

**2021 USDA Explanatory Notes – EXECUTIVE OPERATIONS
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; 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 (OMB) and Congressional appropriations committees 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.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 2019, there were 40 permanent full-time employees.

OIG and GAO Reports

The Office of Budget and Program Analysis did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

AVAILABLE FUNDS AND STAFF YEARS

Table OBPA-1. Available Funds and Staff Years (thousands of dollars, staff years (SY))

Item	2018	SY	2019	SY	2020	SY	2021	SY
	Actual		Actual		Enacted		Budget	
Salaries and Expenses:								
Discretionary Appropriations	\$9,525	45	\$9,525	42	\$9,525	45	\$20,665	55
Transfers Out to WCF.....	-	-	-	-	-	-	-	-
Total Available.....	9,525	45	9,525	42	9,525	45	20,665	55
Lapsing Balances.....	-458	-	-60	-	-	-	-	-
Total, OBPA	9,067	45	9,465	42	9,525	45	20,665	55

PERMANENT POSITIONS BY GRADE AND STAFF YEARS

Table OBPA-2. Permanent Positions by Grade and Staff Years

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Wash. DC	Wash. DC	Wash. DC	Wash. DC
SES.....	4	4	5	5
GS-15.....	9	8	10	10
GS-14.....	18	16	17	15
GS-13.....	4	7	8	8
GS-12.....	5	2	3	5
GS-11.....	2	1	0	3
GS-10.....	1	1	1	1
GS-9.....	1	-	-	4
GS-8.....	1	1	1	1
GS-7.....	1	-	-	2
Total Permanent.....	47	40	45	55
Unfilled, EOY.....	4	-		
Total Perm. FT EOY.....	43	40	45	55
Staff Year Est.....	45	42	45	55

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

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Working Capital Fund:				
Administration:				
HR Enterprise System Management.....	\$1	\$1	\$1	\$1
Integrated Procurement Systems.....	-	-	-	-
Mail and Reproduction Services.....	63	70	68	71
Material Management Service Center.....	14	11	17	16
Procurement Operations Division.....	-	-	-	-
Subtotal.....	78	82	86	88
Communications:				
Creative Media & Broadcast Center.....	1	1	5	4
Finance and Management:				
Financial Shared Service.....	52	18	13	13
National Finance Center.....	14	13	12	11
Subtotal.....	67	32	30	28
Information Technology:				
Client Experience Center.....	192	230	243	234
Department Administration Information Technology Office...	-	-	12	12
Digital Infrastructure Service Center.....	18	40	218	210
Enterprise Network Services.....	13	15	35	37
Subtotal.....	223	285	508	493
Correspondence Management.....	25	2	2	2
Total, Working Capital Fund.....	393	401	626	611
Department-Wide Shared Cost Programs:				
1890's USDA Initiatives.....	-	-	-	-
Agency Partnership Outreach.....	4	3	3	3
Continuity of Operations Planning.....	-	-	-	-
Emergency Operations Center.....	-	-	-	-
Human Resources Transformation.....	1	-	-	-
Identity and Access Management.....	-	-	-	-
Medical Services.....	3	3	2	-
Office of Customer Experience.....	1	1	1	1
Personnel and Document Security.....	1	1	1	1
Physical Security.....	-	-	3	2
Security Detail.....	2	2	2	2
Security Operations.....	5	5	3	3
TARGET Center.....	1	1	1	1
USDA Enterprise Data Analytics Services.....	-	-	2	2
Virtual University.....	-	-	-	-
Total, Department-Wide Reimbursable Programs.....	18	16	18	15
E-Gov:				
Enterprise Human Resources Integration.....	1	1	-	-
E-Rulemaking.....	5	4	9	9
Total, E-Gov.....	6	5	9	9
Agency Total.....	417	422	653	635

ACCOUNT 1: SALARIES AND EXPENSES**LEAD-OFF TABULAR STATEMENT**

Table OBPA-4. Lead-Off Tabular Statement

Item	Amount
2020 Appropriation	\$9,525,000
Change in Appropriation	+11,135,000
Budget Estimate, 2021	<u>\$20,660,000</u>

APPROPRIATIONS LANGUAGE

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

Office of Budget and Program Analysis

For necessary expenses of the Office of Budget and Program Analysis, [~~\$9,525,000~~] \$20,660,000, of which \$8,500,000 to remain available until September 30, 2022.

PROJECT STATEMENT

Table OBPA-5. Project Statement (thousands of dollars, staff years (SY))

Item	2018 Actual	SY	2019 Actual	SY	2020 Enacted	SY	Inc. or Dec.	Chg Key	SY	2021 Budget	SY
Discretionary Appropriations:											
OBPA.....	\$9,525	45	\$9,525	42	\$9,525	45	+11,135	(1)	+10	\$20,660	55
Transfers Out to WCF.....	-	-	-	-	-	-	-	-	-	-	-
Total Available.....	9,525	45	9,525	42	9,525	45	+11,135	-	+10	20,660	55
Lapsing Balances.....	-458	-	-60	-	-	-	-	-	-	-	-
Total Obligations.....	<u>9,067</u>	<u>45</u>	<u>9,465</u>	<u>42</u>	<u>9,525</u>	<u>45</u>	<u>+11,135</u>	<u>-</u>	<u>+10</u>	<u>20,660</u>	<u>55</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) An increase of \$11,135,000 and 10 staff years (\$9,525,000 and 45 staff years available in 2020).

The funding change is requested for the following items:

a. An increase of \$8,500,000, for a Budget Execution System, and 1 staff year.

This increase will support OBPA in the development and implement a Department-wide budget execution system. USDA presently lacks a system that enables the Department to track and monitor at a Departmental level the execution of USDA's budget. OBPA's request will enable USDA to improve the review and oversight of the execution of the budget, in order to maintain fiduciary responsibility to the American taxpayer. Creation of a budget execution system will enable the Department to better execute operational plans

that will ensure the effective and efficient use of agency resources, improving accountability and oversight throughout the Department. The system will be used to guide budget execution actions such as determining funds available for commitment and obligation; provide automated spending plans; automate apportionments and allotments; and develop execution reports that will allow for greater data driven decision making by policy and agency officials. The overall system goal would combine information from budget formulation, the acquisition system, and the core accounting system to generate execution reports that will permit for improved transparency and control capabilities allowing agencies to accomplish their missions while enforcing federal compliance. A centralized departmental budget execution system will provide significant savings in time and effort across USDA and improve reporting capabilities to Congressional committees and the American people.

b. An increase of \$2,440,500 and 9 staff years.

OBPA leads USDA's regulatory processes, strategic planning, performance management, and serves as the USDA's evaluation and evidence office responsible for the coordination of evidence-building activities within the Department. Funding is requested, to hire personnel to ensure oversight and compliance with the Congressional Review Act (CRA) to support the Department to more effectively conduct oversight of CRA activities. Personnel will also support evidence-building activities, to prepare for the next strategic planning cycle, and to develop and maintain systems to enhance and integrate capabilities required by The Foundations for Evidence-Based Policymaking Act of 2018. This funding will enable OBPA to assess the coverage, quality, methods, effectiveness, and independence of the agency's statistics, evaluation, research, and analysis efforts

This increase will also support USDA's efforts in further establishing an Enterprise Risk Management (ERM) program. OBPA oversees and coordinates USDA's ERM program allowing for a Departmental-wide view of risk and opportunity, while refraining from advocating for any particular agency within USDA. This funding will allow OBPA to create, establish, and maintain an ERM program that will provide an organizational view of risks and allow USDA to gauge which risks are directly aligned to achieving strategic goals and objectives resulting in the highest probability of impacting the USDA's mission. OBPA in coordination with the ERM council will assess and escalate significant, prioritized risks so that challenges and opportunities can be routinely analyzed and incorporated into mitigation plans. ERM efforts will improve USDA capacity to prioritize actions, optimize resources, and assess changes in the operating environment. Further, the enhanced ERM processes will be aligned with the development of the Department's next Strategic Plan and budget formulation processes. This funding will allow OBPA to meet programmatic requirements and to produce an annual risk profile which will provide analysis of the risks impacting the USDA's ability to achieve its strategic goals and objectives, as well as providing responses or actions that will inform management decision-making. These efforts will improve, and support policymaking and support data driven decision making, thus improving performance and enable USDA to meet Mission

and Strategic Goals and Objectives. Without this funding, the Department will not be able to dedicate resources to the implementation of these critical activities intended to improve Government management and service to the American people.

- c. An increase of \$73,828 pay costs (\$33,806 for annualization of the 2020 pay increase and \$40,021 for the 2021 pay increase).

This increase will support the pay increase for civilian employees. This increase will allow the OBPA to support USDA's strategic planning and performance, enterprise risk management, and budget formulation and execution. 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 means the OBPA would not be able to fund approximately 1 FTE and/or would need to significantly cut travel, training, and mission support. Approximately 85 percent of our 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.

- d. An increase of \$53,362 for performance awards.

This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President's Management Agenda, to enhance workforce development. Without this additional funding, OBPA will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA's ability to meet key Administration priorities contained in this Budget.

- e. An increase of \$67,310 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

This increase will cover the expenses for the mandated increase of USDA's contribution to FERS. These increases were effective January 1, 2020, and impact approximately 45 employees' retirement packages.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS*Table OBPA-6. Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))*

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
District of Columbia.....	\$9,067	45	\$9,465	42	\$9,525	45	\$20,660	55
Lapsing Balances	458	-	60	-	-	-	-	-
Total, Available	9,525	45	9,525	42	9,525	45	20,660	55

CLASSIFICATION BY OBJECTS*Table OBPA-7. Classification by Objects (thousands of dollars)*

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$5,841	\$5,943	\$6,000	\$6,194
11	Total personnel compensation	5,841	5,943	6,000	6,531
12	Personal benefits.....	1,875	1,766	1,780	1,954
13.0	Benefits for former personnel	3	3	3	3
	Total, personnel comp. and benefits.....	7,719	7,712	7,783	8,488
	Other Objects:				
21.0	Travel and transportation of persons	9	10	10	10
22.0	Transportation of things.....	1	2	2	2
23.1	Rental payments to GSA	2	3	3	3
23.3	Communications, utilities, and misc. charges.....	128	149	149	149
24.0	Printing and reproduction	85	83	83	83
25.2	Other services from non-Federal sources	613	879	868	868
25.3	Other goods and services from Federal sources .	208	569	569	11,437
26.0	Supplies and materials	79	44	44	44
31.0	Equipment.....	223	14	14	14
	Total, Other Objects.....	1,348	1,753	1,742	12,610
99.9	Total, new obligations.....	9,067	9,465	9,525	21,098
	DHS Building Security Payments (included in 25.3)	\$24	\$29	\$29	\$30
	Position Data:				
	Average Salary (dollars), ES Position.....	178,584	186,403	188,267	190,150
	Average Salary (dollars), GS Position	112,696	123,342	124,575	116,516
	Average Grade, GS Position	13.6	13.8	13.8	14.1

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.

OBPA also manages the preparation, review, and clearance of regulatory actions 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 prepare analytical and explanatory information for policy officials.

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.

Specifically Addressed Areas

During the last fiscal year, OBPA spearheaded several initiatives: 1) revising the budget formulation process; 2) developing data visualization tools for budget execution; 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: OBPA continued its efforts to improve the Quarterly Strategic Review (QSR) process, which is a joint effort with the Office of the Deputy Secretary to create a tool that tracks spending trends to make data-driven decisions. During FY 2019, OBPA created a series of interactive dashboards that track USDA spending and use these spending trends to allocate spending in future fiscal years. In FY 2020, OBPA is collaborating with the Office of the Chief Financial Officer (OCFO) to automate the data input on which these visualizations are built. This will allow for real-time 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, 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.