



## 2008 SPRING SYMPOSIUM BUDGET POLICY AND ITS PEOPLE—AT THE CROSSROADS?

### SESSION SUMMARY

# Budgeting at the Crossroads

## Steve Isakowitz Points the Direction Home

Ethan Pollack, Reporter

**Steve Isakowitz** opened the 2008 Spring Symposium by talking about the main challenges that now face the budgeting profession. Drawing upon his experience as a rocket scientist at NASA, as a budget analyst at the Office of Management and Budget, and now as Chief Financial Officer at the Department of Energy, Isakowitz made the case that the budgeting profession must tackle the twin problems of inadequate human capital and excessive focus on compliance rather than analysis.

Isakowitz started his opening remarks by noting the importance of budgeting to the overall operations of the government, relating a comment he had heard from a NASA engineer that “the space shuttle gets in orbit not because of rocket fuel, but because of money.” He noted that the federal government in the past has accomplished remarkable things, such as the Apollo Program and the Manhattan Project, but he wondered, “In today’s environment, could we still do those things?”

Isakowitz is not so sure. He pointed out that the challenges that this country will face in the coming years demand similarly remarkable ef-

forts, but the budgeting profession is at a crossroads and, as an ad-hoc survey of the symposium attendees revealed, the mood among budgeters is overwhelmingly negative. In his address, Mr. Isakowitz outlined the two main problems that he felt the profession must address.

First, the workforce must rebuild its human capital. The baby boomers are retiring at a rapid rate, leaving understaffed agencies with many vacancies. Agencies have been further strained by “years of downsizing and trying to do more with less” amid a growing workload and desperately need new people with technical and program management expertise.

But, as Isakowitz found, the federal government is having difficulty attracting enough new people. Isakowitz described a trip he took to a top research university, where he was shocked to learn that only 5 out of 1,700 of the graduates would go on to work for the government, while 40 percent were choosing careers in financial services and consulting. The problem wasn’t simply pay disparity—the students had ranked making a difference doing important work much higher than

salary—but the fact that firms were successfully recruiting graduating students so early that by the time agencies started looking for new people, most of them already had jobs. Isakowitz concluded that if the federal government wants to compete for these graduates, it must recruit earlier and more aggressively.

The second challenge facing the budgeting profession is the need to provide more hands-on budget analysis. Isakowitz argued that, along with the workforce problems mentioned above, the budgeting environment has trended towards more information requirements, less flexibility, and increased pressure to meet deadlines and get clean audits.

Although the intent is well-meaning, Isakowitz worries that “we are increasingly becoming a compliance organization... struggling to meet our deadlines.” This has caused budget officers to spend less time traveling to the field offices and getting to know the programs, and thus providing less informed analysis to policymakers. In the end, this leaves us “knowing the cost of everything and the value of nothing.”

Isakowitz then shared with the audience some of the things that he is doing as chair of the CFO Council Human Capital Taskforce: Those activities include:

- Organizing a “CFO Academy” to provide more executive training. The first class will be this fall.
- Creating a new website, called CFOJobs.gov, to supplement the well-meaning but unfriendly USAJobs. The user will be able to sign up for email alerts, a tool which will also assist college career officers.
- Working with the Office of Personnel Management to give CFOs special direct hiring authority.

Isakowitz offered advice to fellow budget officers:

- Proactively recruit for vacancies instead of relying on USAJobs.
- Develop lines of succession so that you have people to fill open spots when you or someone in your office gets sick or leaves.
- Develop increased job mobility between the budget and program offices, as well as between departments and between government and industry.
- Develop and maintain relationships with universities. When traveling, visit campuses and try to meet with the administration and faculty.

Create or expand summer internship programs.

- Budget analysts should work directly with the programs during budget formulation.
- Some agencies are getting to the point where they are hiring contractors to manage contractors. Don’t over-outsource.

Isakowitz concluded his remarks by making a final plea: budget officers are the most committed, hardest working, and most talented federal employees, but they must look past the next deadline, recruit, and get back to the job of analysis.

✕