

# American Association for Budget and Program Analysis

The Continuing Survey of Federal Budget Professionals

November 2013



SEQUESTER

CONTINUING  
RESOLUTION

SHUTDOWN

DEBT

FURLOUGH

DEFICIT

**Interrupted Journey:  
The Road to Better Budgeting**

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## **About the American Association for Budget and Program Analysis (AABPA)**

Founded in 1975, AABPA represents members who are government budget and program managers and analysts, academic specialists, and analysts in the private sector. AABPA is committed to helping analysts grow in their careers, improve their skills, and expand their network of budget and program professionals. To meet these goals, AABPA organizes symposia, free programs, a newsletter and journal, and annual receptions. All of these help members keep up with the latest developments in their field, establish and maintain valuable contacts, and sharpen the skills and knowledge they need to enhance their careers. For more information, visit [www.AABPA.org](http://www.AABPA.org).



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## EXECUTIVE SUMMARY

In November 2011, the American Association for Budget and Program Analysis (AABPA) and Grant Thornton released the first survey of federal budget professionals, *The Road Forward*. Two years later, we returned to examine what has occurred in the intervening years. It is not a pretty picture.

### FY 2013 – THE PRIOR YEAR

This fiscal year followed continuing resolutions (CRs) and omnibus appropriations in FY 2012 and opened with a six-month CR. In addition to seemingly endless CRs, FY 2013 also included the specter of sequester, which foreshadowed damaging across-the-board cuts if Congress could not negotiate a compromise. From the beginning, agencies began to bank some resources for the sequester possibility. Because the worst sequester impact was thought to be furloughs, agencies froze hiring; reduced travel, training, and other administrative expenses; and curtailed contracts. This helped many agencies escape furloughs. When the sequester struck in March, only about a quarter of the agencies had to resort to furloughs, and those that did minimized the number of days required. Other sequester impacts included Government Performance and Results Act (GPRA) Modernization Act requirements and some financial analysis.

### FY 2014 – THE CURRENT YEAR

While agencies dealt with the uncertainty of an expiring CR and implementation of the sequester, they also had to finalize processing of the FY 2014 budget. The President's FY 2014 submission to Congress was two months late, creating additional problems. Agency program managers continued to have problems adapting to the new world of ever-less government funding, and budgeteers dealt with issues of across-the-board cuts versus total reductions. FY 2014 began with a 16-day government shutdown and another CR. Congress will not decide final FY 2014 funding until January or February 2014, if then.

### FY 2015 – THE BUDGET YEAR

All of the FYs 2013 and 2014 crises had some impact on preparation of the FY 2015 budget, but most agencies continued to meet budget deadlines. Sometimes they did this with nominal submissions because it was difficult to calculate detailed requirements for the next year when agencies did not know what would be happening in the next few months.

FY 2015 budget guidance required agencies to reduce their submissions by 10%; address fragmentation, overlap, and duplication; and ensure budget and performance alignment. About one-third of respondents were ready to comply with the 10% reduction; the others indicated that it would be somewhere between difficult to impossible. Two-thirds of respondents said it would be “a little difficult” or “somewhat difficult” to comply with the guidance on fragmentation, overlap, and duplication; 25% said it would be “very difficult.” Most respondents disagreed about whether fragmentation, overlap, and duplication actually existed; argued about their definitions; and/or blamed Congress for the problem. Most respondents were prepared to ensure budget and performance alignment, perhaps because it has essentially been a requirement for years.

## HUMAN CAPITAL

We revisited some human capital questions from the 2011 survey. The most important budget competencies were similar between the two surveys, but budget execution and financial analysis have become more important in 2013, reflecting the current focus in agencies. Budget processes have become less important, possibly because fewer people are following them. Analytic capability continues as the consensus number one attribute for new hires.

Professional development opportunities have become even more important as a tool in retaining talent. Because agencies often consider these opportunities a lower priority, predictably respondents see significant talent shortfalls on the horizon. Work-life balance continued to lead the factors that impact job satisfaction, but “seeing how my contribution affects the total budget,” “clear career path,” and “opportunities for training” showed increases, possibly because they are so lacking today.

*Constrained by funding and politics, agencies have been forced to become masters of the band-aid solution – finding the quick, low-cost fix that pushes challenges into the future rather than solving them in the present.*

## CONCLUSION

The hope of any organization is to have sustainable budget processes that support goal achievement and mission accomplishment. Budgeteers have the know-how and desire to use these processes for the benefit of the American people, but there have been many interruptions on their journey. They cannot get the job done without help from Congress. Constrained by funding and politics, agencies have been forced to become masters of the band-aid solution – finding the quick, low-cost fix that pushes challenges into the future rather than solving them in the present. The goal of sustainable budget processes remains a flickering mirage somewhere down the road.







## ABOUT THE SURVEY

In 2011, the American Association for Budget and Program Analysis (AABPA) and Grant Thornton LLP conducted the inaugural survey of federal budget professionals. Since publication of that survey in November 2011, the federal budget continued to monopolize media headlines with issues such as continuing resolutions (CR), deficit reduction, debt limits, furlough, sequester, and government shutdown. While the 2011 survey saw the near shutdown of the government that was only avoided by the Budget Control Act (BCA) of 2011, the 2013 survey ended data collection in early October 2013, just as the federal government shut down for 16 days over Congress's failure to pass FY 2014 appropriations.

This year, AABPA and Grant Thornton again collaborated to survey federal budget professionals, this time focusing on issues relating to the prior, current, and upcoming fiscal years (2013, 2014, and 2015). We jointly developed the survey questions, and we included some of the human capital questions from the 2011 survey to see if there had been changes.

We collected all the survey data through an online tool, which drew 145 respondents. The composition of the 2013 respondents is very similar to the composition of those who took the first survey:

- 79% are in the executive branch; 12% are in the legislative and judicial branches
- 63% self-identified their job level as senior or manager/executive
- 61% have worked as budget professionals for 10 years or more
- 70% have at least a master's degree, most in public or business administration
- 89% belong to AABPA, and 29% also belong to another similar association

**Figure 1** shows that the type of budget work the 2013 respondents perform is very similar to that of the 2011 respondents.

Because this is a survey of federal budget professionals, we have filtered the responses so that we base all subsequent

information in this report only on responses from those 131 respondents in the executive, legislative, or judicial branches. Throughout this report, we refer collectively to these 131 as "respondents" or "budgeteers."

This report reflects the responses and opinions of the survey respondents to the maximum extent possible. However, to preserve anonymity we do not attribute responses to any specific individuals.

To obtain a copy of the report and questionnaire, please see the inside back cover of this report for directions to the sponsor organizations' websites.

**FIGURE 1**

What type of work do you do? (select all that apply)		
	2013	2011
Budget formulation	72%	72%
Budget execution	64%	68%
Planning and policy	50%	42%
Performance management	44%	38%
Legislative analysis	28%	27%
Other	10%	15%
Economic analysis	10%	10%



## FY 2013 – THE PRIOR YEAR

The survey opened in July 2013, the fourth quarter of FY 2013 and a few months after the March 1<sup>st</sup> sequestration order and passage of the March 26<sup>th</sup> consolidated appropriations and full-year CR. Most agencies had operated in FY 2012 with a CR before an omnibus appropriation; therefore, when FY 2013 began with a six-month CR, agencies were already well acquainted with the constrained resource levels of a CR, even before the sequestration order. Beginning the fiscal year with an approved appropriation is becoming a rare occurrence for federal agencies.

Federal budgets typically provide information on three fiscal years - the prior year, the current year, and the budget year. For the prior year, the budget explains the resources expended and the results achieved. The survey questions about FY 2013 focused on

- identifying resources for the possibility of a sequester
- preparation for the sequester order and activities deferred or delayed
- impacts on Government Performance and Results Act (GPRA) Modernization Act requirements, analysis, and FY 2014 and beyond.

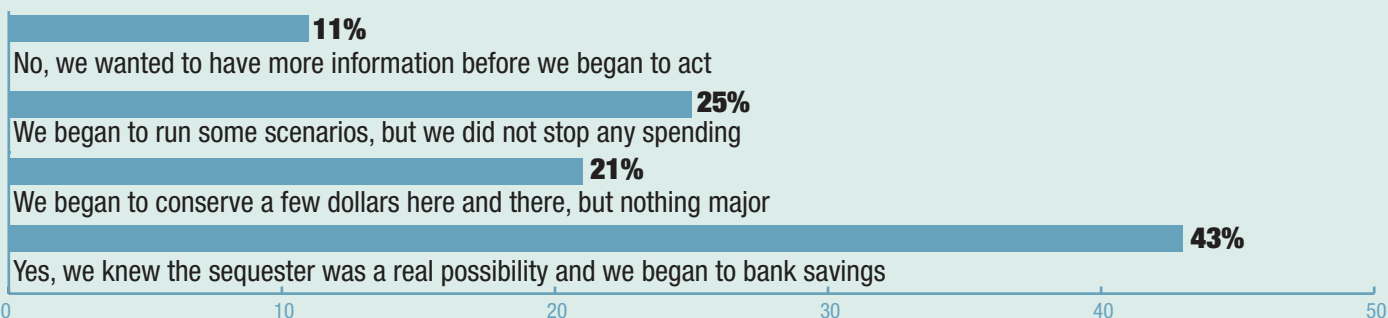
### IDENTIFYING RESOURCES

Agencies knew the possibility of a sequester since the Budget Control Act was signed in August 2011. With that much lead time, it seemed reasonable that agencies would take steps to prepare for the sequester. We asked respondents if and how they went about identifying potential resources to offset the sequester, should it actually happen. As **Figure 2** shows, almost two-thirds of respondents did something to begin saving some funds.

From the respondents' comments, it is clear that most people did not want to believe that Congress would let the sequester happen. Some respondents indicate that it was also difficult to set aside funding for the sequester when the official direction was that the sequester was not going to happen. One respondent points out, "OMB direction was not to discuss the sequester with the workforce." Another respondent notes that "DoD told us not to plan for it," and yet another states, "Our Department did not take the sequester seriously."

**FIGURE 2**

**Did you begin to identify resources from the beginning of the fiscal year for the possibility that the sequester might actually happen?**



**FIGURE 3**

Did you begin to consider early in FY 2013 how you could use FY 2012 unobligated balances to satisfy part of the sequester?		
We do not have any multi-year appropriations	34%	
We do have multi-year appropriations	66%	100%
No, we did not consider that a useful exercise		23%
We thought about it a little, but did not do much		12%
We did some analysis and banked a few dollars		30%
Yes, we immediately limited the use of those balances		35%

However, others say that they had been assuming and experiencing continuing reductions in funding for some time; therefore, preparing for a sequester was not an entirely new exercise. CRs were becoming the norm. The only real difference with the sequester was when it would take effect (mid-fiscal year as it happened – so agencies had only seven months to absorb the cuts) and the fact that it mandated across-the-board cuts rather than allowing agencies appropriate consideration for their priority activities. One respondent notes, “When you are faced with a high degree of uncertainty, you should be running worst-case scenarios.”

We asked if respondents considered using multi-year appropriation balances to help offset possible sequester cuts. **Figure 3** shows that two-thirds of respondents had multi-year appropriations, and about two-thirds of those were banking some of their unobligated balances.

However, other respondents point out that their multi-year appropriations have specific purposes and would not have been available to offset general reductions. Still others note that, because FY 2012 was such a difficult year from a funding standpoint, there were few unobligated balances left to bank.

### PREPARING FOR THE SEQUESTER ORDER

After the government narrowly avoided the original sequester order in January 2013, agencies began to reconsider their belief that the sequester was not going to happen. Although many agency personnel continued to believe that the sequester was “unlikely,” they nevertheless began to run their scenarios more seriously and to prepare some contingency plans. Because they were already operating under a six-month CR, with no certainty about what would happen when that CR expired, much of what they had to do was already in place.

The most common activity delayed because of the sequester was hiring. From the very beginning of FY 2013, most agency scenarios suggested that a sequester of the size required by the BCA would probably require furloughs in labor-intensive agencies. As a result, many agencies initiated hiring freezes at the beginning of FY 2013 (if they had not already been initiated in FY 2012) and later also reduced overtime and bonuses. As the possibility of a sequester grew, agencies delayed and deferred grants and contracts. Respondents note that, as usual, travel and training were cancelled, but a number of respondents say the President’s Campaign to Cut Waste had already decimated those budgets in previous years. Other delayed or deferred activities included infrastructure upgrades, performance management projects, and supplies and equipment.

When the President signed the sequester order on March 1<sup>st</sup>, furloughs immediately became a reality for some agencies. We asked whether furloughs had occurred or were going to at the respondents’ agencies, and **Figure 4** shows the results.

**FIGURE 4**

Is your agency planning to furlough, or has it already furloughed staff in FY 2013?	
We have already had a furlough day(s) and might have more	22%
We are planning to furlough but it has not happened yet	3%
We have been considering it but we have no furlough days identified yet	14%
We have already announced that we will not have a furlough in FY 2013	62%



Less than a quarter of respondents indicated that they were experiencing a furlough, and 76% of respondents' agencies announced either no furloughs ever or no furloughs yet. Respondents indicated that avoiding furloughs for full-time personnel was the priority activity for their agencies. To do this, some agencies had to release seasonal employees and other part-time personnel. In some agencies, certain offices had to furlough while others did not. Some agencies were able to obtain reprogramming authority from Congress that allowed them to adjust funding and avoid furloughs. DoD required all military services to furlough even though not all of them required furloughs to stay within their post-sequester budgets. Most agencies that announced a certain number of furlough days subsequently reduced that number as they worked through every option to avoid more furlough days than were absolutely necessary. **Figure 5** shows the actions agencies undertook to avoid or limit furloughs.

Because sequesters are across-the-board cuts that do not allow for consideration of priorities, we asked whether it would have made a difference if the sequester amount were not an across-the-board budget cut. Only a slight majority of respondents (56%) believed that it would have made a difference. This might reflect the fact that many respondents indicated that it was relatively easy to obtain reprogramming authority. Others noted that they have only a few programs, projects, or activities (PPAs) that were the base for across-the-board cuts, and some used flexibility inherent in their PPA definitions to allocate the cuts.

## SEQUESTER IMPACTS

Ultimately, the most important sequester issue was not the amount of funding that agencies lost, but the impact of the sequester cuts on agency programs and activities.

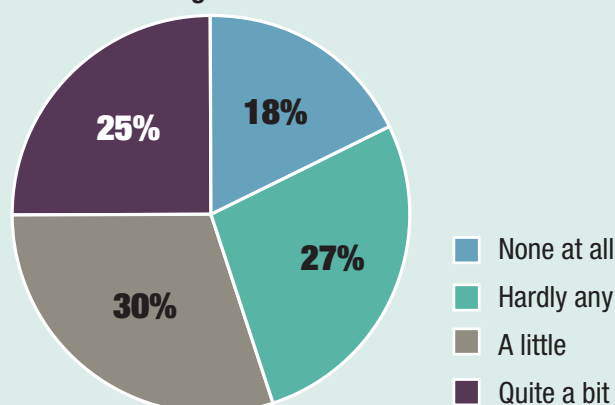
**FIGURE 5**

**What actions did you undertake to avoid or limit furloughs? (please select all that apply)**



**FIGURE 6**

**What is the impact of the sequester on your agency performance management activities?**



Because GPRA Modernization Act (GPRAMA) implementation required a number of activities to be completed during FY 2013, we asked about the sequester impact on those activities. **Figure 6** shows that only a slight majority of respondents believe there was a major impact. Respondents' comments include many "don't know" responses, which could indicate that agency budget personnel were not aware of performance management requirements. Some comments indicate that performance management is relatively unimportant or unclear when compared to funding cuts. One respondent notes, "We don't have time or money for GPRAMA," and another says, "It's hard to say how funding cuts impact performance." Finally, one respondent notes that not every problem should be blamed on the sequester: "We probably did not have enough funding for GPRAMA even before the sequester."



**FIGURE 7**

In FY 2013, are you doing whatever is necessary "to make it through the year" regardless of the impact on FY 2014 and beyond?	
Everything is focused on just making it through the year	10%
When we can, we think about the longer-term consequences	21%
We think about the longer-term consequences even when we can't do anything about them	28%
We still factor in longer-term consequences to every decision	41%

We asked whether the sequester affected planning and budgeting for FYs 2014 and 2015. **Figure 7** shows that 69% of respondents considered longer-term consequences. Comments include, "We just assume that FY 2014 will be worse," and "We are focused right now on avoiding anti-deficiency violations." Some note that uncertainty limits their ability to plan for the longer term. Finally, one respondent notes, "We are not very strategic when dealing with budget cuts today."

We also asked about the impact of all the cuts, uncertainty, and changes on budget analysis. **Figure 8** shows that 79% believe that analysis suffers significantly in these circumstances.

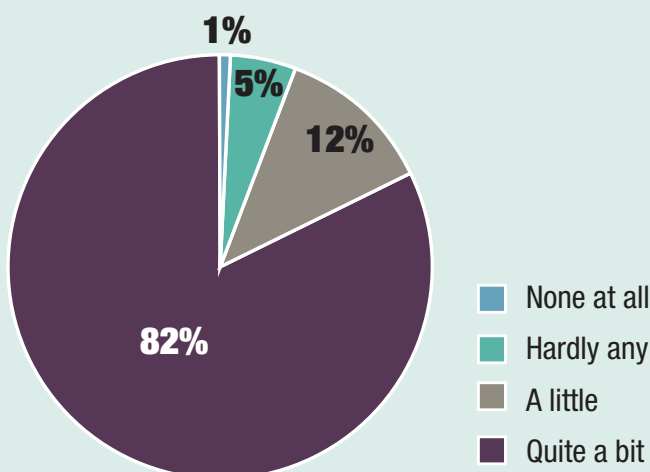
Respondents' comments portray a budget workforce that is highly conflicted by the situation. On the one hand, they recognize that it is exactly times like the sequester when analysis is most needed. One respondent notes, "Crisis

increases the importance of good analysis for decision makers." On the other hand, circumstances conspired to limit the effectiveness of analysis. One respondent notes, "We work hard on an analysis that is then quickly discarded as assumptions change." There is often insufficient time for analysis. One respondent notes, "They need a lot of analyses from a depleted workforce, so the accuracy and quality of the analyses suffer, and ultimately they are less useful." But we also have comments like this from one respondent: "It's exciting and keeps staff engaged to ensure we're providing the best options and recommendations to leadership."

FY 2013 was clearly a difficult budget year for agencies, and it seemed likely that future years would be as bad or worse.

**FIGURE 8**

**How much does analysis suffer when budget offices have to contend with the crisis du jour?**



*"We are not very strategic when dealing with budget cuts today."*

# UNDER CONSTRUCTION

## FY 2014 – THE CURRENT YEAR

Agencies began development of their FY 2014 budget submissions in March 2012. Because Congress had passed the FY 2012 Agriculture, Commerce-Justice-Science, and Transportation-HUD appropriations and an omnibus appropriation for all other agencies by the end of December 2011, agencies had a known base for FY 2012. However, much of the FY 2014 budget formulation process occurred after October 2012, when agencies were operating under a FY 2013 six-month CR and under the shadow of a potential sequester. Normally the President would have released his FY 2014 budget to Congress in early February 2013. However, the President did not issue the sequester order until March 1, 2013, and he did not release his FY 2014 budget to Congress until April 2013, leaving many questions unanswered during that two-month hiatus. To further complicate matters, Congress's failure to agree on FY 2014 appropriations or a CR caused the government to shut down for 16 days beginning on October 1, 2013.<sup>1</sup> Clearly this was an inauspicious beginning to FY 2014.

The survey's FY 2014 questions asked about problems caused by the late budget release to Congress and the bigger question of the mindset of agencies about their future funding levels. We also asked about across-the-board cuts versus priority rankings.

### LATE BUDGET SUBMISSION

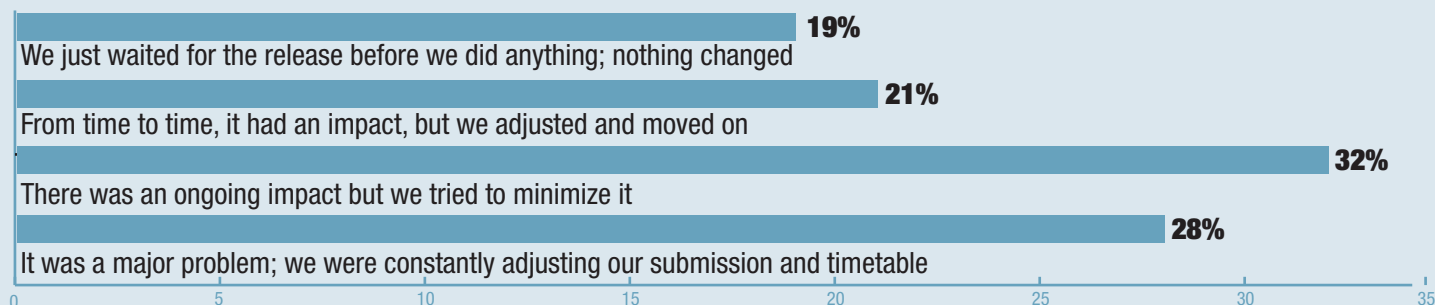
In theory, agencies had more than two extra months to prepare their FY 2014 budget submissions. Some might argue with this statement because it was not clear when the President would release his budget, and by February agencies had already reached the point in the budget process where they had more or less settled

their budget levels with the Office of Management and Budget (OMB). We asked agencies about the effect of this late release. **Figure 9** shows that 60% of respondents perceived an ongoing impact or major problem, while nothing changed for 19% of respondents.

Respondents' comments reflect varying degrees of fatalism about the process. One respondent notes, "After years of doing this, we anticipate that there will always be problems." Others point to problems with not being able to discuss their budgets with stakeholders for an extra two months or how dragging out the release took time away from other activities. Another respondent took a more pragmatic view: "It's not really a problem because the FY 2014 appropriations, if they ever come, will look nothing like our request."

**FIGURE 9**

#### How did the late budget release affect you?



<sup>1</sup> Almost all respondents took the survey before the government shutdown took effect.

**FIGURE 10**

Do your agency's program managers think that more funding is just around the next corner?	
It is an article of faith that all reductions are temporary	2%
No one wants to admit that we have to do less	26%
They all realize that there is less money, but not for their program	32%
Every year, the truth dawns on more of them	40%

Some tried to put a positive spin on the situation: “We were able to create our initial FY 2015 request, our FY 2014 spend plan, and our FY 2013 closeout, all at the same time.” Another respondent says, “We spent the extra time figuring out how to cut FY 2014 when we had to.” The lapse might also have allowed for a more accurate submission. In response to another question, two-thirds of respondents say there were able to make adjustments (formally or otherwise) to their FY 2014 submissions based on FY 2013 events that occurred after February 2013.

## WILL FUNDING LEVELS INCREASE?

Some believe that a major problem with preparing realistic budgets at reduced levels is that program managers refuse to believe these cuts are permanent. They know their programs are important, and they believe that someday Congress will realize this too. Therefore, they typically opt for short-term answers rather than more strategic solutions. We asked whether agency program managers really do think this way. **Figure 10** shows that there may be some basis for this theory, even though only 2% of respondents believe it absolutely.

Respondents claim that many of them are planning how to get by on less in the future, regardless of what program managers think. However, they also recognize that no one wants to admit that their program is not the top priority. One respondent points out, “Every program has its champions,

and agency leadership does not like to disappoint those champions.” Others note the evolution from “do more with less” to “do the same with less” to “do less with less.” One respondent says, “No one does more with less, and grownups know this.”

## ACROSS-THE-BOARD CUTS

Our last FY 2014 question dealt with the issue of across-the-board cuts (such as the sequester) versus consideration of priorities. In our 2011 survey, more respondents said they would prefer to reduce many activities rather than to eliminate a few. After the sequester, we wondered if they would reconsider. **Figure 11** shows the results.

*“It’s not really a problem because the FY 2014 appropriations, if they ever come, will look nothing like our request.”*

The percentages may not give a clear picture, but it appears that only 8% would now prefer to do across-the-board cuts and protect all of their programs. The respondents’ comments were fairly uniform, with many of them declaring that they need the ability to eliminate entire programs. One respondent notes, “Small cuts to small programs just kill them slowly.” Another says, “Congress and agency political leadership don’t favor prioritization and elimination.” Many agreed with another who says, “Budgeting should allocate resources efficiently to achieve goals effectively.” A number of respondents identify across-the-board cuts as the easy way out, with no analysis, no priorities, and no tough decisions required. They use words like “stupid,” “coward’s way out,” and “lazy analyst” to describe across-the-board cuts.

With the government shutdown ended after 16 days, it remains to be seen if Congress can devise a plan to produce FY 2014 appropriations before the next crisis hits.

**FIGURE 11**

In our 2011 survey, more respondents stated that they would "reduce many activities" rather than "eliminate a few activities." How do you feel now?	
Cutting across the board allows all of our programs to continue	8%
We can cut across the board and still cut some programs more deeply than others	14%
We try to consider program priorities when we allocate our cuts	54%
We would better serve our stakeholders by doing fewer activities but doing them well	24%



# TOUGH DECISIONS AHEAD

## FY 2015 – THE BUDGET YEAR

It is always difficult for agencies to focus on the upcoming budget year when the current year is still undecided. However, OMB and agencies are already making FY 2015 budget decisions even though much about FY 2014 funding levels is still a long way from being settled. We asked questions about the status of FY 2015 budget development and how agencies were responding to various aspects of OMB's FY 2015 budget guidance.

### STATUS

Because the budget development process takes approximately 18 months, budget development for different fiscal years necessarily overlaps. With implementation of the FY 2013 sequester and the FY 2014 government shutdown potentially slowing the process, we asked about the status of FY 2015 budget development.

**Figure 12** shows that over two-thirds of respondents continued FY 2015 budget development despite the problems in FYs 2013 and 2014. A number of respondents note that they met the OMB deadlines but not necessarily with their best products. One respondent says, "Our analytic efforts over the summer focused on 2013 and 2014, not 2015." Others indicate that they are doing what they can, and it is leading to significant staff burnout. Some are limiting their input. One respondent notes, "We are just base-lining 2015 with no enhancements." However, others appear to be taking it in stride. "The budget cycle here is robustly followed; 2015 preparation is well advanced and 2016 is already beginning."

**FIGURE 12**

What is the status of your FY 2015 budget development?	
We are woefully behind schedule	13%
People are beginning to realize that we still have to do a 2015 budget	5%
We worked on it as time permitted	15%
We have not let 2013 or 2014 problems distract us from our 2015 budget	68%

### OMB GUIDANCE

The key OMB budget guidance was that agencies were to submit discretionary FY 2015 budgets that represented a 10% decrease from the FY 2015 estimate included in the FY 2014 President's Budget. This continues a trend that each year OMB requires agency budget submissions that are 5% or 10% below some previous estimate. We asked how difficult it was going to be for agencies to comply with this guidance in FY 2015.

*A number of respondents identify across-the-board cuts as the easy way out, with no analysis, no priorities, and no tough decisions required.*

**Figure 13** shows that one-third of respondents are basically prepared to comply, while 28% do not believe they have anything left to cut. The remainder believes it is difficult but doable. The respondents' comments are primarily from those who have problems with the 10% cut. Some believe they can no longer accomplish their mission with this level of reduction: "Congress needs to enact legislation to change, reduce, or limit our legal requirements." Others point out some hard truths: "The easy decisions have already been made; RIFs are inevitable with this level of reduction." Another respondent notes, "We need some big changes from the decision makers." Still others are not expending much energy on the process: "FY 2015 is just a paper exercise." Another respondents says, "We'll just do across-the-board cuts and be done with it."

The Government Accountability Office (GAO) issues regular reports on fragmentation, overlap, and duplication in agency programs, and OMB directed agencies to find ways in their

**FIGURE 13**

**How difficult do you anticipate it will be for your agency to respond to OMB's guidance to reduce your overall FY 2015 budget submission by 10 percent?**

We have been reviewing spending so much lately that we should be able to identify options for reduction with relative ease	15%
We already have the basics of our spending identified, but this will require us to take another step down	18%
It will be difficult but doable	39%
After all of our other reductions, there is nothing left to cut	28%

budgets to reduce these. We asked how difficult that was going to be.

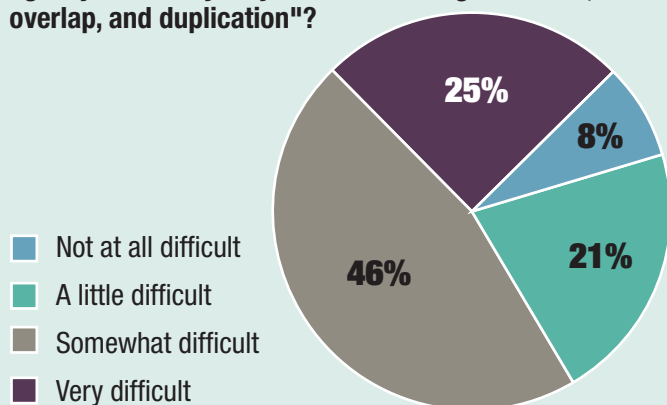
**Figure 14** shows that over two-thirds of respondents believe this will be “a little difficult” or “somewhat difficult,” and 25% believe it will be “very difficult.” The respondents’ comments make it clear that they believe fragmentation, overlap, and duplication could be reduced, but they also doubt that management will actually allow that to happen.

One respondent says, “The agency is unwilling to make hard decisions.” Another has similar sentiments: “Identifying the issues is not hard; doing something about them is hard.” A third respondent notes, “Agency management does not accept the need to reduce duplication and overlap.”

Others do not believe this guidance applies to them. A couple of respondents say, “We have very little duplication in our agency.” Others suggest that success can be achieved through creative definitions: “We don’t duplicate other agencies; we coordinate with other agencies.” Others point out that duplication leaves unanswered who should reduce: “If another agency does what we do, they should eliminate their program.” One respondent notes, “We don’t have any duplication, but we see lots of it in higher headquarters.”

**FIGURE 14**

**How difficult do you anticipate it will be for your agency to identify ways "to reduce fragmentation, overlap, and duplication"?**



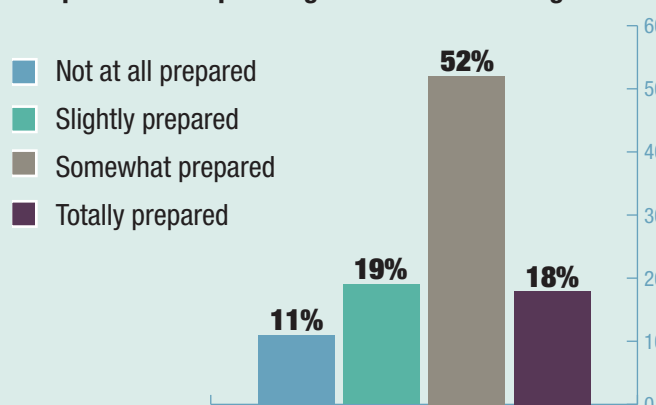
A number of respondents disagree with the basic premise. “Congress causes duplication. They create new redundant programs to show ‘progress’ rather than overseeing and properly funding existing programs.” Another respondent says, “Many grant programs are designed to overlap.”

Another key direction from OMB for FY 2015 was to ensure budget and performance alignment. With GPRAMA implementation ongoing, tying resources to results takes on increased importance. **Figure 15** shows that 70% of respondents are “somewhat prepared” or “totally prepared” to accomplish this. Many of the comments on this question were from those not so prepared. A couple of respondents say, “We are doing what we can.” Another respondent says, “Few people can do strategic budgeting properly.” Others were not that analytical: “It’s difficult to take the 2015 budget process seriously.” Finally, there was this from one well-informed respondent: “There are 85 pages of OMB Circular A-11 devoted to this. Hasn’t this been required for years?”

FY 2015 will arrive soon enough, but many budgeteers are just trying to make it through FY2014.

**FIGURE 15**

**How prepared is your agency to have its strategic plan and performance plan align with the 2015 budget?**



# SOLUTIONS NEXT EXIT →

## HUMAN CAPITAL

In our 2011 survey, we asked a series of questions about human capital issues that could affect many agency personnel, not just budgeteers. We repeated some of these questions in the 2013 survey to see what changes, if any, had occurred over the past two years.

### COMPETENCIES AND NEW HIRE ATTRIBUTES

We asked questions about the competencies needed by the current workforce and the attributes managers look for when hiring new budgeteers.

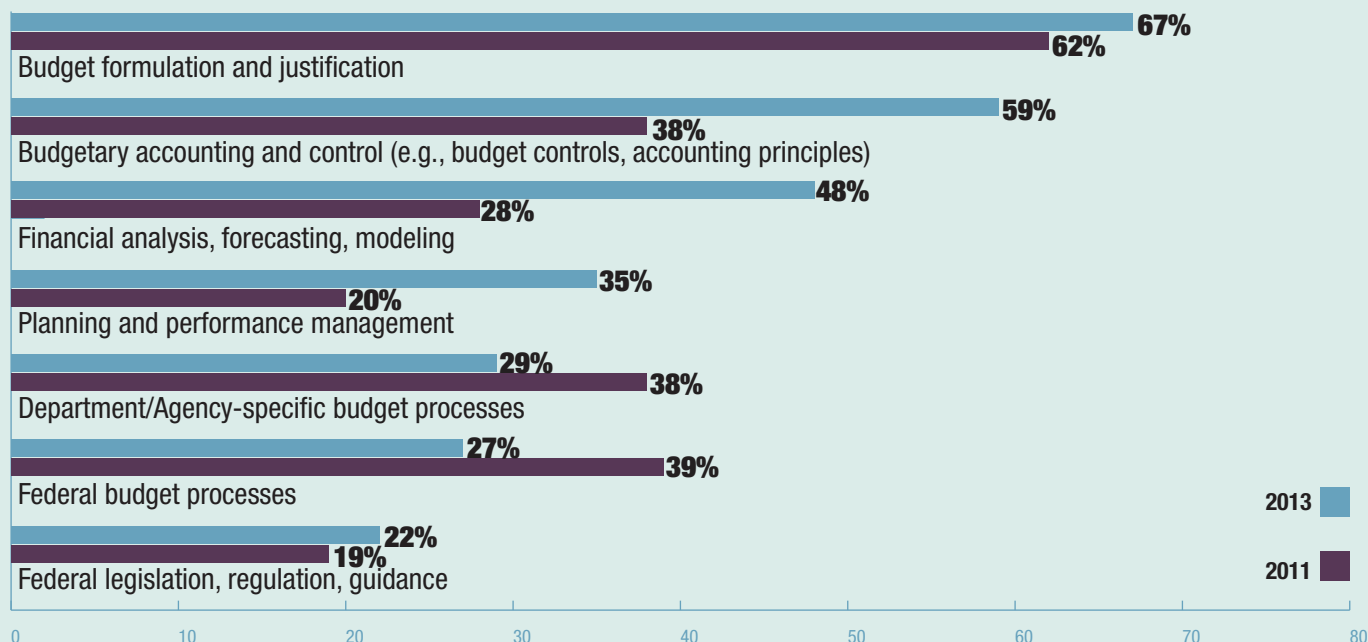
Our first question dealt with the most important budgeting competencies. **Figure 16** shows the top results and compares them with the top results from 2011. Although there is a lot of similarity, there are also some changes. Budgetary accounting and control, which is a surrogate for “budget execution,” has clearly increased. Most of the comments on this question relate to the fact that budget execution becomes really

important when you have fewer resources than you require. One respondent notes, “More than ever, we absolutely need realistic spend plans.”

Financial analysis also has a significant increase, perhaps because agencies are now doing so much of it. The two budget-process choices have both decreased, perhaps because it does not appear that these processes are actually being followed. The drop in planning and performance management might relate to the fact that program analysis and evaluation was not offered as a choice in 2013, although 30% of 2011 respondents selected it as an important competency.

**FIGURE 16**

**What are the most important budgeting competencies for your organization? (Select top 3)**





**FIGURE 17**

What are the most effective sources for training and professional development? (Select top 3)		
	2013	2011
Classroom training (e.g., Management Concepts, Graduate School USA)	62%	61%
Cross-training/On-the-job training (including details to other offices)	56%	63%
Conferences and workshops	48%	49%
Mentoring	34%	41%
On-line training	28%	24%
Webinars	20%	n/a
Informal training (e.g., lunchtime programs)	14%	14%
Membership organizations	9%	7%
University classes	8%	12%

Two other comments from opposite ends of the continuum seem relevant. One respondent says, “Honestly, these are all important,” while another notes, “My agency’s ‘management by crisis’ style limits the value of classical budget competencies.”

We next asked about where budgeteers could obtain these competencies. **Figure 17** shows the top results and compares them with the top 2011 responses. There is quite a bit of similarity between the two surveys, although cross-training and mentoring seem to have dropped somewhat in popularity. On-line training and webinars are up, perhaps because they represent lower-cost options. Respondents’ comments basically note that training is not a priority and is typically not done unless it is free or very inexpensive. That is not to say that budgeteers believe training and professional development is unimportant. One respondent notes, “Many of our folks lack a fundamental understanding of what they are doing,” and another says, “Conferences, workshops, and other training that involves collaboration and exchanges between participants is highly effective, but we can’t afford it.”

Next we looked to the future of the budgeting profession and asked about the ideal attributes of new budget professional hires. **Figure 18** shows the top results and compares them with the top 2011 results. In general, the results are almost identical between the two surveys. As we have seen in a number of other surveys about people who work in budget and finance, the ability to do analysis remains the top attribute not only for new hires, but for all the staff. Respondents’ comments relate primarily to the fact that most of these attributes can be taught to new hires, if they don’t already have them. One respondent says, “We can teach everything except patience, perspective, and written expression.”

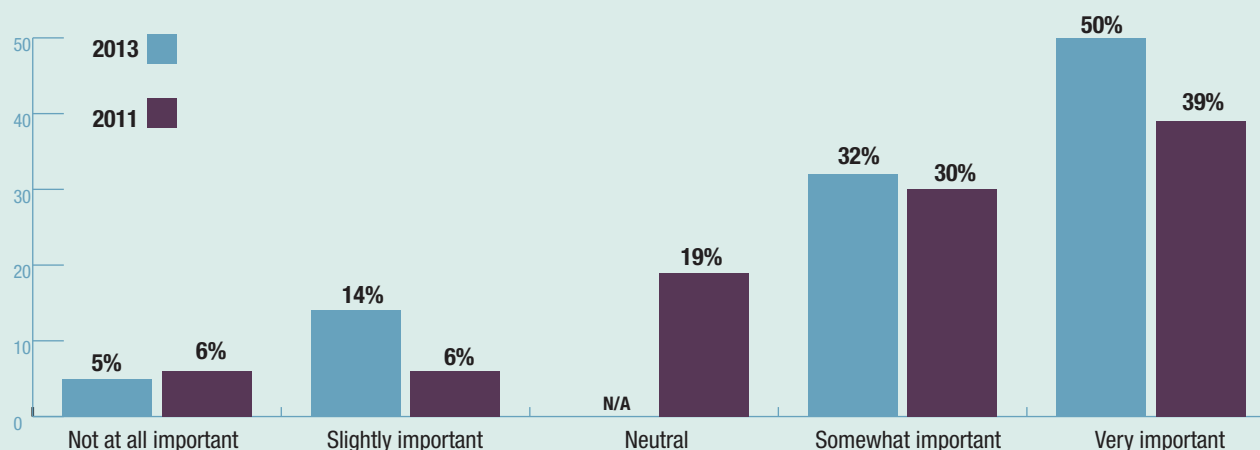
*“Conferences, workshops, and other training that involves collaboration and exchanges between participants is highly effective, but we can’t afford it.”*

**FIGURE 18**

What are the ideal attributes of new budget professional hires? (Select top 3)		
	2013	2011
Analytic ability	81%	80%
Ability to write concisely and clearly	64%	56%
Ability to work cooperatively under pressure	38%	44%
Facility with numbers and Excel	36%	34%
Ability to communicate orally	18%	21%
Understanding how government works	15%	13%
Some work experience in budgeting	12%	11%

**FIGURE 19**

**How important is professional development in retaining talent in your budget organization?**



## RETENTION AND JOB SATISFACTION

Exploring the importance of professional development, we asked about its role in retention. **Figure 19** shows the results and compares them with the 2011 results.

The 2011 survey offered five choices, including “neutral,” but for the 2013 survey we went with a four-choice option to force people to get off the fence. As a result, in 2013, 82% of respondents say that professional development is “somewhat important” or “very important” in retaining talent. Given these results and comments in the preceding question, the comments for this question are predictable. A number of respondents say they lack the requisite funding, or management does not believe professional development is important enough to fund. One respondent notes, “We are facing a massive exodus of personnel from all sectors and grades,” and another says, “We expect increased competition for a limited pool of candidates with the requisite expertise.”

Considering all of the issues in budgeting today and the morale issues created by furloughs and government shutdowns, we asked what was important for job satisfaction. **Figure 20** shows the top results and compares them with the top 2011 results. Although some factors have similar results in each year, “can see how my contribution affects the total budget” has clearly dropped, perhaps because this has become increasingly difficult. Having a “clear career path” and “opportunities for training” have increased significantly; this might reflect the fact that the future of budgeting is so uncertain, and the fact noted above that training is becoming so difficult to obtain.

Respondents’ comments indicate a high degree of frustration. One respondent says, “There is no job satisfaction,” and another notes, “Work would be meaningful if it actually had an impact. I remember when budget formulation was meaningful and incredibly gratifying; today it seems futile.” Another respondent offers this prescription: “We need a working environment where leadership knows how to involve staff in coming up with ideas and implementing them; this would allow people to grow, develop, gain new skills, and actually enjoy what they do and the people they do it with.”

Each year’s budget has its unique twists and turns, but apparently the skills and attributes needed to be effective remain mostly the same, as do the factors that impact job satisfaction.

*“We can teach everything except patience, perspective, and written expression.”*

**FIGURE 20**

**What are the most important factors that impact job satisfaction for budget professionals in your organization?  
(Select top 3)**

	2013	2011
Work-life balance	58%	59%
Can see how my contribution affects the total budget	48%	58%
Gratitude from career and political leadership	42%	38%
Opportunities for salary increases	35%	28%
Clear career path	27%	10%
Minimizing rework	27%	22%
Opportunities for training	22%	13%
Telework opportunities	17%	18%







## CONCLUSION

These are the final words in our 2011 report, *The Road Forward*: “The nation’s community of federal budget professionals travels the road forward.... The current round of budget battles will be prolonged and demanding, but budgeteers are educated, experienced, and skillful. They have what it takes to help agency leaders with the many difficult decisions ahead.”

The hope of any organization is to have sustainable budget processes that support goal achievement and mission accomplishment. In this year’s survey, we find there have been many interruptions on the journey to better budgeting. Agencies are busy dealing with the many distractions that keep them from designing and leveraging better budgeting processes. Budgeteers may have what it takes, but circumstances sometimes conspire to keep agencies from getting the most out of those skills and abilities.

*The goal of sustainable budget processes remains a flickering mirage somewhere down the road.*

Budgeting is especially critical when government lacks the resources to do everything it wants to do. Budgeteers understand they are constrained by the politics that affect the budget process. However, unbound by political considerations, they see the missed opportunities on this journey to better budgeting. With their partner program managers, they are acutely aware that government provides essential services to the American people. However, they cannot provide these services adequately or invest in higher-priority programs when Congress and the President do not provide sufficient funding or allow elimination of lower-priority or poorly performing programs. Government needs improved, sustainable budget processes. Some may argue for changing the current budget processes, but many budgeteers would argue that we should at least try to follow the current ones before we go through the

pain and lost time of replacing them with ones that may not work either.

After reviewing all of the answers and comments provided by the survey respondents, we get a sharp picture of federal budget professionals today. They respond to agency and political leadership direction. They analyze as best they can, given their depleted ranks and constantly changing assumptions. Constrained by funding and politics, agencies have forced them to become masters of the band-aid solution – finding the quick, low-cost fix that pushes challenges into the future rather than solving them in the present. They are often frustrated and sometimes angry at the state of the budget process today.

Like many Americans, budgeteers are disappointed by the inability of politicians to resolve government funding problems. Unlike most Americans, they have front-row seats at this debacle and, better than most, they understand the relatively simple ways these predicaments could be resolved. They know agencies are prepared to do their jobs well.

Budgeteers have seen this movie before. CRs, budget deficits, and debt limit problems become crises that generate gridlock. Congress and the President punt to a commission that “fixes” the problems through creation of some new rule, the failure of which is unimaginable. Disaster then follows as the unimaginable does indeed happen, resulting in crude across-the-board cuts, furloughs, and even government shutdown. Despite a brief respite, the cycle is bound to repeat itself. Instead of making progress on the road forward, we regress. The goal of sustainable budget processes remains a flickering mirage somewhere down the road.



## ACKNOWLEDGMENTS

We wish to thank those who took the time to share their thoughts with us and, through this survey report, with their colleagues and a wide array of federal budget thought leaders.

We acknowledge the support and contributions of the sponsoring organizations and the time and expertise of the individuals listed below.

To obtain copies of this report and the survey questionnaires, go to either of the websites listed below.

### **American Association for Budget and Program Analysis (AABPA)**

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Falls Church, VA 22041

T 703.941.4300

[www.aabpa.org](http://www.aabpa.org)

*Melissa Neuman, Office of Management and Budget, AABPA President*

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[www.GrantThornton.com/publicsector](http://www.GrantThornton.com/publicsector)

*Robert Shea, Principal*

*Thad Juszczak, Director and Survey Manager*

*Gloria Funes, Design & Graphics*



**American Association for Budget and Program Analysis (AABPA)**

**P.O. Box 1157**

**Falls Church, VA 22041**

**[www.aabpa.org](http://www.aabpa.org)**



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**333 John Carlyle Street, Suite 400**

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