

FY 2016 Budget Guidance Calls out Information Technology

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The Office of Management and Budget (OMB) released guidance on May 5, 2014 outlining requirements for federal agency budgets in fiscal 2016. The details included lower discretionary spending and a continued focus on areas like improving customer services and information technology delivery.

According to guidance from OMB, the FY 2016 budget will aim to build on the strategy for growth, opportunity, and national security by decreasing funding on lower priority programs "in order to create room for effective investments in areas that remain critical to securing our Nation's future." Agency guidance in [the memoranda](#) falls into the following categories:

2016 Discretionary Budget Submissions: Agency budget submissions for FY 2016 should reflect a 2 percent reduction from the FY 2016 total provided in the FY 2015 budget, unless OMB has given an agency "explicit direction otherwise." These reductions are to be met through prioritizing spending and reducing duplicative or ineffective investments. The guidance attempts to close historic loopholes by explicitly stating that submissions are to exclude across-the-board cuts and shuffling activity (e.g. reclassification of discretionary spending to mandatory, shifts of costs to other budget areas). However, these approaches may be included in a separate proposals. Agencies are also tasked with providing recommendations to increase effectiveness within their own programs and those at other agencies.

Mandatory Budgets: Agencies are expected to address mandatory investments with the same level of precision spent on discretionary spending. OMB is encouraging agencies to propose new savings within mandatory spending areas.

Support for the Administration's Management Agenda and Cross-Agency Priorities: The FY 2015 budget focused on four areas of reform priorities (i.e. effectiveness, efficiency, economic growth, and people and culture). Agencies are expected to continue to target these priorities areas in their FY 2016 submission. Several areas are specified in particular: customer service, information technology, and employee engagement. Specific to information technology, agencies will target improvements to infrastructure along with addressing necessary reforms around security clearances and insider threats.

Emphasis on Strategic Reviews: OMB recommends that agencies use the results of reviews and progress on objectives in the new agency strategic plans (published with the FY 2015 budget) to align their FY 2016 requests with agency goals. Additionally, agencies should note investments linked to Agency Priority Goals.

Evidence and Evaluation: Building on efforts to drive data and evidence-based decision making, agencies will be supported in using data and evidence-based tools and techniques to improve program delivery and to expand successful approaches. Going forward, agency budget materials will include: an overview of agency (or department) progress and plans with accomplishments and priorities, as well as an agency plan for embedding evaluation in programs.

The priorities outlined in this guidance stands to bolster spending on key information technology programs related to both IT infrastructure reform and information security. While program oversight investments continue to receive support for funding, contractors can expect ongoing scrutiny into program delivery and performance.

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