

# State and USAID FY 2016 Discretionary and IT Budget Request Snapshot

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Related Categories: USAID, IT Budget, Department of State

Last month the White House released its fiscal year (FY) 2016 budget request and most federal departments and agencies saw notable increases in their overall discretionary and information technology (IT) budgets. The Department of State and the U.S. Agency for of International Development (USAID) were no exception.

## Total Discretionary Funding

The Department of State and the USAID are slated to receive \$43.2B in base discretionary funding for FY 2016, which is \$6.2B (+16%) higher than FY 2015. The budget requests an additional \$7.0B in Overseas Contingency Operations (OCO) funding.

Discretionary funding highlights include:

- \$3.5B to counter the Islamic State of Iraq and the Levant (ISIL) and respond to the crisis in Syria, bolster regional security, and provide for related humanitarian needs
- \$1B to address the root causes of migration from Central America, including the migration of unaccompanied children
- \$5.4B for international organizations and peacekeeping missions to share global security responsibilities with other nations and respond to new peacekeeping requirements
- \$4.8B to support security requirements and overseas infrastructure to support the people, infrastructure, and programs that enable U.S. operations and relations with foreign governments
- \$190.5M for the Global Development Lab and the Bureau of Policy, Planning, and Learning at USAID to develop solutions and accelerate the transformation of U.S. development efforts

## State and USAID Total IT and New Development Budgets

The State Department and USAID seek \$1.6B (+15.4%) and \$165.5M (+15.1%) respectively for FY 2016 IT. However, both agencies continue to focus their budgets on steady state or operations and maintenance (O&M) funding categories over Development/Modernization/Enhancement (DME) efforts. State's \$140.4M of total agency DME funds increases \$3M from FY 2015, but these DME funds account for about 9% of the total FY 2016 IT budget, which is pretty consistent with the previous two years. USAID's DME is \$28.5M which is 17% of the total proposed budget for FY 2016. This proportion has declined from 22% and 20% in FY 2014 and FY 2015 respectively. (See table below.)

### FY 2016 Federal Information Technology Budget – Department of State & USAID

Agency	Total Information Technology Budget (\$M)				New Development (DME*) (\$M)			
	FY 2014 (Final)	FY 2015 (Enacted)	FY 2016 (Request)	FY '15-'16 % Δ	FY 2014 (Final)	FY 2015 (Enacted)	FY 2016 (Request)	FY '15-'16 % Δ
State	1,408.1	1,414.1	1,631.7	15.4%	131.7	137.5	140.4	2.1%
USAID	149.4	143.7	165.5	15.1%	33.2	28.2	28.5	1.0%
<b>Total</b>	<b>1,557.5</b>	<b>1,557.8</b>	<b>1,797.2</b>	<b>15.4%</b>	<b>164.9</b>	<b>165.7</b>	<b>168.9</b>	<b>1.9%</b>

\* DME = Development/Modernization/Enhancement

Source: OMB

## Noteworthy IT Programs

Looking at the specifics of both State's and USAID's IT investments and initiatives gives some deeper understanding. Here are some initiatives that stand out among others due to relative size, budget growth, and/or proportion of new development spending.

### IT Funding Highlights

- **Bureau IT Support** – At \$230M (+13.1%), this investment encompasses centrally provided shared IT support services such as desktop services; telecomm, wireless & data services; peripherals; software; and any other IT infrastructure costs incurred by the bureaus.
- **CA Enterprise Management Services** – Receiving \$145M (+106%), this initiative consists of strategic planning and portfolio management, security, configuration control, quality management, training, deployment and communications for the CST portfolio as a whole.
- **CA Enterprise Operations** – Increasing to 126.3M (+44%) for FY 2016, this investment consists of operations and maintenance, data center migration, applications and database services and service desk.
- **Legacy Consular Systems** – Receiving \$87.3M (+63%), this initiative supports a broad range of services systems, including Visa, ACS, Passport, Web, BI, AMS, CLASS, Fraud.
- **Steady State IT Infrastructure & Technology Modernization** – USAID slates \$57.4M (+2.5%) for its enterprise-wide IT infrastructure, communications, etc. 12% of this is DME funding.

### New Development Funding

- **State** – the two IT initiatives with the largest DME budgets are the Foreign Assistance Dashboard (\$1.5M in DME, 100% of budget) and the ECA Program Management and Outreach System (\$1.4M in DME, 11% of budget.)
- **USAID** – Two programs with the largest DME budget are the Development Information Solution (DIS) portfolio management system (\$8M in DME, 93% of budget) and the Steady State IT Infrastructure & Technology Modernization Program (\$7.1M in DME, 12% of budget.)

After seeing its total IT budget remain flat at \$1.4B from FY 2014 to FY 2015 the State Department IT budget for FY 2016 has jumped nearly \$224M to over \$1.6B. Similarly, USAID's IT budget fell 4% from FY 2014 to FY 2015 but sees a \$21.8M (+15%) jump in FY 2016 to regain ground. As noted above, overall DME spending at both State and USAID tend to run below those of most other federal agencies, so competition for O&M work on established programs may be fierce and challenging to penetrate.