

# Executive Office of the President



## *Office of Management and Budget*

**Fiscal Year 2015 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. As a core part of its mission (and working with the White House and Federal agencies), OMB develops the President's budget proposals, submits the President's Budget to Congress and supports its enactment, and oversees the Executive Branch's implementation of the enacted appropriations (including through the apportionment of funds). The agency is committed to improving the effectiveness and efficiency of Government programs and rules. OMB ensures agencies develop, express, and implement policies and practices in accordance with the President's priorities and statutory direction.

OMB derives its basic authority from Title 31 of the U.S. Code, based on provisions originally enacted in the Budget and Accounting Act of 1921, as amended.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 provided the first comprehensive national budget system and established the Bureau of the Budget (the Bureau), the precursor to OMB, in the Department of the Treasury. The Act 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 illustrates OMB work in budget and policy development; budget and policy enactment; and budget and policy implementation:

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

---

Budget and policy development - Every year, OMB staff are involved in the development of new program policies, from inception of policy options, to analysis of options for inclusion in the budget, the State of the Union address, and other occasions. Each new program or 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 the Congress to enact the President's Budget and legislative programs and responding to congressional inquiries. OMB works to ensure 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 the development of initial regulations and program guidance, program implementation and 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 improve efficiency and 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) - RMOs examine agency budget requests, programs, regulatory and legislative proposals, and management activities in order to assure consistency with the President's policies, coordination among Federal agencies, and effective implementation of enacted legislation. The RMOs are: National Security Programs; General Government Programs; Natural Resource Programs; Education, Income Maintenance, and Labor Programs; and Health Programs. 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 reviews 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 12866 (Regulatory Planning and Review) and Executive Order 13563 (Improving Regulation and Regulatory Review).

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

---

Office of Federal Financial Management (OFFM) - OFFM prepares 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 and provides leadership and coordination in the formulation of Executive branch positions on procurement and procurement-related legislation. The Cost Accounting Standards Board, an entity within OFPP, exercises the authority to make, promulgate, amend, and rescind cost accounting standards.

Office of E-Government and Information Technology (E-Gov) - E-Gov leads Government-Wide IT policy and oversight activities designed to: maximize the return on investment in Federal IT; drive innovation to meet customer needs; and secure and protect the Government's data. E-Gov provides oversight and guidance on agency IT investments, and on agency management and execution of these investments. E-Gov also provides direction and management support to Presidential E-Gov 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. E-Gov leverages its resources by working closely with the Federal Chief Information Officers Council.

OMB-Wide Support Offices - 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) 2015, the estimated funding requirement for OMB is \$93,450,000 and a full-time equivalent (FTE) level of 480. This request is \$4,150,000 (or +4.6 percent) above the FY 2014 enacted appropriation of \$89,300,000. The proposed staffing level for FY 2015 of 480 FTE is ten FTE above the FY 2014 enacted.

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

---

### FY 2015 Estimate

OMB is requesting a total increase of \$4,150,000 (or +4.6 percent) from the FY 2014 enacted level.

**Personnel Compensation & Benefits (+\$3,840,000).** This funding will allow OMB to hire 25 additional staff (10 FTE) for a total FTE level of 480 in FY 2015. The OMB FY 2015 budget request provides for FY 2014 and FY 2015 pay adjustments, increased health benefit costs, and increased FERS retirement costs. The budget request also provides resources to partially fund 25 new staff (10 FTE). Over the past several years, OMB has been required to take on numerous new responsibilities due to provisions in legislation, including the Statutory Pay-as-You-Go Act; the GPRA Modernization Act; the Budget Control Act; and the National Defense Authorization Act of 2013. These additional responsibilities include: scoring legislation for PAYGO, publishing the PAYGO scorecard, and determining sequesterable amounts and issuing sequestration reports; coordinating the development and quarterly OMB reviews of cross agency priority goals as well as establishing a central performance.gov site with all agency strategic plans and priority goals information; working with the Department of Defense and other agencies to modernize personnel security; overseeing spending transparency via USASpending.gov; and overseeing and coordinating intellectual property enforcement. Concurrent with assuming new responsibilities OMB's staffing levels have declined by nearly 15 percent. The requested staffing level is essential for OMB to continue its work on developing and executing the President's Budget; overseeing the performance of Federal agencies; and being able to effectively undertake new responsibilities as dictated by Congress.

The FY 2015 request also provides resources to restore a summer intern program in OMB. Restoring the summer intern program will provide the institution with a critical recruiting tool for replacing and restoring recent staff reductions.

**Learning & Development (+\$140,000).** The FY 2015 request provides additional resources for staff learning and development. OMB continues to struggle in recent employee surveys for not aggressively assessing staff training needs and providing learning opportunities to managers and staff. The request will enable OMB to send staff on site visits to acquire enhanced knowledge about the programs they oversee and to strengthen internal learning and development programs.

The FY 2015 Learning and Development is comparable to the private sector average cost per employee for organizations with less than 500. To ensure staff have the necessary knowledge and skills to perform their jobs, learning and development will include traditional classroom instruction, experiential learning, executive coaching, and action learning teams.

**Other Contractual Services (+\$170,000).** The FY 2015 request will also fund anticipated cost increases associated with Information Technology contractor support. This includes support in the following functional areas: Helpdesk, Engineering, Development and MAX Information System, which is used to support OMB's Government-Wide management and budget processes.

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

---

### Appropriations Language

#### Salaries and Expenses

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, to carry out the provisions of chapter 35 of title 44, United States Code, and to prepare and submit the budget of the United States Government, in accordance with section 1105(a) of title 31, United States Code, [\$89,300,000]\$93,450,000, 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]. (*Executive Office of the President Appropriations Act, 2014.*)

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

---

**Summary Change to Object Class  
(\$ in thousands)**

A summary of requirements is shown below:

	FY 2013 Operational	FY 2014 Enacted	FY 2015 Estimate
Total.....	84,777	89,300	93,450

---

*The increases and/or decreases for FY 2015 are as follows:*

FY 2014 Enacted level .....			<b>89,300</b>
Net increases to FY 2014 Enacted level:			
Personnel Compensation & Benefits.....		3,840	
Learning & Development.....		140	
Other Contractual Services.....		170	
Subtotal, increases to FY 2014 Enacted level.....			<b>4,150</b>
Net decreases to FY 2014 Enacted level:			
Subtotal, decreases to FY 2014 Enacted level.....			<b>0</b>
FY 2015 Estimate.....			<b>93,450</b>

---



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

---

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

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
10 Personnel Compensation & Benefits.....	70,650	73,934	77,774	3,840
21 Travel & Transportation of Persons.....	44	300	370	70
22 Transportation of Things.....	0	1	1	0
23.1 Rental Payments to GSA.....	7,076	7,207	7,207	0
23.3 Comm., Utilities & Misc. Charges.....	496	603	603	0
24 Printing and Reproduction.....	152	167	167	0
25 Other Contractual Services.....	5,405	6,150	6,390	240
26 Supplies and Materials.....	242	366	366	0
26 Official Reception and Representation.....	0	3	3	0
31 Equipment.....	459	569	569	0
Total.....	<u>84,524</u>	<u>89,300</u>	<u>93,450</u>	<u>4,150</u>
99 Reimbursement.....	324	750	350	
Total.....	<u>84,848</u>	<u>90,050</u>	<u>93,800</u>	

---

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

---

**Personnel Summary**

**Distribution by Program Activity of Full-time Equivalent Positions**

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
<u>Program Activity Structure</u>				
National Security Programs.....	57	57	59	2
General Government Programs.....	50	51	53	2
Natural Resource Programs.....	51	51	53	2
Health Programs.....	42	42	42	0
Education, Income Maintenance, and Labor Programs.....	29	30	31	1
Office of Federal Financial Management.....	16	16	17	1
Information and Regulatory Affairs.....	44	45	45	0
Office of Federal Procurement Policy.....	15	15	16	1
OMB-Wide Offices*.....	162	163	164	1
Total Direct Program.....	466	470	480	10

**Personnel Summary**

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
Full-time Equivalent Employment (OMB)	466	470	480	10

*\*OMB-Wide Offices includes the Director's Office; the Deputy Director; the Deputy Director for Management; the Executive Associate Director; Intellectual Property Enforcement Coordinator; Communication 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.*

# Executive Office of the President

## Data-Driven Innovation

---

### Overview

Today's imperative to achieve higher-performing, more cost-effective government requires a strong focus on measuring and improving program outcomes. Critical to that goal will be a strengthened effort within OMB to advance results-focused and evidence-based practices across Federal agencies and within federally funded State and local programs. Data-Driven Innovation (DDI) promotes increased and improved use of data and evaluation to yield more cost-effective, evidence-based outcomes for Federal programs with an emphasis on cross-agency initiatives. OMB transfers DDI funds to Federal agencies to lead cross-program projects and evaluations. Examples of possible projects and evaluations include the following.

- (1) Implementing new grant designs that reflect data-driven, outcome-focused approaches and expanding the use of rigorous evaluation and other evidence-building tools. Such designs include Performance Partnership Pilot authority provided in the Consolidated Appropriations Act, 2014, which allows States and localities to pilot better ways of improving outcomes for disconnected youth by giving them additional flexibility in using discretionary funds across multiple Federal programs. This authority requires a central OMB role in establishing each pilot in addition to facilitating cross-agency efforts. Pilots will use data-driven performance management and rigorous evaluation to measure and evaluate improvement in education, employment, and other outcomes for participating youth.
- (2) Improving quality, access, and utilization of administrative data for evaluation, performance measurement, and other types of analysis as well as improving Government-Wide capacity for evaluation through rapid-cycle evaluation. Such projects will involve multi-agency collaboration focused on agencies that house large, high-value data sets that, with careful attention to privacy and access requirements, can help determine health, employment, and other outcomes for target populations.
- (3) Partnering with innovative leaders in States, localities, foundations, and research organizations and with private sector experts to create conditions for cost-effective change at all levels of government. These external collaborations are critical to understanding challenges on the ground that prevent Federal dollars from having optimal impact, aligning complementary efforts across sectors and levels of government, keeping leaders apprised of innovative approaches and their results across jurisdictions, and leveraging expertise outside of the Federal government. Projects that grow out of these collaborations could include specific evaluation efforts in high-priority areas, such as disconnected youth; broad dissemination of evidence on effective interventions; or partnerships under specific policy initiatives.

DDI activities are led and coordinated by OMB, including through a small team of staff focused on evidence-building activities. The \$2 million provided by the Congress in FY 2014 is sufficient for activities anticipated through FY 2015. Through semiannual reports to the Congress, OMB will continue to provide specific information on goals, objectives, performance measures, and evaluations of DDI overall and individual projects.

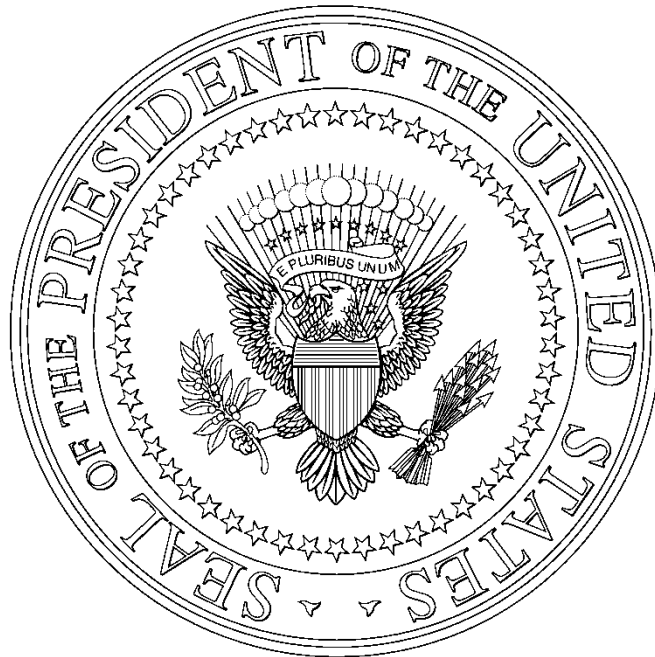
## Executive Office of the President Data-Driven Innovation

---

### Appropriations Language

[For necessary expenses to improve the use of data and evidence to improve government effectiveness and efficiency, \$2,000,000, to remain available until expended, for projects that enable Federal agencies to increase the use of evidence and innovation in order to improve program results and cost-effectiveness by utilizing rigorous evaluation and other evidence-based tools: *Provided*, That the Director of the Office of Management and Budget shall transfer these funds to one or more other agencies to carry out projects to meet these purposes and to conduct or provide for evaluation of such projects: *Provided further*, That the Office of Management and Budget shall submit a progress report to the Committees on Appropriations of the House of Representatives and the Senate and the Government Accountability Office not later than March 31, 2014 and semiannually thereafter until the program is completed, including detailed information on goals, objectives, performance measures, and evaluations of the program in general and of each specific project.] (*Executive Office of the President Appropriations Act, 2014.*)

# Executive Office of the President



## *Information Technology Oversight and Reform*

**Fiscal Year 2015 Budget**



# **Executive Office of the President Information Technology Oversight and Reform**

---

## **Overview**

For FY 2015, the Budget includes \$20 million for Information Technology Oversight and Reform (ITOR). This fund, previously known as the Integrated, Efficient, and Effective Uses of Information Technology (IEEUIT), will use data, analytics and digital services to improve the efficiency, effectiveness, and security of government operations and programs.

The ITOR Fund's objectives are to:

- 1) Improve the effectiveness of Government programs by developing Federal digital services that provide a world-class customer experience to citizens and businesses;
- 2) Reduce waste, duplication, and inefficient uses of information technology (IT) through data-driven investment management; and
- 3) Improve oversight of Federal cybersecurity and advance the cybersecurity posture of Federal systems and data.

### **IT Oversight and Service Delivery**

Since FY 2012, the Executive Office of the President's appropriation has included funding for IEEUIT, renamed as ITOR in FY 2014. ITOR has provided the government with a strategic resource to enhance and accelerate the Administration's efforts to achieve better efficiency across the Federal government's IT investments. Under the direction of the Federal Chief Information Officer, this fund has built enhanced analytical and oversight capabilities to assess the performance of agency's IT portfolios, leading to a reduction in waste and the identification of savings that can be reinvested by agencies in high-value mission activities. Since ITOR's inception, agencies have reported over \$2 billion in line item cost savings and avoidance resulting from Federal IT reforms and this fund will continue to be used to drive additional savings across the Federal IT Portfolio. In FY 2015, ITOR will support initiatives designed to improve the effectiveness of digital services and IT delivery; continue to improve efficiency through initiatives such as PortfolioStat, a data-driven process where OMB and agencies examine IT portfolios to identify duplicative spending and drive down costs and through investment and program-level reviews of high impact IT programs; and enhance oversight of agency cyber security programs.

### **Improve the Effectiveness of Digital Services and IT Delivery**

In FY 2014 and FY 2015, increased ITOR funding will be used to analyze, incubate, and scale new approaches to the design, development, and delivery of top digital services and transactions, as well as build platforms for re-use across government. These funds will support the development and implementation of solutions and tools that not only can be shared and scaled across government, but also can deliver measurable and quantifiable outcomes. Additional strategies to improve the design, development, and delivery of digital services may include standard practices that will drive a more effective citizen experience, improved tactics to measure customer satisfaction and performance of Federal digital services, and solutions to increase technology talent inside government.

## **Executive Office of the President Information Technology Oversight and Reform**

---

### **Continue to Improve Efficiency**

This fund will continue to support Federal efforts to optimize and consolidate data centers and adopt cloud computing solutions. Additionally, in order to strengthen IT policy and budget formulation processes, and to enable PortfolioStat and other oversight processes, ITOR resources will be used to develop and coordinate Government-Wide benchmarks, key performance indicators, and continuously improve the Government-Wide analytics platform and dashboard. For example, this platform will improve the availability of ratings, measures, and other data used on the *Federal IT Dashboard* and within the *Federal Data Center Consolidation Initiative* for decision-makers inside and outside of the Federal IT community. These efforts will strengthen the accuracy, availability, timeliness, and completeness of these measures across the Federal IT community.

### **Enhance Oversight of Cybersecurity**

The ITOR fund will specifically support enhanced coordination and quality of Federal cybersecurity data, analytics, and oversight. OMB will coordinate data and analytics across the various Federal cybersecurity oversight, operational, policy and standards organizations to develop a more holistic and comprehensive view of agency cybersecurity performance. Additionally, through expert resources, OMB will better leverage analytics to conduct targeted, risk-based oversight reviews of agencies' cybersecurity activities, to include past implementation of the management of security risks on a continuing basis. The result of these efforts will inform future Federal information security policies, metrics, and Cross Agency Priority (CAP) goals.

### **FY 2015 Estimate**

For FY 2015, the estimated funding requirement for Information Technology and Oversight Reform is \$20,000,000 and 39 FTE, which is \$12,000,000 and 27 FTE above the FY 2014 enacted appropriation of \$8,000,000. As previously detailed, the increased resources will focus on strengthening IT management, improving the effectiveness of digital services and reforming IT delivery, continuously improving the Government-Wide analytics platform to ensure transparency and accountability, and strengthening the government's cybersecurity posture through targeted oversight.

### Appropriations Language

#### Information Technology Oversight and Reform

(Including transfer of funds)

For necessary expenses for the furtherance of integrated, efficient, secure, and effective uses of information technology in the Federal Government, [\$8,000,000]\$20,000,000, to remain available until expended: *Provided*, That the Director of the Office of Management and Budget may transfer these funds to one or more other agencies to carry out projects to meet these purposes: *Provided further*, That the Director of the Office of Management and Budget shall submit quarterly reports not later than 45 days after the end of each quarter to the Committees on Appropriations of the House of Representatives and the Senate and the Government Accountability Office identifying the savings achieved by the Office of Management and



**Executive Office of the President  
Information Technology Oversight and Reform**

---

Budget's government-wide information technology reform efforts: *Provided further*, That such reports shall include savings identified by fiscal year, agency, and appropriation. (*Executive Office of the President Appropriations Act, 2014.*)

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

		FY 2013	FY 2014	FY 2015	FY14/FY15
		Actual	Enacted	Estimate	Difference
10	Personnel Compensation & Benefits.....	360	2,208	7,396	5,188
21	Travel and Transportation of Persons.....	0	8	20	12
23	Rent, Comm., Utilities & Misc. Charges.....	8	125	127	2
24	Printing and Reproduction.....	2	2	2	0
25	Other Contractual Services.....	3,375	4,305	9,800	5,495
31	Equipment.....	230	540	93	(447)
	Total.....	<u>3,975</u>	<u>7,188</u>	<u>17,438</u>	<u>10,250</u>

**Personnel Summary**

	FY 2013	FY 2014	FY 2015	FY14/FY15
	Actual	Enacted	Estimate	Difference
Full-Time Equivalent Level.....	3	12	39	27

*Note: Planned expenditures for some object classes shown here reflect changes in estimates since those that were included in the FY 2015 Budget Appendix for this account.*