

Executive Office of the President



Office of Management and Budget

Fiscal Year 2011 Budget

Executive Office of the President Office of Management and Budget

Mission Statement and Background

The Office of Management and Budget (OMB) assists the President in the development and execution of his policies and programs and in meeting certain requirements in law such as preparation of an annual Federal budget. In meeting these responsibilities, OMB reviews agency budgets, management, legislative, regulatory, financial, procurement, and other proposals; assures that all such proposals are consistent with relevant statutes and Presidential objectives; provides both short-range and long-range analysis and advice to government officials on a variety of subjects; and develops Government-wide policies. To achieve its mission OMB directs resources developing, enacting, and implementing the President's Budget. OMB is committed to improving the effectiveness and efficiency of government programs and rules. The agency ensures agencies develop, express, and implement policies in accordance with the President's priorities.

OMB derives its basic authority from Title 31 of the U.S. Code, based on provisions originally enacted in the Budget and Accounting Act of 1921, as amended. This Act, in providing the first comprehensive national budget system, established the Bureau of the Budget (the Bureau), the precursor to OMB, in the Department of the Treasury and called for the Bureau to assemble and correlate, as well as recommend changes to, the requests for appropriations of the Executive Branch. The Bureau was further authorized to make detailed administrative studies that would help in securing greater economy and efficiency in the conduct of the public service.

The Bureau moved from the Department of the Treasury to the Executive Office of the President in 1939 and was reorganized into OMB by Reorganization Plan No. 2 of 1970. OMB provides the President with an institutional staff capability in Executive Branch management, particularly in performance measurement, financial management and financial systems management, management reform, regulatory analysis, and information and management systems. OMB also serves as the central point for review and clearance of Executive Branch legislative proposals.

Organizational Responsibilities

OMB plays a pivotal role in developing and supporting the President's management, budget, and legislative agenda. OMB components assist the President in the preparation of the Federal budget and in managing its execution throughout the departments and agencies. In helping formulate the President's spending plans, OMB examines the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies; recommends funding priorities; and provides policy options. The following illustrate OMB work in budget and policy development; budget and policy enactment; and budget and policy implementation:

Budget and policy development - Every year, OMB staff are involved in the development of new program policies, from inception of policy options, analysis of options for inclusion in the budget, the State of the Union address, etc. Each new program/policy requires close engagement of OMB staff and policy officials with White House staff and agency staffs.

Budget and policy enactment - OMB staff support Administration officials working with Congress to enact the President's Budget and legislative programs. OMB works to assure that proposed legislation, testimony, reports, and policies are consistent with Administration policies, including the President's Budget.

Budget and policy implementation - OMB staff monitor the implementation of major programs and policies to review the performance of government programs, and to identify and help resolve issues that arise in development of initial regulations and program guidance, program management, data reporting and analysis, long range evaluation and research designs, and analysis to inform future policy making more effectively.

Management and performance - OMB develops and executes a government-wide management agenda that includes information technology, financial management, procurement, performance, and human resources. In this capacity, OMB oversees agency management of programs and resources to achieve legislative goals and Administration policy. It also oversees agency program evaluation activities to determine their net effects, success or failure, and how agencies respond to these findings by making management improvements and developing new budget and policy proposals.

The following is a brief summary of the functions of each of the offices within OMB:

Resource Management Offices (RMOs) - National Security Programs; General Government Programs; Natural Resource Programs; Education, Income Maintenance, and Labor Programs; and Health Programs. RMOs examine agency budget requests, programs, regulatory and legislative proposals, and management activities in order to assure consistency with the President's policies and coordination among Federal agencies. These divisions are the core source of expertise on all matters pertaining to the programs and operations of Federal departments and agencies.

Office of Information and Regulatory Affairs (OIRA) - OIRA is responsible for reviewing collections of information imposed on the public; provides guidance concerning the acquisition, use and management of Federal information resources; coordinates policy direction on Federal statistical activities; and implements executive regulatory oversight activities under Executive Order 12291 (Federal Regulation) and Executive Order 12498 (Regulatory Planning Process).

Office of Federal Financial Management (OFFM) - OFFM is responsible for preparing the Government-wide financial management status report and 5-year plan. OFFM monitors the execution of the plan and provides policy guidance on preparation and audit of financial statements, financial systems requirements, management controls, and cost accounting and audit

requirements for the non-Federal grantee community. OFFM also provides policy guidance on Federal grants management.

Office of Federal Procurement Policy (OFPP) - OFPP provides overall direction of procurement policies, regulations, and procedures for Executive agencies. It prescribes Government-wide procurement policies to be implemented in the Federal Acquisition Regulation (FAR) and provides leadership and coordination in the formulation of Executive branch positions on procurement and procurement related legislation. The Cost Accounting Standards Board (CASB), an entity within OFPP, exercises the authority to make, promulgate, amend, and rescind cost accounting standards.

Office of E-Government (E-Gov) and Information Technology (IT) - E-Gov and IT provides oversight and guidance of agency IT investments and policy guidance on agency management and execution of these investments. E-Gov and IT also provides direction and management support to Presidential E-Gov initiatives, including nine Line of Business initiatives, and other cross-agency, Government-wide efforts by leveraging IT to improve service delivery to citizens, businesses and agencies while making more efficient use of taxpayer resources. To improve IT performance, E-Gov and IT leverages its resources by working closely with the Chief Information Officers Council.

OMB-Wide Support Offices - Under the direction of the OMB Director and Deputy Directors, the OMB-Wide Support Offices provide executive direction and coordination for all OMB activities. These offices include: Communications and Strategic Planning; General Counsel; Legislative Affairs; Economic Policy; Management and Operations; Legislative Reference; Budget Review; Performance and Personnel Management; and the Intellectual Property Enforcement Coordinator.

OMB-wide support offices provide overall leadership for the agency's activities; develop instructions and procedures for a wide range of management, legislative, legal, economic, budgetary, operational, and IT-related issues; coordinate OMB review of agency activities; and prepare the budget document.

Overview

For fiscal year (FY) 2011, the estimated funding requirement for OMB is \$92,863,000 and a full-time equivalent (FTE) level of 529. This is the same funding level as the FY 2010 enacted OMB budget of \$92,863,000. The proposed staffing level of 529 FTE is the same staffing level as provided in FY 2010.

FY 2011 Estimate

The FY 2011 estimate reflects a net increase of \$914,000 for personnel to fund the January 2010 and January 2011 pay and benefit adjustments, and \$23,000 to fund an increase in GSA rent, with an internal budget reduction of \$937,000 to maintain a flat budget for FY 2011.

**Executive Office of the President
Office of Management and Budget**

Proposed Appropriation Language

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109 and to carry out the provisions of chapter 35 of title 44, United States Code, \$92,863,000, of which not to exceed \$3,000 shall be available for official representation expenses[: Provided, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): Provided further, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committees on Appropriations or their subcommittees: Provided further, That none of the funds provided in this or prior Acts shall be used, directly or indirectly, by the Office of Management and Budget, for evaluating or determining if water resource project or study reports submitted by the Chief of Engineers acting through the Secretary of the Army are in compliance with all applicable laws, regulations, and requirements relevant to the Civil Works water resource planning process: Provided further, That the Office of Management and Budget shall have not more than 60 days in which to perform budgetary policy reviews of water resource matters on which the Chief of Engineers has reported: Provided further, That the Director of the Office of Management and Budget shall notify the appropriate authorizing and appropriating committees when the 60-day review is initiated: Provided further, That if water resource reports have not been transmitted to the appropriate authorizing and appropriating committees within 15 days after the end of the Office of Management and Budget review period based on the notification from the Director, Congress shall assume Office of Management and Budget concurrence with the report and act accordingly].

Office of Management and Budget

Summary Change to Object Class (\$ in thousands)

A summary of requirements is shown below:

	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Estimated</u>
Total Direct Obligations.....	87,785	92,863	92,863
Full-Time Equivalent Level.....	497	529	529

The increases and/or decreases for FY 2011 are as follows:

FY 2010 enacted level.....			92,863
Net increases to FY 2010 enacted level:			
Personnel Compensation & Benefits.....		914	
Rental Payments to GSA.....		<u>23</u>	
Subtotal, increases to FY 2010 enacted level.....			937
Net decreases to FY 2010 enacted level:			
Other Contractual Services.....		<u>(937)</u>	
Subtotal, decreases to FY 2010 enacted level.....			<u>(937)</u>
FY 2011 estimated level.....			<u>92,863</u>

**Executive Office of the President
Office of Management and Budget**

**Object Class
(\$ in thousands)**

Object Class and Title	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimated	FY10/FY11 Difference
10 Personnel Compensation & Benefits.....	68,742	75,936	76,850	914
21 Travel & Transportation of Persons.....	265	388	388	0
22 Transportation of Things.....	1	2	2	0
23.1 Rental Payments to GSA.....	7,110	7,109	7,132	23
23.3 Comm., Utilities & Misc. Charges.....	746	618	618	0
24 Printing and Reproduction.....	544	522	522	0
25 Other Contractual Services.....	7,463	7,222	6,285	(937)
26 Supplies and Materials.....	539	609	609	0
26 Official Entertainment.....	0	3	3	0
31 Equipment.....	2,375	454	454	0
Total Direct Obligations.....	<u>87,785</u>	<u>92,863</u>	<u>92,863</u>	<u>0</u>
99 Reimbursement.....	<u>517</u>	<u>0</u>	<u>0</u>	
Total.....	<u>88,302</u>	<u>92,863</u>	<u>92,863</u>	

**Executive Office of the President
Office of Management and Budget**

Personnel Summary

Distribution by Program Activity of Full-time Equivalent Positions

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimated	FY10/FY11 Difference
<u>Program Activity Structure</u>				
National Security Programs.....	63	65	65	0
General Government Programs.....	57	62	62	0
Natural Resource Programs.....	60	62	62	0
Health Programs.....	42	45	45	0
Education, Income Maintenance, & Labor Programs..	31	33	33	0
Office of Fed. Financial Management.....	17	20	20	0
Information and Regulatory Affairs.....	46	45	45	0
Office of Federal Procurement Policy.....	13	17	17	0
OMB-Wide Support Offices*.....	167	180	180	0
Total Direct Program	496	529	529	0
Recovery Implementation Office**.....	1			0
Total Program	<u>497</u>	<u>529</u>	<u>529</u>	<u>0</u>

* OMB-Wide Support Offices includes the Director's Office; the Deputy Director; the Deputy Director for Management; the Executive Associate Director; Intellectual Property Enforcement Coordinator; Communications and Strategic Planning; General Counsel; Legislative Affairs; Economic Policy; Management and Operations Division; Performance and Personnel Management Division; the Legislative Reference Division; the Budget Review Division; and the Office of E-Gov and IT.

** Reflects direct FTE associated with the Recovery Act Accountability and Transparency Board Allocation Account.

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimated	FY10/FY11 Difference
Full-time Equivalent Employment	497	529	529	0

**Executive Office of the President
Office of Management and Budget**

**Explanation of Changes by Object Class
(\$ in thousands)**

FY 2010 Enacted	FY 2011 Estimate		Net Change
75,936	76,850	<p><i>Personnel Compensation and Benefits (10)</i> This object class includes salaries, terminal leave, premium pay, reimbursable detailees, assignments under the Intergovernmental Personnel Act, and all employee benefits.</p> <p>Reflects the net cost increase associated with annualizing the cost of the FY 2010 pay adjustment and the anticipated FY 2011 pay adjustment.</p>	914
388	388	<p><i>Travel and Transportation of Persons (21)</i> This object class includes official travel, such as per diem, hotel and transportation, auto rental, and local transportation.</p> <p>There is no net change in this object class.</p>	0
2	2	<p><i>Transportation of Things (22)</i> This object class includes commercial express delivery as well as freight and other shipping charges.</p> <p>There is no net change in this object class.</p>	0
7,109	7,132	<p><i>Rental Payments to GSA (23.1)</i> This category includes payments to the General Services Administration (GSA) for rental of space and rent related services.</p> <p>Reflects the change in rent costs as provided by GSA.</p>	23

FY 2010 Enacted	FY 2011 Estimate		Net Change
618	618	<p><i>Communications/Utilities/Miscellaneous Charges (23.3)</i> This object class includes data, voice, and wireless communications from Federal and commercial sources, as well as utilities, postage, and miscellaneous rental charges.</p> <p>There is no net change in this object class.</p>	0
522	522	<p><i>Printing and Reproduction (24)</i> This object class includes printing and reproduction obtained from the private sector or from other Federal entities.</p> <p>There is no net change in this object class.</p>	0
7,222	6,285	<p><i>Other Contractual Services (25)</i> This object class includes advisory and assistance services, other purchases of goods and services from Government accounts, operations and maintenance of facilities, research and development contracts, medical care, operations and maintenance of equipment, or subsistence and support of persons.</p> <p>Includes internal reductions to maintain a flat budget in OMB for FY 2011.</p>	(937)
609	609	<p><i>Supplies and Materials (26)</i> This object class includes general supplies, information technology (IT) supplies, newspapers, and magazine subscriptions, and Government publications.</p> <p>There is no net change in this object class.</p>	0
3	3	<p><i>Official Entertainment (26)</i> Estimate provides official reception and representation for OMB.</p> <p>There is no net change in this object class.</p>	0

FY 2010 Enacted	FY 2011 Estimate		Net Change
454	454	<i>Equipment (31)</i>	0
		This object class includes IT hardware and software, customized software programming, peripheral equipment (e.g., printers and network devices), office furniture and equipment, such as photocopiers, facsimile machines, and telephones.	
		There is no net change in this object class.	
92,863	92,863	Total for all Object Classes	0

Integrated, Efficient and Effective Uses of Information Technology

For too long, Federal Government information technology (IT) spending has been broken into silos – first by department and then even further within a department. The lack of a coordinated approach to IT spending has resulted in wasteful spending on custom-designed services and systems that could not communicate with each other. The President’s Budget (Budget) takes aggressive steps to address these inefficient, ineffective practices and replaces them with smarter IT investments that deliver better quality services to the American people at a lower cost.

As part of this effort, the Budget proposes \$50 million in the new Integrated, Efficient and Effective Uses of Information Technology (IEEUIT) account, appropriated to the Executive Office of the President, to be administered by the Office of Management and Budget (OMB), to be used as a central Government fund to establish common hosting for central IT services, creating a set of common platforms for universal tasks. These services could include citizen engagement platforms, collaboration solutions, and accountability dashboards. It is estimated that a centralized provision of key IT services could prevent billions of dollars in increased costs in the future.

Funds appropriated to the General Services Administration in the Electronic Government (E-Gov) Fund for FY 2010 will be used to identify specific systems at Federal agencies that would be better deployed through a centralized service, and how best to approach these systems through a one-stop-shop approach. The results of this analysis would be shared with Federal policymakers, Chief Information Officers, and program administrators before moving to the stage of Government-wide implementation. In FY 2011, the proposed \$50 million for IEEUIT would be used to establish the centralized services for Government-wide use. These funds could be transferred by OMB to agencies, as appropriate, to provide the new shared services.

Possible platforms to be hosted by central service providers include:

- **Citizen Services Delivery Dashboard:** The dashboard would provide the public with better information on the status of their interactions with federal agencies. The U.S. Citizenship and Immigration Services (USCIS) dashboard, launched in September 2009, is an example of this technology. This new dashboard model would provide access to information about the use of taxpayers’ dollars, as is done through the IT Dashboard at USASpending.gov.
- **Challenge Platform:** This web-based platform would allow the Federal Government to post problems and invite a community of solvers to suggest, collaborate on, and judge solutions.
- **FediPedia:** This suite of tools will allow more collaborative, Web 2.0-enabled work by Federal employees, linking the staff of agencies working on shared issues across the Government.
- **New Dashboards:** New dashboards, extending the model of the IT Dashboard, and the soon-to-be-released enhanced USASpending platform, will also be explored as part of the commitment to increased transparency, to afford the American people better insight into how their taxpayer dollars are being used. One candidate for development as a new Dashboard in FY 2010, and further enhancement in FY 2011 using IEEUIT funding, is

an extension of USASpending.gov to include Research & Development related information, responding to legal requirements in the E-Government Act.

- **Data.gov:** Further enhancements to Government-wide capabilities to extend implementations of how agencies make their data available to the public through Data.gov will also be explored, and could be implemented through IEEUIT funding in FY 2011.
- **Federal eMall Use Expansion:** Moving more Federal purchase card transactions to online Federal eMalls to produce significant savings through better internal controls and electronic purchase approval and recording is another area to be explored through the E-Gov Fund. Expansion of eMall use in FY 2011 will be considered as another candidate for a Federal platform development, which could pass from development relying on the E-Gov Fund to more integrated Government-wide implementations relying on the IEEUIT funding.

These and other options will be examined in FY 2010, with initial solutions developed through the E-Gov Fund. Building on the results of this work, Government-wide implementation of shared services would be achieved in FY 2011 through the new IEEUIT appropriation.