

TESTIMONY OF
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OFFICE OF MANAGEMENT AND BUDGET
BEFORE
HOUSE APPROPRIATIONS FINANCIAL SERVICES
& GENERAL GOVERNMENT SUBCOMMITTEE

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Chairman Quigley, Ranking Member Womack, Members of the Subcommittee:

Thank you for the opportunity to appear today to present the President's Fiscal Year 2022 Budget request for the Office of Management and Budget. The full request of \$121.9 million represents a 14 percent increase over the Fiscal Year 2021 enacted level, consistent with the Budget's general approach to restoring staff capacity at agencies after a decade of harmful discretionary caps. This increase would allow OMB to rebuild the agency career staffing levels and to continue its pivotal role in developing and executing the President's Budget, overseeing the performance of Federal agencies, and ensuring an efficient and accountable Federal government.

The incredibly hard-working career staff at OMB have been running a marathon, and they need these critical resources to continue effectively serving the American people long after my tenure with the institution is over.

The Fiscal Year 2022 request reflects a commitment to and investment in our outstanding career workforce. Over many years, OMB's staffing levels have declined and staff have been realigned across the agency, leaving many offices at historically low staffing levels – as much as 30 percent below Fiscal Year 2012 levels in some instances. Our career budget staff levels are down seven percent relative to 2016 and 16 percent relative to 2010. OMB's request will support an additional 33 FTEs compared to OMB's current 477 projected FTE level for Fiscal Year 2021. The requested increase is entirely for career positions. And more than half of the estimated increase in staffing (18 FTE) is for existing positions that OMB has not been able to fill since Fiscal Year 2020, as OMB's Fiscal Years 2020 and 2021 resources were not sufficient to maintain staffing levels.

Starting in Fiscal Year 2020, OMB was forced to make significant adjustments to absorb funding cuts, reducing its staffing level by not filling vacancies, limiting awards for senior executives, and making real operational reductions by eliminating funding for training and travel and reducing IT contracts. In Fiscal Year 2021, OMB continued to face significant funding challenges with its appropriation just covering OMB's unavoidable cost increases, including annual pay adjustments, increases in agency retirement and benefit contributions, and significant terminal leave payouts. These factors, along with a lower-than-normal rate of attrition, and other unexpected costs relating to FOIA and litigation, resulted in OMB's inability to fill nearly all career positions vacated in Fiscal Years 2020 and 2021. OMB was again forced to make significant adjustments in its operating plan, including again eliminating

funding for training and travel, and making even deeper cuts in IT contract funding.

In addition to delivering on its core responsibilities, OMB has taken on numerous new responsibilities, including serving a leadership role in the COVID-19 response, establishing a new Made in America office, and playing a key role in implementing the American Rescue Plan (ARP) and numerous Executive Orders. Despite its growing responsibilities, OMB's budget and staff have not increased in many years.

OMB is also requesting \$10.4 million for the Information and Technology Oversight and Reform Fund (ITOR), which is a \$2.1 million reduction from the Fiscal Year 2021 enacted level. The ITOR request would exclusively fund the Office of the Federal Chief Information Officer (OFCIO), as the United States Digital Service (USDS) was recently appropriated \$200 million through the ARP and we are not requesting an additional appropriation for Fiscal Year 2022. The requested ITOR funding also represents an investment in staff, enabling the OFCIO to reach 46 FTE. This staffing level is critical to OFCIO's central role in the implementation of the Technology Modernization Fund (TMF) and its \$1 billion investment, facilitating agencies' use of the TMF to modernize their IT systems and replace antiquated, expensive legacy systems. This includes harnessing the fund to enable the Federal government to better respond to cybersecurity incidents such as SolarWinds and to emergent crises such as COVID-19, while supporting economic recovery.

OMB's request also includes funding to restore a paid intern program, which is key to establishing a strategic recruitment and outreach effort to strengthen the pipeline of diverse and historically underrepresented candidates into OMB and to promote the Administration's efforts to advance equity, remove barriers to equal opportunity, and attract top talent that reflects the full diversity of the Nation.

Before I close, I would also like to speak to the President's overall Fiscal Year 2022 budget request.

Under the President's leadership, our country is getting back on track after one of the most challenging periods in our history. At least 63% of American adults have now received one vaccine shot. The economy has added two million jobs since the President took office. The unemployment rate has dropped to 5.8 percent, the lowest since the start of the pandemic. A very encouraging sign is the decline we see in the long term unemployed by 431,000 last month, as well as a decline in those seeking initial claims of unemployment by about half of what they were in January. All of this is due in no small part to the American Rescue Plan, which put money in pockets and shots in arms. The President's Budget before you builds on this economic momentum to reimagine a new American economy that invests in the middle class and those trying to break into the middle class.

The President's Fiscal Year 2022 Budget details the President's agenda for this year to help grow the economy, create good paying jobs, and do so responsibly by requiring the wealthiest Americans and big corporations to pay their fair share. It includes the two historic plans the

President has already put forward—the American Jobs Plan and the American Families Plan—and reinvests in education, research, public health, and other foundations of our country’s strength through the discretionary request. The Budget also calls on Congress to take action this year to lower prescription drug costs and expand and improve health coverage.

Over the past decade, due in large measure to overly restrictive budget caps, a source of frustration of many former colleagues on this committee, the Nation significantly underinvested in core public services, benefits, and protections. Since Fiscal Year 2010, non-defense discretionary funding has shrunk significantly as a share of the economy. The President’s Budget reverses that trend through targeted discretionary investments across a range of key areas.

And, it does all of this while proposing long-overdue changes to our tax code that will improve our country’s long-run fiscal health and help lay the foundation for shared prosperity.

Thank you for the opportunity to appear before the committee today, and I look forward to your questions.