Executive Office of the President

Office of Management and Budget

Fiscal Year 2013 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. 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OMB derives its basic authority from Title 31 of the U.S. Code, based on provisions originally enacted in the Budget and Accounting Act of 1921, as amended.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 illustrate OMB work in budget and policy development; budget and policy enactment; and budget and policy implementation:

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<u>Budget and policy development</u> - 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.

<u>Budget and policy enactment</u> - 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 assure that proposed legislation, testimony, reports, and policies are consistent with Administration policies, including the President's Budget.

<u>Budget and policy implementation</u> - 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.

<u>Management and performance</u> - 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) - 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, coordination among Federal agencies, and effective implementation of enacted legislation. 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 12866 (Regulatory Planning and Review) and Executive Order 13563 (Improving Regulation and Regulatory Review).

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.

<u>**Overview**</u>

For fiscal year (FY) 2013, the estimated funding requirement for OMB is $91,542,000 and a full-time equivalent (FTE) level of 512. This request is $2,086,000 (or 2.3 percent) above the FY 2012 OMB enacted appropriation of $89,456,000. The proposed staffing level for FY 2013 of 512 FTE is six FTE above the FY 2012 estimate.

In FY 2011, OMB delayed hiring new staff until late in the fiscal year since appropriations were not finalized until April. At the start of FY 2012, OMB was in the process of getting fully staffed. However, FY 2012 budget reductions necessitated that OMB reduce its funded FTE

level and make significant reductions in its discretionary resources (travel and training). The FY 2013 Budget restores 6 of the FTE reduced in FY 2012 -- the minimum staffing level needed for OMB to accomplish its mission and meet statutory requirements.

The FY 2013 Budget also restores a portion of the travel and training reductions taken over the last two years. OMB performed poorly in recent employee surveys for not aggressively assessing staff training needs and providing development opportunities to examiner and management staff. The resources requested in FY 2013 will enable OMB to send staff on site visits to acquire enhanced knowledge about the programs they oversee and to further develop learning and development programs for examining and management staff.

FY 2013 Estimate

The FY 2013 estimate reflects a personnel increase of $1,361,000 to fund the anticipated January 2013 pay adjustment ($380,000), health benefit costs ($206,000), and an increase of six FTE ($775,000). The remaining increase of $725,000 will fund an increase for GSA rent ($202,000); information technology contractor costs ($343,000); and partial restoration of budget reductions for staff travel ($80,000) and training ($100,000) taken over the last two years.

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 and to carry out the provisions of chapter 35 of title 44, United States Code, **[$89,456,000]** *$91,542,000*, 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**]**.

Summary Change to Object Class
($ in thousands)

A summary of requirements is shown below:

	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Estimate
Total Direct Obligations............................	91,750	89,456	91,542

The increases and/or decreases for FY 2013 are as follows:

FY 2012 Enacted level	**89,456**

Net increases to FY 2012 Enacted level:

Personnel Compensation & Benefits....................................	1,361
Travel & Transportation of Persons.....................................	80
Rental Payments to GSA...	202
Other Contractual Services..	443

Subtotal, increases to FY 2012 Enacted level......................	**2,086**

Net decreases to FY 2012 Enacted level:

Subtotal, decreases to FY 2012 Enacted level.....................	**0**

FY 2013 Estimate..	**91,542**

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Object Class
($ in thousands)

	Object Class and Title	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
10	Personnel Compensation & Benefits........	74,782	74,418	75,779	1,361
21	Travel & Transportation of Persons.........	224	268	348	80
22	Transportation of Things.........................	1	2	2	0
23.1	Rental Payments to GSA........................	7,006	7,033	7,235	202
23.3	Comm., Utilities & Misc. Charges...........	918	603	603	0
24	Printing and Reproduction......................	332	167	167	0
25	Other Contractual Services.....................	6,941	6,027	6,470	443
26	Supplies and Materials............................	484	416	416	0
26	Official Entertainment............................	0	3	3	0
31	Equipment..	915	519	519	0
	Total Direct Obligations..........................	91,603	89,456	91,542	2,086
99	Reimbursement.......................................	341	0	0	
	Total..	91,944	89,456	91,542	

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Personnel Summary

Distribution by Program Activity of Full-time Equivalent Positions

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
Program Activity Structure				
National Security Programs...	62	62	63	1
General Government Programs..	56	56	57	1
Natural Resource Programs..	57	57	58	1
Health Programs……………………………….............	41	41	42	1
Education, Income Maintenance, and Labor Programs.......	32	32	32	0
Office of Federal Financial Management.........................	17	17	18	1
Information and Regulatory Affairs.................................	46	46	46	0
Office of Federal Procurement Policy..............................	18	18	18	0
OMB-Wide Offices*...	177	177	178	1
Total Direct Program.....................................	506	506	512	6
IEEUIT..	0	1	3	2
Partnership Fund for Program Integrity and Innovation......	3	3	3	0
Recovery Implementation Office......................................	4	2	2	0
Total Program...	513	512	520	8

Personnel Summary

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
Full-time Equivalent Employment (OMB)	506	506	512	6

∗ 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 Stratigic 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.

Explanation of Changes by Object Class
($ in thousands)

FY 2012 Enacted	FY 2013 Estimate		Net Change
74,418	75,779	***Personnel Compensation and Benefits (10)*** This object class includes salaries, terminal leave, premium pay, reimbursable detailees, assignments under the Intergovernmental Personnel Act, and all employee benefits. Reflects the cost increase associated with the FY 2013 pay adjustment, health benefits costs, and an increase of six FTE in OMB.	1,361
268	348	***Travel and Transportation of Persons (21)*** This object class includes official travel, such as per diem, hotel and transportation, auto rental, and local transportation. The increase in this object class reflects a partial restoration of budget reductions taken over the last two years.	80
2	2	***Transportation of Things (22)*** This object class includes commercial express delivery as well as freight and other shipping charges. There is no net change in this object class.	0
7,033	7,235	***Rental Payments to GSA (23.1)*** This object class includes payments to the General Services Administration (GSA) for Rent. Represents the change in rent costs as provided by GSA.	202
603	603	***Communications/Utilities/Miscellaneous Charges (23.3)*** This object class includes data, voice, and wireless communications from Federal and commercial sources, as well as utilities, postage, and miscellaneous rental charges. There is no net change in this object class.	0
167	167	***Printing and Reproduction (24)*** This object class includes printing and reproduction obtained from the private sector or from other Federal entities. There is no net change in this object class.	0

Explanation of Changes by Object Class
($ in thousands)

FY 2012 Enacted	FY 2013 Estimate		Net Change
6,027	6,470	***Other Contractual Services (25)*** 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. Reflects increased costs associated with information technology contractor staff and a partial restoration of training reductions taken over the last two years.	443
419	419		0
3	3	***Official Entertainment (26)*** This object class includes expenses for official representation by senior EOP staff, generally when the President is not directly involved. There is no net change in this object class.	0
519	519	***Equipment (31)*** 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.	0
89,456	91,542	Total for all Object Classes	2,086

Executive Office of the President
Integrated, Efficient, and Effective Uses of Information Technology

Mission Statement and Background

The FY 2012 Executive Office of the President appropriation included the Integrated, Efficient, and Effective uses of Information Technology Fund (IEEUIT). IEEUIT will provide the Government with a strategic centralized resource base designed to enhance and accelerate the Administration's efforts to achieve better efficiency and effectiveness from the Federal Government's $80 billion investment in information technology (IT). Under the direction of the Federal Chief Information Officer, this fund will concentrate in FY 2012 and FY 2013 on building enhanced operational capabilities for dissemination to agencies; increasing transparency and accountability; and maximizing the Government's return on investment (ROI) in IT. Specifically, resources will be used for:

- *Expert Resources.* A core staff of expert resources will oversee specific initiatives funded through IEEUIT. Expert resources would provide both coordination and subject matter expertise in the areas of investment reviews, corrective actions plans and outcomes from TechStat sessions, in addition to establishing and tracking performance metrics.
- *Federal IT Dashboard (ITDB).* Enhancements to the Federal ITDB (such as improved data quality and new analytical tools) will be implemented to expand Government-wide IT project oversight. Through improved transparency—with the ITDB providing more visibility of IT investment data—the Federal CIO will identify underperforming and duplicative investments, and will extend the reach of TechStat reviews—expanding both the number and the depth of TechStat reviews, holding agencies more accountable for their investments and at a more granular level. Increased oversight and improved analytics will also drive new guidance on, and measurement of, the use of shared services across the Government.
- *Data Center Consolidation.* The Federal Data Center Consolidation Initiative and optimization is a key component of the Administration's IT agenda. Under the direction of the Data Center Task Force in FY 2011, this initiative has already identified future potential cost reductions in the Government's IT infrastructure operations. In FY 2012 and FY 2013, relying on staff support through this fund, these efforts will ramp up agency implementations to realize lower infrastructure costs across the Government.
- *Emerging Technology Incubation.* In consultation with the Federal CIO Council, staff will identify targeted incubation projects for proving concepts in a centralized environment, resulting in programs or technologies that will ultimately be scaled across Government. This model will create efficiencies in adopting emerging technology in areas such as mobile applications, cybersecurity, and web services, by building solutions once as a pilot, and then scaling proven prototypes across Federal agencies consistent with a comprehensive Federal technical architecture.

The Federal Chief Information Officer will provide strategic and policy guidance in these functional areas to the small core staff of expert resources, which will assist in managing the identified projects, including the selection and launch of new initiatives. OMB intends to allocate funding internally for expert resources, as well as to other agencies, as appropriate, for contract support.

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Building on Past Results. Investment in this fund will continue to drive significant ROI across the Federal Government, as evidenced by past results. During the FY 2010-FY 2011 timeframe, the Federal CIO, and the CIO Council, initiated several programs which have proven the value of activities such as TechStat reviews and the Federal Data Center Consolidation Initiative (FDCCI). These initiatives have identified over $7 billion dollars in potential cost reductions across the Federal Government. TechStat reviews alone have resulted in $3-4 billion in future cost avoidance. And with the necessary resources, data center consolidation efforts are projected to drive cost reductions of approximately $3 billion by FY 2015, and more beyond. The FY 2013 IEEUIT investment will ensure that this success continues in future years through the development of targeted policies, guidance, and projects, aligned to changes in the IT sector and Federal requirements.

A substantial proportion of FY 2013 IEEUIT funding will support recurring annual costs, and will be used to accelerate oversight activities initiated in FY 2012. For example, even with the expected incremental improvements in overall Federal IT performance based on the FY 2012 funding, only a fraction of Agency investments will be reviewed. With continued funding, TechStat reviews will be accelerated to drive continuous improvement and yield savings across a greater number of underperforming investments. In addition, the IT Dashboard will require funding for ongoing operations and enhanced functionality that will provide increased transparency into IT spending. FY 2013 funding will be required to continue to fund expert staff and to initiate funding for new emerging technology incubation pilots to maintain a cost effective, cross-government, future-focused IT adoption strategy.

The planned approach for using the no-year FY 2012 funding provided, and the comparable FY 2013 funding requested, would be to obligate the majority of funds provided in FY 2012, with an appropriate carryover balance to assure continuity. A similar plan for obligations and outlays would then apply to FY 2013 funding.

Overview

For FY 2013, the estimated funding requirement for Integrated, Efficient and Effective Uses of Information Technology is $5,000,000, and a full-time equivalent (FTE) level of 3. This request is equal to the FY 2012 OMB enacted appropriation of $5,000,000. The proposed staffing level for FY 2013 of 3 FTE is 2 FTE above the FY 2012 estimate.

In FY 2012, the Executive Office of the President received for the first time an appropriation for this fund, under the direction of OMB, to support key E-Government initiatives to advance integrated, efficient and effective information technology (IT) initiatives, aimed at achieving significant reductions in IT spending across the Federal Government. In FY 2012, improved oversight and infrastructure consolidation will be addressed through enhancements to the IT Dashboard, extending a data center cost model and managing the data consolidation process, and other tasks related to addressing innovation efficiently through centralized incubation pilots. Additionally, in FY 2012, a small core of full-time staff will be added to manage these efforts.

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These activities are of indefinite, or multi-year, duration, requiring continued funding in FY 2013 at the FY 2012 enacted level.

The FY 2013 request for $5,000,000 in the IEEUIT fund will be used to expand and standardize activities operationalized in FY 2012. The expert staff, under the direction of the Federal CIO, will execute two primary activities in FY 2013: 1) Enhance the IT Dashboard, thereby creating a more effective tool to provide continued transparency and improve oversight and accountability for underperforming investments through the TechStat process; and 2) Improve the efficiency of Federal IT operations through data center consolidation and targeted incubation projects that will ultimately be scaled across the Government (the latter providing a low-cost path to adoption of emerging technologies).

Three FTE staff will support the IEEUIT initiatives below.

Integrated, Efficient, and Effective Uses of Information Technology (IEEUIT)	FY 2011	FY 2012	FY 2013
Enhance the Federal IT Dashboard. Includes expanded analytical capabilities and improved data quality tools, resulting in improved oversight of the Federal Government's $80 billion IT budget. The IT Dashboard will continue to be used to drive results such as the $4 billion in cost avoidance already achieved through the termination, redirection, or modification of major agency IT investments. This would include both contract support and supervision by the core staff of this fund.	N/A	$1,750,000	$2,050,000
Extend and Accelerate TechStat Reviews. Supported by an improved IT Dashboard, the Federal CIO will conduct additional TechStat reviews, accelerating the identification of underperforming and duplicative investments. This will result in an enhanced ROI in future IT endeavors through improved oversight and accountability. Expanded TechStat reviews would be supported by the core expert staff.	N/A	$1,250,000	$1,250,000
Continue to Gain Efficiencies Through Data Center Consolidation and Optimization. Improvements to the data center cost model and coordination of agencies' execution of data center consolidation. This would include both contract support and supervision by the core staff of this fund.	N/A	$1,250,000	$950,000

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Integrated, Efficient, and Effective Uses of Information Technology (IEEUIT)	FY 2011	FY 2012	FY 2013
Implement Cross-Agency Testing and Implementation of Incubation Pilots. Collaboration between the Federal CIO Council and selected agencies to identify selected incubation pilots, investing in the initial projects in FY 2012, with finished prototypes of new capabilities to be rolled out to agencies in FY 2013. This area would be overseen by the core staff of this fund.	N/A	$750,000	$750,000
Total IEEUIT Projects and Activities	N/A	$5,000,000	$5,000,000

Appropriations Language

For necessary expenses for the furtherance of Integrated, Efficient and Effective uses of Information Technology in the Federal Government, $5,000,000, 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.

Executive Office of the President
Integrated, Efficient, and Effective Uses of Information Technology

Object Class
($ in thousands)

Object Class and Title	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
10 Personnel Compensation & Benefits........	0	200	520	320
25.1 Advisory and Assistance Services............	0	55	80	25
25.3 Other Good and Services - Federal........	0	3,800	3,500	(300)
Total Direct Obligations...........................	0	4,055	4,100	45

Personnel Summary

Distribution by Program Activity of Full-time Equivalent Positions

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
Program Activity Structure				
Oversight Tools (IT Dashboard) and Support........	0	0	2	2
Data Center Consolidation....................................	0	1	1	0
Total Program	0	1	3	2

Executive Office of the President
Integrated, Efficient, and Effective Uses of Information Technology

Explanation of Changes by Object Class
($ in thousands)

FY 2012 Enacted	FY 2013 Estimate		Net Change
200	520		320
55	80	*Advisory and Assistance Services (25.1)*	25
		This object class includes advisory and assistance services from non-Federal sources.	
		In FY 2012 this was a new appropriation; funding is requested to continue consulting services to support professional staff, providing technical advice on central oversight of Federal agencies' information technology projects.	
3,800	3,500	*Other Contractual Services (25.2/25.3)*	(300)
		These object classes include contractual services with non-Federal sources, or purchases from other Federal Government agencies or accounts.	
		In FY 2012 this was a new appropriation; funding is requested principally to maintain needed transfers of funds to Federal agencies implementing key initiatives.	
4,055	4,100	Total for all Object Classes	45

Executive Office of the President
Partnership Fund for Program Integrity Innovation

Overview

For fiscal year (FY) 2013, the Budget proposes $1,000,000 for the Partnership Fund for Program Integrity Innovation (Partnership Fund) to continue collaboration with stakeholders in Federal assistance programs—including Federal agencies, State and local administrators, and other stakeholders—to identify and pilot new approaches to service delivery that save money, strengthen program integrity, streamline administration, and improve program results. The Partnership Fund was established by the Consolidated Appropriations Act of 2010 (P.L. 111-117) with an initial appropriation of $37,500,000 (later reduced to $32,500,000[1]), which was initially available for obligation through FY 2012. In the Consolidated Appropriations Act, 2012 (P.L. 112-74), Congress did not appropriate any additional funding for the Partnership Fund, but did extend for an additional year (through FY 2013) the period of availability for $10,000,000 of the original FY 2010 appropriation.

The FY 2013 request is $1,000,000 above the FY 2012 enacted appropriation of $0. The $1,000,000 request provides for three FTE (no change from FY 2012 staffing) and other program administration costs, including costs of a contract to administer the Collaborative Forum of States and other stakeholders. For FY 2012, this contract was awarded to the National Academy of Public Administration (NAPA).

The Partnership Fund targets pilots that improve delivery of Federal assistance programs administered through State and local governments or where Federal-State cooperation could be beneficial, and then selects the most promising candidates for funding. As a result, the Partnership Fund offers a unique interdisciplinary venue for Federal agencies, States, and other stakeholders to engage in constructive problem solving across programs and jurisdictions to save taxpayer dollars and deliver better service.

To date, the Partnership Fund has allocated $11,150,000 to six pilot projects, which are currently being implemented by lead Federal agencies in conjunction with States and other partners. The FY 2010 appropriations language requires that, in the aggregate, the Partnership Fund pilots save at least as much as they cost. Preliminary estimates, for the six pilots funded so far, indicate potential future savings of up to $200,000,000 or more annually—if the pilots prove successful and are subsequently implemented on an expanded basis—which would be a return on investment (ROI) of over 17 to 1. Results from pilots in progress are expected in FY 2012 and FY 2013. Funds have been allocated to agencies for pilots and evaluations as follows:

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[1] The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) rescinded $5,000,000 from the Partnership Fund's original $37,500,000 appropriation.

Agency	Pilot Name	Amount	Description
Treasury	Assessing State Data for Validating Earned Income Tax Credit (EITC) Eligibility	$2,000,000	Treasury is assessing how State data could be leveraged to help validate earned income tax credit (EITC) eligibility to reduce error and increase participation of eligible families.
Labor (DOL)	Accessing Financial Institutions' Data for Employment Detection	$600,000	DOL and States are testing how access to data from financial institutions could help detect likely overpayments in the Unemployment Insurance program.
Agriculture (USDA)	National Accuracy Clearinghouse	$2,500,000	USDA is working with a State consortium to establish a clearinghouse to strengthen program integrity and ensure continuity of SNAP and D-SNAP benefits in disasters.
Treasury	State Debt Recovery via the Treasury Offset Program	$650,000	Treasury is partnering with States to determine how expanding the Treasury Offset Program (TOP) could help States collect delinquent debt that includes Federal dollars.
Centers for Medicare and Medicaid Services (CMS)	Improving Medicaid Provider Eligibility through State Shared Services	$2,500,000	CMS and States are working to reduce administrative costs and promote fraud detection in Medicaid provider enrollment through a shared services model for enrollment systems.
CMS	Automating the Provider Enrollment Process for Risk Assessment and Comparative Analysis	$2,900,000	CMS and States are working to better identify provider fraud and share fraud information through automated risk assessment tools and integrated data from State Medicaid programs and the Federal Medicare program.

To select pilots, the FY 2010 appropriations language requires that the OMB Director identify pilots for funding "in consultation with an interagency council consisting of representatives of appropriate Federal agencies, States, and other stakeholders."[2] The Partnership Fund process accomplishes this consultation through an innovative, stakeholder-based process involving two primary bodies:

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[2] Consolidated Appropriations Act of 2010 (P.L. 111-117)

- **The Collaborative Forum:** Beginning in FY 2010, OMB conducted extensive outreach to invite Federal agencies, States and other stakeholders to join the Collaborative Forum and successfully recruited participation from all 50 States, numerous local government organizations, not-for-profit service providers, and other stakeholders. The Forum, administered by NAPA, develops pilot concepts through committees and work groups that report back in full monthly meetings. The Forum submits the most promising of its pilot concepts to OMB for funding consideration.

  In addition, the Forum uses its monthly meetings to convene panels and speakers to address critical topics of shared interest to Federal, State, and local governments. For example, topics have included opportunities and challenges of intergovernmental collaboration, virtual identity verification, and measuring cost-effectiveness. More information on the Forum and its work groups can be found at www.collaborativeforumonline.com, which has over 400 registered users. Registration and participation in the Forum are open to all stakeholders.

- **Federal Steering Committee:** A Federal Steering Committee comprised of senior policy officials from the Departments of Health and Human Services, Agriculture, the Treasury, Labor, Housing and Urban Development, and the Social Security Administration provides consultation to OMB regarding pilot funding decisions and appropriate lead agencies to oversee pilot implementation.

In addition, the Partnership Fund web site allows any member of the public to submit pilot ideas directly at www.partner4solutions.gov. These ideas are reviewed by Partnership Fund staff and designated for follow-up by the Collaborative Forum or consideration by agencies. The Partnership Fund has received over 130 ideas through the site.

The Partnership Fund continues to serve a critical role by facilitating cross-government problem solving to shared challenges in program integrity, efficiency, and effectiveness. Throughout FY 2012 and into FY 2013, the Partnership Fund's existing appropriation from FY 2010 (as partially rescinded in FY 2011, and as partially extended in FY 2012 through the end of FY 2013) will support the implementation of new pilots currently under development with the Forum. The $1,000,000 in administrative funds requested for FY 2013 would support continuation of the unique venue that the Partnership Fund provides for agencies, States, and other stakeholders to generate high ROI pilots that address shared program administration challenges across levels of government.

Executive Office of the President
Partnership Fund for Program Integrity Innovation

FODF 2013 Estimate

FY 2013 Estimate

The FY 2013 estimate reflects costs to administer the Partnership Fund, including critical activities of the Collaborative Forum. Major costs include a contract to administer the Collaborative Forum—which for FY 2012 was awarded to the National Academy of Public Administration (NAPA)—and three FTE (the same staffing level as in FY 2012) to administer the Partnership Fund, including working with stakeholders to develop, select, and launch new pilots and also to monitor and assess the progress of pilots already underway. The anticipated increase in administrative expenses from FY 2012 to FY 2013 is $24,000 (2.5 percent). These increases include additional personnel costs of $9,000 (2.2 percent) to fund the anticipated January 2013 pay adjustment and health benefit costs. Also included is an increase of $16,000 (3.0 percent) for contract costs to administer the Collaborative Forum as its stakeholder membership grows and its cross-government activities to identify high ROI pilots intensify. Finally, this includes a $1,000 reduction (-10.0 percent) in travel costs.

Appropriations Language

Salaries and Expenses

For administrative expenses for the Partnership Fund for Program Integrity Innovation, $1,000,000.

Object Class
($ in thousands)

Object Class and Title	FY 2011 Actual	FY 2012[3] Enacted	FY 2013 Estimate	FY12/FY13 Difference
10 Personnel Compensation & Benefits........	407	412	421	9
21 Travel & Transportation of Persons.........	12	10	9	(1)
23.3 Comm., Utilities & Misc. Charges...........	4	4	4	0
25 Other Contractual Services....................	414	550	566	16
Total Direct Obligations..........................	837	976	1,000	24

Personnel Summary

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY12/FY13 Difference
Full-Time Equivalent Level...............................	3	3	3	0

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[3] The FY 2012 appropriations was $0 and the FY 2013 increase is +$1,000,000. For comparison purposes, amounts shown under FY 2012 Enacted represent anticipated obligations for administrative expenses using carryover from the Partnership Fund's original appropriation, which was authorized from FY 2010-FY 2012, and the FY12/FY13 Difference reflects the delta between the FY 2013 request and FY 2012 anticipated obligation.

Executive Office of the President
Partnership Fund for Program Integrity Innovation

Explanation of Changes by Object Class
($ in thousands)

FY 2012 Enacted	FY 2013 Estimate		Net Change
412	421		9
10	9	***Travel and Transportation of Persons (21)*** This object class includes official travel, such as per diem, hotel and transportation, auto rental, and local transportation. The -10 percent reduction in FY 2013 travel costs follows an anticipated -20 percent reduction between FY 2011 and FY 2012. The Partnership Fund conducts important travel to advance our mission and increase awareness of and participation in the Collaborative Forum by presenting at stakeholder conferences that bring together State and local program administrators to discuss critical issues such as reducing error and leveraging technology to improve government efficiency and service.	(1)
4	4		0

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Explanation of Changes by Object Class
($ in thousands)

FY 2012 Enacted	FY 2013 Estimate		Net Change
550	566		16
976	1,000	Total for all Object Classes	24