

# **Executive Office of the President**



## ***Office of Management and Budget***

**Fiscal Year 2016 Budget**



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

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## **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 statutory requirements, including the 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). OMB ensures agencies develop, express, and implement policies and practices in accordance with the President's priorities and statutory direction and is committed to improving the effectiveness and efficiency of government programs. OMB also serves as the central point for review and clearance of Executive Branch legislative proposals, executive orders, and presidential memorandums.

OMB derives its basic authority from Title 31 of the U.S. Code, based on provisions originally enacted in the Budget and Accounting Act of 1921, as amended.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.

### **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; budget and policy implementation; and management and performance:

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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 President's Budget, the State of the Union address, executive orders, 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 by reviewing the performance of government programs, and identifying and helping to 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 offices 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).

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-

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Federal grantee community. OFFM also provides policy guidance on Federal grants management, improper payments, and real property.

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. To improve digital service delivery across government, E-Gov also contains the U.S. Digital Service team, a small group of technical experts who work with agencies on their high priority IT projects, and identify best practices that are replicable across government. 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 and coordinate 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) 2016, the estimated funding requirement for OMB is \$97,441,000 and supports a full-time equivalent (FTE) level of 487. This request is \$5,691,000 (or 6.2 percent) above the FY 2015 enacted appropriation of \$91,750,000. The increased funding will support an additional 22 FTE and implementation of the Digital Accountability and Transparency Act (DATA Act) of 2014.

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### FY 2016 Estimate

OMB is requesting a total increase of \$5,691,000 (or 6.2 percent) above the FY 2015 enacted level.

**Unavoidable Costs (+\$2,451,000).** The OMB FY 2016 budget request provides \$2,451,000 for unavoidable costs, including:

- +\$2,250,000 personnel compensation and benefits increases such as FY 2015 and FY 2016 pay adjustments, increased health benefit costs, and increased FERS retirement costs.
- +\$31,000 for anticipated increased rental costs for office space from GSA. The increase will allow OMB to maintain existing office space at new GSA rates.
- +\$170,000 for 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.

**Increased Staff (+\$2,100,000).** This request will allow OMB to hire additional staff (22 FTE) for a total FTE level of 487. OMB's current staffing levels have declined by nearly 12 percent when comparing the FY 2010 actual FTE level of 527 to the FY 2015 estimate of 465. If OMB were to receive its FY 2016 request, the staffing level would still be 7.6 percent below the FY 2010 staffing level. Concurrent with declining staffing levels, OMB has taken on numerous new responsibilities due to provisions in legislation, including the DATA Act; 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: new reporting requirements associated with the DATA Act; 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. 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.

**Implementation of the DATA Act (+\$1,000,000).** The 2016 OMB Budget includes \$1,000,000 to carry out implementation oversight and software development required to respond to the DATA Act. The DATA Act places many reporting requirements on OMB, Treasury and executive branch agencies; the sum in this request will allow OMB to hire contractors to build software to collect, compile, analyze, and validate **program activity** and **object class** obligations and outlays at least four times a year from agency financial systems.

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In addition to funds for Data Act implementation oversight, funding is required for software development because OMB working hand-in-hand with the Treasury Department has determined that all financial data appearing on USASpending.gov should not just originate in agency financial systems but be reported directly out of those systems. This approach maximizes data quality, minimizes workload after the initial start-up period, and leverages existing processes at the agencies and in agency reporting to Treasury and OMB. OMB cannot use existing software to respond to the DATA Act requirements because:

- Data are currently submitted to a system that is used once a year to produce the President's Budget; DATA Act submissions must take place at least four times a year;
- Data are currently submitted by Budget account; the DATA Act requires much more detailed reporting by appropriations account;
- Data are currently submitted rounded to millions of dollars; the DATA Act necessitates submissions in dollars and cents;
- Data are currently manually entered; the DATA Act necessitates using more automated methods of data transfer;
- Data are currently shown only as obligations; the DATA Act requires showing both obligations and outlays.

**Learning & Development (+\$140,000).** The FY 2016 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 2016 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.

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### 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, [\$91,750,000]\$97,441,000, 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, 2015.*)



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**Summary of Changes  
(\$ in thousands)**

A summary of requirements is shown below:

	FY 2014 Enacted	FY 2015 Estimate	FY 2016 Estimate
Total.....	89,300	91,750	97,441

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*The increases and/or decreases for FY 2016 are as follows:*

FY 2015 Estimate level .....		<b>91,750</b>
Net increases to FY 2015 Estimate level:		
Unavoidable cost increases.....	2,451	
Staff increase.....	2,100	
Data Act implementation.....	1,000	
Learning and Development.....	140	
Subtotal, increases to FY 2015 Estimate level.....		<b>5,691</b>
Net decreases to FY 2015 Estimate level:		
Subtotal, decreases to FY 2015 Estimate level.....		<b>0</b>
FY 2016 Estimate.....		<b>97,441</b>

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY15/FY16 Difference
10 Personnel Compensation & Benefits.....	70,203	76,269	80,619	4,350
21 Travel & Transportation of Persons.....	183	300	370	70
22 Transportation of Things.....	0	1	1	0
23.1 Rental Payments to GSA.....	7,107	7,152	7,183	31
23.3 Comm., Utilities & Misc. Charges.....	272	603	603	0
24 Printing and Reproduction.....	179	167	167	0
25 Other Contractual Services.....	10,152	6,320	7,560	1,240
26 Supplies and Materials.....	477	366	366	0
26 Official Reception and Representation.....	0	3	3	0
31 Equipment.....	616	569	569	0
Total.....	<u>89,189</u>	<u>91,750</u>	<u>97,441</u>	<u>5,691</u>
99 Reimbursement.....	<u>534</u>	<u>625</u>	<u>0</u>	
Total.....	<u>89,723</u>	<u>92,375</u>	<u>97,441</u>	

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# Executive Office of the President Office of Management and Budget

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## Personnel Summary

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

	FY 2014	FY 2015	FY 2016	FY15/FY16
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Difference</u>
<u>Program Activity Structure</u>				
National Security Programs.....	51	54	57	3
General Government Programs.....	48	53	56	3
Natural Resource Programs.....	46	50	53	3
Health Programs.....	40	41	43	2
Education, Income Maintenance, and Labor Programs.....	27	29	31	2
Office of Federal Financial Management.....	13	15	16	1
Information and Regulatory Affairs.....	45	45	47	2
Office of Federal Procurement Policy.....	14	15	16	1
OMB-Wide Offices*.....	<u>151</u>	<u>163</u>	<u>168</u>	<u>5</u>
Total Direct Program.....	435	465	487	22

## Personnel Summary

	FY 2014	FY 2015	FY 2016	FY15/FY16
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Difference</u>
Full-time Equivalent Employment (OMB)	435	465	487	22

*\*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

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### Overview

Today's imperative to achieve a higher-performing, more cost-effective government requires a strong focus on measuring and improving program outcomes. Critical to that goal is the 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.

The DDI Fund assists Federal agencies in getting better results at lower cost by institutionalizing new program designs, data capabilities, and evaluation strategies that accelerate learning and drive an increasing share of government resources to evidence-based practices. Key elements of this work are helping agencies find creative ways to build evaluation capacity in a tight budget environment and encouraging agencies to collaborate on cross-cutting priorities. DDI funds will be used to help:

- Provide small amounts of project funding to agencies to launch high-impact initiatives that can potentially benefit multiple agencies and program areas, when such funding is essential to successful implementation.
- Promote collaboration across agencies, programs and functions within agencies, and different levels of government to devise new approaches for using existing resources to build evidence about what works.
- Showcase and facilitate learning about new tools and techniques that leading agencies are using to direct resources to more effective practices and build capacity for continuous learning and improvement.
- Support OMB staff work coordinating these activities across agencies and promoting evidence building and the use of data and evaluations to drive decision-making.

Initial DDI projects under development include:

- **Supporting implementation of Performance Partnership Pilots for Disconnected Youth (P3):** Division H of Public Law 113-76, Departments of Labor, Health And Human Services, and Education, and Related Agencies Appropriations Act, 2014, provides authority to the grant-making agencies it covers to enter into a total of up to ten Performance Partnership agreements with States, localities or Tribes focused on serving disconnected youth. The agreements will give pilot sites the flexibility to blend Federal appropriations from multiple discretionary programs and will grant requested waivers from programs' statutory, regulatory or administrative requirements in return for a commitment to achieve significant improvements for these youth, while protecting eligibility for vulnerable populations. OMB has a central role in coordinating the implementation of this new initiative across the participating agencies, helping them design an approach that could potentially be applied to other departments and program areas if it is successful. DDI funds may be used to contribute to a national evaluation of how this initiative spurs governance and systems changes at the State and local level, which could inform any future efforts to expand performance partnership authority.

## Executive Office of the President Data-Driven Innovation

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- **Improving Access to Earnings Data While Protecting Privacy:** Administrative data, especially when linked across programs or to survey data, can make both performance measurement and rigorous program evaluations more informative and less costly, while also providing strong privacy protections. Earnings data are an especially important outcome measure for many Federal programs across a range of agencies. Today, however, few Federal programs have access to high-quality earnings data to assess their effectiveness. The Social Security Administration (SSA) could potentially provide a cost-effective solution that is fully compliant with privacy laws and regulations by providing aggregated, non-individually identifiable outcome data for relevant cohorts of individuals. OMB is currently working with SSA to pilot a small number of projects that can answer high-priority questions by linking SSA's annual earnings data with survey and administrative data from other Federal agencies. These projects will develop the documentation and processes needed to make similar matches easier in the future in other Federal programs. DDI funds will be transferred to SSA to cover the costs of the data matches for the pilot.
- **Supporting Agency Infrastructure to Expand Evidence-Based Grantmaking:** Because many Federal dollars flow to States, localities, and other entities through competitive and formula grants, grant reforms are an important component of strengthening the use of evidence in government. By encouraging a greater share of grant funding to be spent on approaches with strong evidence of effectiveness and building more opportunities for evaluation into the design of grant programs, Federal agencies and program stakeholders keep learning more about what works. Among the most exciting advancements in this area are so-called "tiered-evidence" or "innovation fund" grant designs. The Administration has adopted multi-tiered grant programs in the areas of K-12 education interventions, teenage pregnancy prevention, social innovations, voluntary home visitations for parents, workforce interventions, and international assistance efforts. These initiatives are designed to focus money on practices with strong evidence but still allow for new innovation. OMB is currently working with the Department of Education on a coordinated strategy to strengthen capacity around evidence and innovation, both within the Department and with external stakeholders, such as grantees. Lessons from the Education project can serve to inform other agencies on how to similarly strengthen evidence-based grantmaking. DDI funds will support staff work on this project.

DDI activities are led and coordinated by OMB, including 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 2016. 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**

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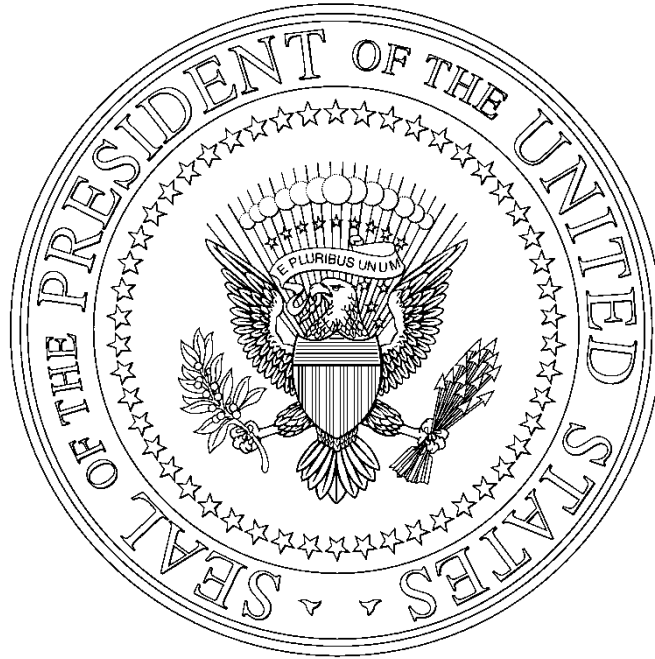
**Object Class  
(\$ in thousands)**

		FY 2014	FY 2015	FY 2016	FY15/FY16
		Actual	Estimate	Estimate	Difference
10	Personnel Compensation & Benefits.....	0	188	380	192
25	Other Contractual Services.....	0	812	620	(192)
	Total.....	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>

**Personnel Summary**

	FY 2014	FY 2015	FY 2016	FY15/FY16
	Actual	Estimate	Estimate	Difference
Full-Time Equivalent Level.....	0	1	2	1

# Executive Office of the President



## *Information Technology Oversight and Reform*

**Fiscal Year 2016 Budget**





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

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## **Mission and Objectives**

Since fiscal year (FY) 2012, funding for Information and Technology Oversight and Reform (ITOR) has allowed the Federal Government to strategically achieve better efficiency across its information technology (IT) investments, and more recently to undertake engagements with agencies to improve digital services in high-priority programs. Under the direction of the Federal Chief Information Officer (CIO), OMB has used this fund to build enhanced analytical and oversight capabilities to assess the performance of agencies' IT portfolios, leading to a reduction in waste and the identification of savings that can be reinvested by agencies in high-value mission-support activities. Since ITOR's inception, agencies have reported about \$2.7 billion in cost savings and avoidance resulting from OMB's enhanced oversight and reform efforts. ITOR has also provided seed-funding for the piloting and launch of the U.S. Digital Service (USDS), and the establishment of a new OMB team dedicated to improving Federal cybersecurity performance.

The ITOR Fund's objectives are to:

- 1) Drive value in Federal IT investments by making smarter investment decisions and reducing waste, duplication, and inefficient uses of IT through data-driven investment management;
- 2) Deliver world-class digital services to provide a first-rate customer experience to citizens and businesses and continuing to open government data to fuel innovation; and
- 3) Protect IT assets and information by improving oversight of Federal cybersecurity practices to advance the cybersecurity defenses of government systems.

### **Drive Value in Federal IT Investments**

ITOR funding supports Federal efforts to optimize the efficiency of Federal IT investments. This fund continues to support the PortfolioStat process to drive savings through comprehensive reviews of the portfolios of ongoing and planned investments in Federal IT. PortfolioStat is a data-driven process where OMB and agencies examine IT portfolios to identify duplicative spending and drive down costs. Continued emphasis will also be placed on advancing the objectives of the Federal Data Center Consolidation Initiative (FDCCI), and on adoption of cloud computing solutions, to reduce IT infrastructure costs. OMB also uses ITOR funding to manage and continually enhance the Federal IT Dashboard, which is a publicly accessible platform used to analyze Federal IT investments' performance with respect to cost, schedule, and CIO risk ratings. The Federal IT Dashboard enables OMB, through PortfolioStat and other means, to develop and leverage Government-Wide benchmarks and performance metrics to execute effective oversight across all aspects of Federal IT spending to improve the IT performance of Federal agencies.

### **Deliver World-Class Digital Services**

In 2014, the Administration used ITOR funding to pilot the U.S. Digital Service (USDS) by recruiting a small group of select private sector tech experts into government service. This approach has demonstrated enormous potential to increase effectiveness and save money. For example, the small USDS team inside of OMB contributed to the successful re-launch of HealthCare.gov in its second year, helped coordinate critical data for the Ebola response in West Africa, and worked with the new leadership at the Department of Veterans Affairs (VA) to build a Digital Service team inside the VA that is redesigning the tools veterans and their families use

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

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to interact with the VA. In an early example of this team's potential, a small group of in-house developers and designers rebuilt the Veterans Employment Center tool, allowing the VA to cancel a planned \$2.4 million procurement, eliminate another ongoing \$9 million per year contract, and save \$3.3 million per year on a separate ongoing contract. USDS also developed the TechFAR Handbook, a guide to using flexibilities within the FAR to improve IT acquisition and the Digital Services Playbook, which outlines a set of best practices for digital service delivery. The President's 2016 Budget includes funding within 25 major agencies across the government to extend the value of the ITOR-funded USDS by incubating Digital Service teams within these agencies. These agency teams will ensure the quality and effectiveness, of each agency's top digital services. USDS is already working with agencies to apply the lessons learned from their early experiences into existing operations and set a foundation for a successful launch of the Digital Service teams if they are approved.

### **Protect IT Assets and Information**

OMB's newly-formed E-Gov Cyber and National Security Unit (OMB E-Gov Cyber) focuses on strengthening Federal cybersecurity. This will be accomplished through data-driven, risk-based oversight of agency cybersecurity programs, focused on agencies' performance relative to key Administration cybersecurity objectives like the Cybersecurity Cross Agency Priority (CAP) goal, and agencies' responses to major cybersecurity incidents. OMB E-Gov Cyber, in coordination with National Security Council (NSC) staff and the Department of Homeland Security (DHS), will hold CyberStat reviews with agencies. These face-to-face reviews help ensure that agencies have robust protections in place to address cybersecurity threats. Further, increased ITOR cybersecurity resources support research and policy formulation directed at emerging threats.

# Executive Office of the President

## Information Technology Oversight and Reform

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### Overview

For FY 2016, the Budget includes \$35,200,000 for ITOR. This fund will use data, analytics, and enhanced resources for digital services expertise to improve the efficiency, effectiveness, and security of government operations and programs.

#### **FY 2016 Estimate**

For FY 2016, the estimated funding requirement for ITOR is \$35,200,000, which is \$15,200,000 above the FY 2015 enacted appropriation of \$20,000,000. The staffing level for FY 2016 is 115 FTE, which is 71 FTE above the FY 2015 estimated level. As previously detailed, the increased resources will allow OMB to focus on (1) driving value in Federal IT investments, (2) delivering world-class digital services, and (3) protecting IT assets and information strengthening the government's cybersecurity defenses.

To drive value in Federal IT investments, OMB will use ITOR funding in FY 2016 to continue an expanded and more rigorous application of PortfolioStat. As part of its ongoing commitment to transparency, the Administration will also leverage ITOR funding to make PortfolioStat and other technology reform savings and performance metrics available to the public on the IT Dashboard. Additionally, OMB will use ITOR funding to work with agencies to ensure continued success in implementing the recently passed Federal Information Technology Acquisition Reform Act (FITARA), which is designed up deliver better value to taxpayers by improving federal IT acquisitions.

To improve the government's capacity to deliver world-class digital services to the American people, ITOR funding will be used in FY 2016 to institutionalize modern systems design and development principles and practices. The increase in ITOR funding will help to grow the central USDS team to enable them to support building and serve as a resource for Digital Service teams at 25 agencies, as discussed above. These small, high-impact teams will drive the quality and effectiveness of the agency's most high-priority programs. The central USDS office inside OMB will work alongside agencies to help build these teams and ensure that they are operating at the highest standards by serving as a central strategic resource in recruiting and hiring top digital talent, providing training, and coordinating procurement efforts to develop procurements that get the best technology for the best price. The OMB USDS team will also continue to help coordinate cross-agency technology initiatives such as visa modernization, electronic health records, federal student loan processing, and other high-priority projects, as well as deploy targeted teams to improve the government's highest impact digital services. In addition, OMB will use ITOR funding for training current Federal IT professionals to scale modern development practices across the workforce, to provide accountability to ensure agencies see results, and to recruit even more highly skilled digital service experts and engineers into government.

To protect IT assets and information in FY 2016, OMB E-Gov Cyber will use ITOR funding to conduct oversight of agency cybersecurity preparedness, including ensuring successful adoption of the Department of Homeland Security's Continuous Diagnostics and Monitoring (CDM) program, which enables agencies to invest in a centralized continuous monitoring program that will allow them to quickly and efficiently identify cybersecurity vulnerabilities and mitigate risk.

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**Information Technology Oversight and Reform**

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Additionally, OMB E-Gov Cyber will use ITOR resources to work with Federal agencies to ensure continued successful implementation of the recently-passed Federal Information Security Modernization Act of 2014 (FISMA Modernization). Finally, OMB will use ITOR funding to support response to cyber incidents. Recent cybersecurity events like Heartbleed and the Bash vulnerability have shown that OMB needs to play a central coordinating role, in partnership with DHS and NSC staff, to ensure agencies are taking appropriate actions to effectively respond to cyber events and address any deficiencies in their cybersecurity programs to reduce overall risk, and prevent future events from occurring.

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

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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, [\$20,000,000]~~\$35,200,000~~, 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 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, 2015.*)

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

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY15/FY16 Difference
10 Personnel Compensation & Benefits.....	1,203	7,665	21,007	13,342
21 Travel and Transportation of Persons.....	6	75	225	150
23 Rent, Comm., Utilities & Misc. Charges.....	260	250	500	250
24 Printing and Reproduction.....	2	2	2	0
25 Other Contractual Services.....	3,117	5,916	4,516	(1,400)
26 Supplies and Materials.....	15	14	17	3
31 Equipment.....	406	315	500	185
Total.....	<u>5,009</u>	<u>14,237</u>	<u>26,767</u>	<u>12,530</u>

**Personnel Summary**

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY15/FY16 Difference
<u>Program Activity Structure</u>				
Oversight, Cybersecurity and Program Mgmt.....	6	19	28	9
US Digital Service.....	1	25	87	62
Full-Time Equivalent Level.....	<u>7</u>	<u>44</u>	<u>115</u>	<u>71</u>