2. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
Salaries and Expenses:								
Office of Budget and Program Analysis.....	\$9,525	42	\$9,525	41	\$9,629	45	\$12,760	58
Lapsing Balances.....	-60	-	-22	-	-	-	-	-
Total Available,OBPA.....	9,465	42	9,503	41	9,629	45	12,760	58

PERMANENT POSITIONS BY GRADE AND FTEs

Table OBPA-3. Permanent Positions by Grade and FTEs

Item	2019 Actual			2020 Actual Total			2021 Enacted			2022 Budget Total		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	4	-	4	3	-	3	4	-	4	5	-	5
GS-15.....	8	-	8	11	-	11	11	-	11	11	-	11
GS-14.....	16	-	16	13	-	13	13	-	13	16	-	16
GS-13.....	7	-	7	4	-	4	8	-	8	15	-	15
GS-12.....	2	-	2	1	-	1	1	-	1	3	-	3
GS-11.....	1	-	1	2	-	2	2	-	2	2	-	2
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-9.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-8.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-7.....	-	-	-	4	-	4	4	-	4	4	-	4
Total Permanent.....	40	-	40	40	-	40	45	-	45	58	-	58
Unfilled, EOY.....	-	-	-	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY.....	40	-	40	40	-	40	45	-	45	58	-	58
FTE.....	42	0	42	41	0	41	45	0	45	58	0	58

SHARED FUNDING PROJECTS

Table OBPA-4. Shared Funding Projects (dollars in thousands)

Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Working Capital Fund:				
Administrative Services:				
Materiel Management Service.....	\$11	\$17	\$15	\$6
Mail and Reproduction Services.....	70	65	75	32
Integrated Procurement Systems.....	0	1	0	0
Procurement Operations Services.....	0	0	0	0
Human Resources Enterprise Management Systems.....	1	1	0	0
Subtotal.....	82	84	90	38
Communications:				
Creative Media & Broadcast Center.....	1	1	3	1
Finance and Management:				
National Finance Center.....	13	12	12	12
Financial Management Systems.....	18	13	11	11
Subtotal.....	31	25	23	23
Information Technology:				
Client Experience Center.....	230	242	248	259
Department Administration Information Technology Office.....	0	11	18	19
Digital Infrastructure Services Center.....	40	34	37	45
Enterprise Network Services.....	15	19	27	28
Subtotal.....	285	306	330	351
Office of the Executive Secretariat.....	2	1	1	1
Total, Working Capital Fund.....	401	417	447	414
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach.....	3	4	3	0
Medical Services.....	3	2	11	11
Office of Customer Experience.....	1	3	4	4
Personnel and Document Security Program.....	1	1	1	0
Physical Security.....	-	3	2	0
Security Detail.....	2	3	2	2
Security Operations Program.....	5	3	3	0
TARGET Center.....	1	1	1	0
USDA Enterprise Data Analytics Services.....	0	4	2	0
Total, Department-Wide Reimbursable Programs.....	16	24	29	17
E-Gov:				
Enterprise Human Resources Integration.....	1	0	0	0
E-Rulemaking.....	4	18	0	0
Integrated Acquisition Environment.....	0	1	0	0
Total, E-Gov.....	5	19	0	0
Agency Total.....	422	460	476	431

ACCOUNT 1: SALARIES AND EXPENSES

LEAD-OFF TABULAR STATEMENT

Table OBPA-5. Lead-off Tabular Statement (in dollars)

Item	Amount
2021 Enacted	\$9,629,000
Change in Appropriation.....	+ 3,131,000
Budget Estimate, 2022.....	<u>12,760,000</u>

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, [\$9,629,000] \$12,760,000.

PROJECT STATEMENTS

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

Item	2019		2020		2021		Inc. or Dec.	Chg FTE Key	2022	
	Actual	FTE	Actual	FTE	Enacted	FTE			Budget	FTE
Discretionary Appropriations:										
Office of Budget and Program Analysis	\$9,525	42	\$9,525	41	\$9,629	45	+\$3,131	+13 (1)	\$12,760	58
Lapsing Balances.....	-60	-	-22	-	-	-	-	-	-	-
Total Obligations.....	<u>9,465</u>	<u>42</u>	<u>9,503</u>	<u>41</u>	<u>9,629</u>	<u>45</u>	<u>+3,131</u>	<u>+13</u>	<u>12,760</u>	<u>58</u>

Table OBPA-7. Project Statement (thousands of dollars, FTEs)

Item	2019		2020		2021		Inc. or Dec.	Chg FTE Key	2022	
	Actual	FTE	Actual	FTE	Enacted	FTE			Budget	FTE
Discretionary Obligations:										
Office of Budget and Program Analysis.....	\$9,465	42	\$9,503	41	\$9,629	45	+\$3,131	+13	\$12,760	58
Lapsing Balances.....	60	-	22	-	-	-	-	-	-	-
Total Appropriation.....	<u>9,525</u>	<u>42</u>	<u>9,525</u>	<u>41</u>	<u>9,629</u>	<u>45</u>	<u>3,131</u>	<u>- 13</u>	<u>12,760</u>	<u>58</u>

JUSTIFICATION OF INCREASES AND DECREASES

Base funds will allow OBPA to continue to provide analyses and information to the Secretary and other senior policy officials to support informed data driven decision-making regarding the Department’s programs and policies, budget, legislative, and regulatory actions.

1) A net increase of \$3,131,000 and 13 FTEs (\$9,629,000 and 45 FTEs available in 2021).

The funding change is requested for the following items:

a. An increase of \$208,000, which includes \$142,000 for pay inflation and \$66,000 for the Federal Employee Retirement System (FERS):

This increase will support a 2.7 percent cost of living pay increase for civilian employees and a 1.1 percent increase to cover the expenses for the mandated increase of USDA’s contribution to FERS. This increase will allow OBPA to maintain support for USDA’s budget formulation and execution processes, along with support for other programmatic and regulatory analyses performed by the Office. This critical increase is needed to support and maintain current staffing levels to meet the program demands and statutory requirements imposed on OBPA. Elimination of the pay cost increase would mean that OBPA would not be able to fund approximately 1 FTE and/or would otherwise need to reduce mission support activities. Approximately 85 percent of OBPA’s budget supports personnel compensation and benefits. Failure to receive this increase would prevent us from fully performing our mission, which is necessary to ensure continued support for all areas of the Department as well as meeting the needs of the Executive Office of the President and Members of Congress.

b. An increase of \$1,873,000 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 begins drafting the next Farm Bill, the 2022-2026 Strategic Plan, as well as continue to implement 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 13 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.

c. 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.

d. 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 were 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.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table OBPA-8. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
District of Columbia.....	\$9,465	42	\$9,503	41	\$9,629	45	\$12,760	58
Lapsing Balances.....	60	-	22	-	-	-	-	-
Total, Available.....	9,525	42	9,525	41	9,629	45	12,760	58

CLASSIFICATION BY OBJECTS

Table OBPA-9. Classification by Objects (thousands of dollars)

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Personnel Compensation:					
	Washington D.C.....	\$5,943	\$5,597	\$6,205	\$8,237
	Personnel Compensation, Field.....	-	-	-	-
11	Total personnel compensation.....	5,943	5,597	6,205	8,237
12	Personal benefits.....	1,766	1,849	2,206	3,330
13.0	Benefits for former personnel.....	3	9	9	-
	Total, personnel comp. and benefits.....	7,712	7,455	8,420	11,567
Other Objects:					
21.0	Travel and transportation of persons.....	10	2	-	-
22.0	Transportation of things.....	2	2	3	2
23.1	Rental payments to GSA.....	3	3	3	3
23.3	Communications, utilities, and misc. charges.....	149	109	117	91
24.0	Printing and reproduction.....	83	79	80	88
25	Other contractual services.....	-	256	-	-
25.2	Other services from non-Federal sources.....	879	827	851	839
25.3	Other goods and services from Federal sources.....	569	475	100	100
25.4	Operation and maintenance of facilities.....	-	113	-	-
25.5	Research and development contracts.....	-	101	-	-
26.0	Supplies and materials.....	44	27	40	50
31.0	Equipment.....	14	54	15	20
	Total, Other Objects.....	1,753	2,048	1,209	1,193
99.9	Total, new obligations.....	9,465	9,503	9,629	12,760
	DHS Building Security Payments (included in 25.3).....	\$29	\$21	\$10	\$10
Position Data:					
	Average Salary (dollars), ES Position.....	\$186,403	\$198,732	\$199,300	\$199,700
	Average Salary (dollars), GS Position.....	\$123,342	\$123,289	\$127,855	\$128,093
	Average Grade, GS Position.....	13.8	13.8	13.8	13.9

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, 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. On a quarterly basis, OBPA, in collaboration with the Deputy Secretary's office, hold strategic review sessions to assess progress on budgetary- and performance-related activities.

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 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 USDA's Farm Bill implementation activities, ensuring that all provisions are assigned to the appropriate agency or office and tracking and reporting the progress their efforts.

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 the Office of Management and Budget (OMB), the Appropriations Committees, and the Congressional Budget Office.

Selected Examples of Recent Progress

During FY 2020, 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 (ERM) 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. 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: In FY 2020, OBPA leveraged resources to collaborate with the Department of Education’s Budget Line of Business to develop and implement the MAX Jira Apportionment Workflow Database, an automated apportionment workflow system for departmentwide use beginning with the initial FY 2021 apportionments. The MAX Jira system replaces 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 and accountability.

OBPA also continued 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 2020, 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 (OCFO) to automate and validate data input on which these visualizations are built to ensure accurate reporting and tracking of USDA obligations.

Enterprise Risk Management: The Director of OBPA is the Chief Risk Officer (CRO). In this capacity, OBPA established a governance structure for the ERM initiative. Additionally, the ERM Committee, chaired by the CRO, developed an initial risk profile for the Department. This fiscal year, the Committee will prioritize the list and develop mitigation strategies.

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 develop a Department-wide Learning Agenda.