Budget Formulation and Execution (BFE) Lines of Business (LOB) FAQs

What are the budgeting function challenges that make BFE LoB necessary?

Challenges related to the Federal budgeting function include the following:
- Most agencies do not have automated systems to support their budget formulation and execution activities – they depend on basic desktop office software to prepare and justify complex, multi-billion dollar budgets.
- Hundreds of budget exercises are conducted annually without the benefit of electronic collaborative technologies.
- Agency budget personnel spend a substantial amount of time entering and reconciling data and merging numbers into textual submissions and publications. This detracts from their ability to analyze issues and support decision makers.
- Agencies pursuing automation have done so unilaterally with little coordination or consolidation of procurements. Of the few agencies that have systems, only one agency is able to electronically submit data to OMB's MAX central budget system.

What is the BFE LoB approach?

The Budget Officers Advisory Council governs the BFE LoB. Agencies voluntarily participate in the LoB and pay a flat fee based on their assessment of the value of the benefits and government-wide services they will receive. They pay additional fees for agency-specific services they optionally acquire. Solutions focus on enhancing the capabilities and effectiveness of OMB and agency budget personnel in performing their budgeting functions.

What savings are projected as a result of the BFE LoB?

Current expenditures are relatively small; therefore, significant cost savings are not anticipated. Benefits will result from improvements such as increased quality of budget analysis to inform the budget formulation process.

What solutions will the BFE LoB provide?

The BFE LoB will provide solutions related to technology, human capital and governance.
- Technology solutions
  - Identify and "productize" modules and services that agencies can acquire to enhance budgeting, analytical, document production, and knowledge management functions.
  - Make available government-wide capabilities for secure collaboration, data collection, and tracking that enhance effectiveness on inter-organizational budgeting activities.
  - Aggregate procurements of budgeting tools to achieve cost efficiencies (e.g. smart buys).

- Human Capital solutions strengthen the Federal budgeting profession by sharing best practices for all budgeting activities, creating a community of practice, identifying training and educational opportunities, and defining career path options.
- Governance solutions provide for year-round coordination via a program management office, build a technical architecture including modules that agencies can "pick and choose" to meet individual needs and promote maximum flexibility, sharing and re-use, and set standards for data and data exchange.

How did the BFE LoB arrive at these solutions?

In Spring 2006, the Budgeting Task Force requested information from industry, non-profits, and government organizations (41 responses received) to gain their perspectives. The Task Force used these responses and analysis of agency investment information to help develop common solutions and target architecture that will address how to enhance the capabilities and effectiveness of OMB and agency budget personnel in performing their budgeting functions.

In addition, the Task Force addressed and solicited comments from multiple professional groups within the budget community, including the American Association for Budget and Program Analysis (AABPA). Any others we can list?

Does the BFE LoB plan to require agency budget offices to migrate to centralized LoB solutions?

No. Federal budgeting is a policy-driven process that dynamically changes in response to national and global events. Agency characteristics that play into budget processes are extremely diverse and one solution will not work for every agency. The inherent business processes and workflow variances reflect agency diversity. Agency diversity characteristics include size, mission complexity, activity type, organizational complexity, Congressional constituencies, and political sensitivity. For these reasons, budget processes and automated systems must be flexible.

How will the BFE LoB help agencies in terms of budget systems?

Through agency workgroups, the BFE LoB will assess the range of budgeting systems and tools being used by Federal agencies. This information will be available to all agency budget offices.

Several agencies have used automation to make the budget process at their agency more efficient and effective. On a limited basis, the BFE LoB will work with these agencies to "productize" their budget system and make it generic enough that other agencies can use it. The BFE LoB is currently working with Treasury to make their central budget office formulation system available to other agencies.

In addition, BFE LoB workgroups will work toward more standardized data and standard methods for data exchange.

How will interested agencies use the centralized budget systems provided by the BFE LoB?

The systems will be available in two ways: (1) in a shared service provider environment on a fee for service basis; and (2) system code and documentation via CD for installation in an agency's own environment.

Will the solution(s) interact seamlessly with across government (i.e., with OMB's MAX system, Treasury, Congressional committees, etc.) or will they remain separate?

Our hope is that we can come up with solutions that enable agencies processes to seamlessly interact with the central budget processes.

Our company has a budget system or tool that is used in many agencies. May we demonstrate it to the BFE LoB?

The BFE LoB currently reviews systems and tools demonstrated by agency representatives. Vendors are welcome to contact the E-Gov office and participate in their "Industry Day", which is held once per month. For more information, please see ?? or contact ?? .

What does the BFE LoB plan to purchase at this time?

No centralized systems acquisitions via the BFE LoB are planned at this time. Agencies are responsible for evaluating their individual needs (systems and other) related to the budget process and then deciding on an acquisition strategy that will best meet their needs. The BFE LoB is currently working with agencies to identify and assess existing systems that can be shared. The system solutions that are identified will be available via the hosting agency, similar to the Treasury system mentioned previously.

What is the funding level for the BFE LoB?

The BFE LoB is funded by voluntary agency contributions. Major agencies are encouraged to contribute $75,000 in FY 2007 ($85,000 in FY 2008) and smaller ones are asked to contribute $45,000. Agencies will pay additional fees for agency-specific services they elect to acquire (like the Treasury system). If the funding collected is insufficient and alternate resources are unavailable, the proposed solutions will be deferred or scaled back as determined by the contributing agencies. The Task Force allows and even encourages agencies to make their contribution "in-kind" by directly assuming responsibility for completing BFE LoB planned tasks.

I'm interested in the BFE LoB. How can I participate?

All agencies and bureaus/subcomponents are encouraged to participate. Many agencies attend regular Task Force meetings and participate in workgroups to achieve the goals of the BFE LoB. Please contact the BFE LoB Managing Partner for more information.

Who do I contact for more information?

The Department of Education serves as Managing Partner for the BFE LoB. You may contact them at budgetlob@ed.gov.