

This document replaces previously issued Chapter 11 within Part II of the

USDA Budget Manual.

PART II - CHAPTER 11

1. PURPOSE

This chapter provides instructions for the preparation of the FY 2024 Agency Estimates. Please insert this copy of Chapter 11 under Part II of the USDA Budget Manual and discard the previously issued Chapter 11.

2. ACTION – SUBMISSION REQUIREMENTS

- a. Agency budget officers, planning officials including Agency and Mission Area leadership, risk officers, and information technology officials should collectively develop the budget request and be in agreement with the proposals and budgetary impacts.
- b. Provide the electronic version of the Word Document, PowerPoint, and Excel Files used to create the Word Document and PowerPoint on the OBPA SharePoint website, <https://usdagcc.sharepoint.com/sites/obpa/SitePages/FY-2024-Budget.aspx?OR=Teams-HL&CT=1652705754927¶ms=eyJBeHBOYW1lIjojVGhVbXMtRGVza3RvcCIsIkFwcFZlcuNpb24iOiIyNy8yMjA0MDExMTQxMyJ9> under your respective Mission Area and/or Agency, by noon on June 30th.

Note: Due dates are subject to change.

3. DELIVERABLES

- a. The table below provides a list of items, and their due dates, to be included in the submission.

Due Date	Item	Page No.
June 30 th (noon)	Transmittal Memo	NA
	Table of Contents	11-5
	Summary Table	11-6
	Account Ranking Bridge Table ¹	11-7
	Pay and Employee Costs ¹	11-10
	Justification of Changes ¹	11-12
	Appropriations Language and Explanation of Changes ^{1, 2}	11-13
	Proposed Legislation ^{1, 2}	11-14
	Key Performance Indicators (KPI) Proposals and Revisions	11-15

1. Items must be produced separately for each Treasury account.
2. Required only for accounts with proposed appropriation language or authorizing legislation.

- b. Upload all the files to SharePoint and email it to your respective Staff Chief.

4. SCHEDULE

Key events and target dates relating to the formulation and development of the 2024 budget are shown below. The schedule is tentative and subject to change based on OMB Guidance. OBPA will send notice of any changes.

Item	Due Date
Chapter 11 guidance issued	May 27

OBPA meet with Agencies on the guidance and templates	June TBD
Agencies submit Agency Estimates to OBPA	June 30 (noon)
OBPA and Agencies meet with Deputy Secretary to discuss Agency Estimates	Week of July 4th
Chapter 12 guidance issued	Mid July
Secretary provides initial Passback	Week of July 25 th
Agency appeal of Passback	August 3 rd
Secretary provides final Passback	August 10 th
Department Estimates due to OBPA	August 26 th
Department Estimates due to OMB	September 12 th
OMB meets with Agencies to discuss Department Estimates	Late September
OMB provides initial Passback	Monday after Thanksgiving
Secretary appeal of Passback	Early December
OMB provides final Passback	Mid December
President's Budget and Annual Performance Plan and Report due to Congress	Feb. 6, 2023

5. INQUIRIES

Direct inquiries about the guidance to the Formulation Staff Chief: Melissa Gutridge – Melissa.Gutridge@usda.gov or 202-923-5133. Direct inquiries about specific Mission Area questions to your OBPA Mission Area Staff Chief.

6. FORMATTING

- a. All materials should be formatted for a page size of 8-1/2" x 11".
- b. The top margin is 0.9 inches. The bottom margin is 0.8 inches. The side margins are 1 inch. The header is 0.45 inches. The footer is 0.25 inches.
- c. The header should be "2024 USDA AGENCY ESTIMATES – "and the agency name, centered, small caps. Apply a bottom border to the header.
- d. Page numbers should be centered in the footer.
- e. All narrative in an Agency submission should be in type font Times New Roman either 10 or 12 points.
- f. Issues relating to proper formatting or sizing should be resolved with OBPA.
- g. Unless otherwise noted, tables should show dollars in thousands (as shown in the examples). The text "(thousands of dollars)" should appear in the caption above all tables formatted as such.
- h. Replicate table headers and column heading as shown in exhibits. (Substitute the proper program names and similar information as applicable.)
- i. Follow formatting shown in the example exhibits.

7. CONTENT

- a. The BY (2023) amounts in all tables and narratives should be the FY 2023 President's Budget. The CY (2022) is the enacted level for FY 2022.
- b. The BY+1 (2024) request for the Agency should have two scenarios – The Revised FY 2022 Flat Scenario and The FY 2024 Request Scenario:
 - 1) Account Ranking and Bridge Table (Exhibit 11-3 top section through "Revised FY 2022 Flat Scenario" row) - **The Revised FY 2022 Flat Scenario** amounts in all submitted Account Ranking and Bridget Tables are level to the FY 2022 Enacted at the Mission Area level, to show adjustments to funding between Treasury Symbols/Accounts and PPAs with adherence to the following guidance.
 - i. Salary and Expenses – the level-funded scenario should fund the projected on-board staff count at the end of FY 2022. Pay costs should be incorporated by applying the guidance in bullet (f) below.
 - ii. Other fixed costs and administrative expenses – the base scenario should budget for fixed costs, such as core

- IT expenses, building leases, utilities, etc. and consider the whole cost of the employee (benefits, training, and travel).
- iii. Reduction of one-time funding (i.e., General Provision for Goodfellow or AQI).
 - iv. Reduction of Community Project Funding/Congressionally Directed Spending provided in the FY 2022 Enacted Appropriations.
 - v. Discretionary changes for Working Capital Funds and Shared Cost Programs amounts as reported in the Working Capital Fund section of the FY 2023 President's Budget (OBPA will provide revised tables if updates are provided by OCFO prior to Agency Estimates submission).
 - vi. Include General Provisions as a part of the BY+1 base funding in the Treasury Symbol/Account unless it was a one-time funding cost.
 - vii. The above increases need to be offset with reductions to programs and expenses for activities the Agency would reduce as needing to do less of or are lower priority. Negative subsidies, enacted rescissions, and other scorekeeping adjustments are not included in the FY 2022 Enacted levels as part of the baseline. Negative subsidies cannot be included as an offset, but rescission of unobligated balances may be proposed.
- 2) Account Ranking and Bridge Table (Exhibit 11-3 lower section from "Salary Changes" row through "**FY 2024 Request (Increased Scenario)**" row) - Adjustments to funding between PPAs to reflect and align to the Strategic Plan goals and/or Administration executive order priorities such as Equity Action Plan. Staffing levels should not be adjusted downward to offset administrative cost increases. Each Agency should assume a one percent increase from the Revised FY 2022 Flat Scenario at the Mission Area level and should include:
- i. Salary Changes – Staffing cost changes to better align Secretary priorities, transformative IT, and other investments that facilitate improved customer service and access to programs.
 - ii. Program Changes – Increases or Decreases to Program, Project, or Activity (PPA) to programs to better align Secretary priorities with funding levels. Agencies with IIJA-funded programs should formulate the funding levels of those programs to maintain baseline or to be on a trajectory (within IIJA periods of availability) to reach baseline by the time all IIJA funds are obligated.
- c. PPAs must be prioritized and listed in ranking order under the specific section for Salary and Program Changes in the bridge table below (p. 11-8).
 - d. Increases to PPAs must include measurable results that support the 2022-2026 USDA Strategic goals and objectives and applicable Administration Priorities such as Presidential Management Agenda, Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategy, Equity Action Plans, Civil Rights, Environmental Justice, and Tribal Commitments.
 - e. Proposals must be consistent with Administration and Secretarial goals and reflect the impact of reorganizations as appropriate.
 - f. Pay Raise - Assume a pay annualization of 2.7 percent for January 2022, pay raise of 4.6 percent for January 2023, and 4.6 percent for January 2024 (see Exhibit 11-5).
 - g. Each proposed increase or decrease for the changes to Salaries and Programs in the Increase Scenario except Pay and Employee Costs (compared to the FY 2022 Enacted) in the Agency Estimate needs to be accompanied by a justification.
- Key components of the justification will be:
- 1) The influence of the funding on Agency/Office performance
 - 2) Evidence that supports a change in program funding levels
 - 3) An explanation of why funding changes are a strategy to reaching Departmental goals
- h. Discretionary proposals must support at least one of the Department 2022-2026 Strategic Plan goals:
 - 1) Goal 1: Combat Climate Change to Support America's Working Lands, Natural Resources and Communities
 - 2) Goal 2: Ensure America's Agricultural System is Equitable, Resilient, and Prosperous
 - 3) Goal 3: Foster an Equitable and Competitive Marketplace for All Agricultural Producers
 - 4) Goal 4: Provide All Americans Safe, Nutritious Food
 - 5) Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities

- 6) Goal 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that's Proud to Represent USDA
- i. Agencies should consider their Equity Action Plan when developing their Agency Estimates and QSR presentations. In FY 2024, the Department will be intentionally shifting to institutionalizing equity into administrative and program design and delivery.
 - 1) What additional funding is needed for administrative costs to implement Executive Orders around Equity and, their associated Equity Action Plans (i.e., hiring equity officers, core capabilities for Civil Rights and tribal, language services, customer experience, DEIA improvements in areas such as hiring and recruitment, capabilities for data and performance outcome reporting)?
 - 2) What funding shifts or increases in funding are requested to increase resources and long-term accountability to deliver programs equitably?
 - 3) What is the capacity for institutions to take on additional resources and ensure collection and integrity, performance outcomes, and fiscal responsibility?
 - 4) Are there appropriation language changes or other legislative proposals that are needed to sustain early progress on equity? Are there authorities that you anticipate expiring in FY 2024 needing legislative extension that are non-Farm Bill? Are there advisory committee recommendations that need to be considered?
 - j. Agencies should reach out to USDA agency partners concerning accomplishment of shared USDA goals and objectives. It is extremely important to the budget process that Agencies factor in if/how/where resources can or should be leveraged and coordination of mission delivery.
 - k. All accounts should be based on "Current Law." Do not assume enactment of proposed legislation.

8. DEFINITION OF KEY TERMS

- *Appropriations Language:* Agencies should evaluate the need for appropriation language changes that would significantly improve program performance and implementation.
- *Fixed Costs:* Agencies should use the inflation factors for computing non-pay costs as provided in the Economic Assumptions for the FY 2023 President's Budget. Initially, we are estimating a 4.6 percent pay raise for January 2023 and 4.6 percent for January 2024. We expect that guidance will be provided by OMB when they release the FY 2023 Budget Mid-Session Review (MSR) economic assumptions. OBPA will provide additional guidance as new information is made available.
- *Legislative proposals:* The budgetary impacts of an Agency's legislative proposal must be balanced within the Mission Area. Also, agencies should evaluate the need for renewing expiring authorities as well as whether new legislative (authorizing) language changes would significantly improve program performance and implementation.
- *Salaries and Expenses:* Two components for salaries and expenses, first, the FTEs (SF-133G) projected for the end of FY 2022 should be used as the basis for funding salary and expenses. Second, a Pay and Employee cost increase of 4.6 percent should be incorporated into the budget as indicated in other sections.

9. EXHIBIT

A description and instructions for each exhibit due as part of Agency Estimates follows below. Example exhibits are under a separate attachment. The example exhibits will be provided in MS Word and MS Excel files to simplify document generation.

Many exhibits will also be included in the PowerPoint slide deck which is being used to present to the Deputy Secretary for the Quarterly Strategic Review (QSR) Q2/Q3 presentation in early July.

The page numbering should start with the same chapter number for your submission as was used in the FY 2023 President's Budget.

EXHIBIT 11-1 - TABLE OF CONTENTS

SAMPLE EXHIBIT

2024 USDA Agency Estimates – Agricultural Engineering Service*Table of Contents*

Agency-Wide	Error! Bookmark not defined.
Summary Table	Error! Bookmark not defined.
Account 1: Agricultural Research	Error! Bookmark not defined.
Account Ranking Bridge Table	Error! Bookmark not defined.
Pay and Employee Costs	Error! Bookmark not defined.
Justification of Changes	Error! Bookmark not defined.
Appropriations Language and Explanation of Changes	Error! Bookmark not defined.
Proposed Legislation	Error! Bookmark not defined.
Account 2: Conservation Services	Error! Bookmark not defined.
Account Ranking Bridge Table	Error! Bookmark not defined.

EXHIBIT 11-2 – SUMMARY TABLE

GENERAL INSTRUCTIONS

- 1) The Summary Table provides an overview of the funding for CY, BY, and the two BY+1 scenarios including Discretionary, Supplemental, and Mandatory funding by Treasury Symbol/Account.
- 2) Please rank your Treasury Symbols/Accounts in priority order, within the Discretionary funding section. Please work with your Staff Chief to update any Mission Area detail tables used to support the Agency Request.
- 3) The total Revised FY 2022 Flat Scenario (which is net of Congressionally Directed Spending and other one-time funding amounts), must net to zero to show changes at the Agency level within the CY Enacted total. Increases and decreases should be identified for pay and employee costs (see exhibit 11-5), WCF and SCP increase (use WCF/SCP estimates included in the OCFO Chapter of the FY 2023 President's Budget until a new table is provided by OCFO/OBPA), and other changes at a flat funding scenario.
- 4) The total FY 2024 Request (Increase Scenario) is a one percent increase over the Revised FY 2022 Flat Scenario level, plus Pay and Employee costs, WCF/SCP increases, and any additional OSEC guidance on priorities (this will be provided separately if applicable).
- 5) This table will be included in the QSR presentation by Agency. A Mission Area must include a Mission Area summary table that summarizes at the Agency level how the Mission Area is in balance with the two funding scenarios (format is not included).

Agricultural Engineering Service
Summary Table
(Discretionary budget authority in thousands of dollars)

Funding Type	Agency	Account	FY 2022 Enacted	FY 2023 Budget	Revised FY 2022 Flat Scenario	FY 2024 Request
Discretionary	AES	Agricultural Research	\$53,000	\$59,000	\$47,000	\$49,811
Discretionary	AES	Conservation Services	69,750	67,650	67,650	68,327
Discretionary	AES	Watershed Assistance	23,050	23,410	21,180	21,392
Discretionary	AES	Watershed Construction	108,590	108,180	108,180	109,262
Subtotal Disc.	AES	All Accounts	254,390	258,240	244,010	248,792
Supplemental	AES	Agricultural Research	10,000	-	-	-
Supplemental	AES	Conservation Services	2,500	2,500	2,500	2,500
Supplemental	AES	Watershed Assistance	7,000	-	-	-
Supplemental	AES	Watershed Construction	5,000	5,000	5,000	5,000
Subtotal Supp.	AES	All Accounts	24,500	7,500	7,500	7,500
Mandatory	AES	Agricultural Research	-	-	5,000	5,000
Mandatory	AES	Conservation Services	2,500	2,500	-	-
Mandatory	AES	Watershed Assistance	1,000	1,000	-	-
Mandatory	AES	Watershed Construction	15,000	15,000	15,000	15,000
Subtotal Mand.	AES	All Accounts	18,500	18,500	20,000	20,000
Total	AES	All Accounts	297,390	284,240	271,510	276,292

EXHIBIT 11-3 – ACCOUNT RANKING BRIDGE TABLE**GENERAL INSTRUCTIONS**

- 1) Each Discretionary Treasury Symbol will include an Account Ranking Bridge Table if a change is required or requested from the 2022 Enacted level to the Revised FY 2022 Flat Scenario or the FY 2024 Request Increase Scenario, including changes for Pay and Employee costs. If an account is unchanged from 2022 Enacted, this exhibit is not required.
- 2) Discretionary proposals must support at least one of the Department Strategic Plan goals or Administration's executive order priorities:
 - a. Goal 1: Combat Climate Change to Support America's Working Lands, Natural Resources and Communities
 - b. Goal 2: Ensure America's Agricultural System is Equitable, Resilient, and Prosperous
 - c. Goal 3: Foster an Equitable and Competitive Marketplace for All Agricultural Producers
 - d. Goal 4: Provide All Americans Safe, Nutritious Food
 - e. Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities
 - f. Goal 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that's Proud to Represent USDA
 - g. Agency Equity Action Plan
 - h. President Management Agenda
 - i. DEIA Strategy
 - j. Civil Rights
 - k. Tribal Commitments
 - l. Environmental Justice
- 3) The Account Ranking Bridge Table ranks PPAs by priority in descending order by Salary or Program Decreases and Salary and Program Increases separately. This ranking order is established to facilitate decisions regarding increases and decreases.
- 4) The total Revised FY 2022 Flat Scenario (which is net of Congressionally Directed Spending and other one-time funding amounts), must net to zero to show changes at the Agency level within the CY Enacted total. Increases and decreases should be identified for pay and employee costs (see exhibit 11-5), WCF and SCP increase (use WCF/SCP estimates included in the OCFO Chapter of the FY 2023 President's Budget until a new table is provided by OCFO/OBPA), and other changes at a flat funding scenario.
- 5) The total FY 2024 Request (Increase Scenario) is a one percent increase over the Revised FY 2022 Flat Scenario plus Pay and Employee costs, WCF/SCP increases, and any additional OSEC guidance on priorities (this will be provided separately if applicable).
- 6) This table will be included in the QSR presentation.

SAMPLE EXHIBIT

Agricultural Engineering Service
Agricultural Research
Account Ranking Bridge Table – Overview and Ranking
(Discretionary budget authority in thousands of dollars, FTEs)

Agricultural Research	FTE	Amount
FY 2022 Enacted	59	\$53,000
<i>Adjustment to FY 2022 Enacted Level:</i>	<i>-1</i>	<i>-6,000</i>
One-Time Costs	-1	-1,000
Congressionally Directed Spending	-	-5,000
<i>Salary Changes:</i>	<i>-2</i>	<i>2,143</i>
Salary Decreases	-2	-198
Attrition of Program Staff	-2	-198
Decrease 2	-	-
Salary Increases	-	2,341
Total 2023 Pay and Employee Costs	-	750
2023 Increase to Working Capital Costs	-	250
2023 Increase to Shared Cost Programs	-	375
Total 2024 Pay and Employee Costs	-	866
2024 Increase to Working Capital Costs	-	100
Increase 6	-	-
<i>Program Changes:</i>	<i>-</i>	<i>-2,143</i>
Program Decreases	-	-2,143
Agricultural Research - Plains	-	-2,143
Decrease 2	-	-
Program Increases	-	-
Increase 1	-	-
Increase 2	-	-
Revised FY 2022 Flat Scenario	56	47,000
<i>Salary Changes:</i>	<i>-</i>	<i>-31</i>
Salary Decreases	-2	-198
Attrition of Staff for IT Investments	-2	-198
Decrease 2	-	-
Salary Increases	2	167
Staff for IT Investments	2	167
Increase 2	-	-
<i>Program Changes:</i>	<i>-</i>	<i>2,842</i>
Program Decreases	-	-
Decrease 1	-	-
Decrease 2	-	-
Program Increases	-	2,842
Agricultural Research - Estuary	-	1,386
Agricultural Research - Plains	-	1,456
Total FY 2024 Request (Increase Scenario)	56	49,811

EXHIBIT 11-4 – X-CHART OR COMPARISON OF PROGRAM LEVEL TO FTES

This exhibit provides a graph of historical Program Levels to FTE representations.

Instructions

- 1) The funding provided should only be Discretionary funding.
- 2) Please include at least ten years' worth of fiscal years' information.
- 3) This table will be included in the QSR presentations.

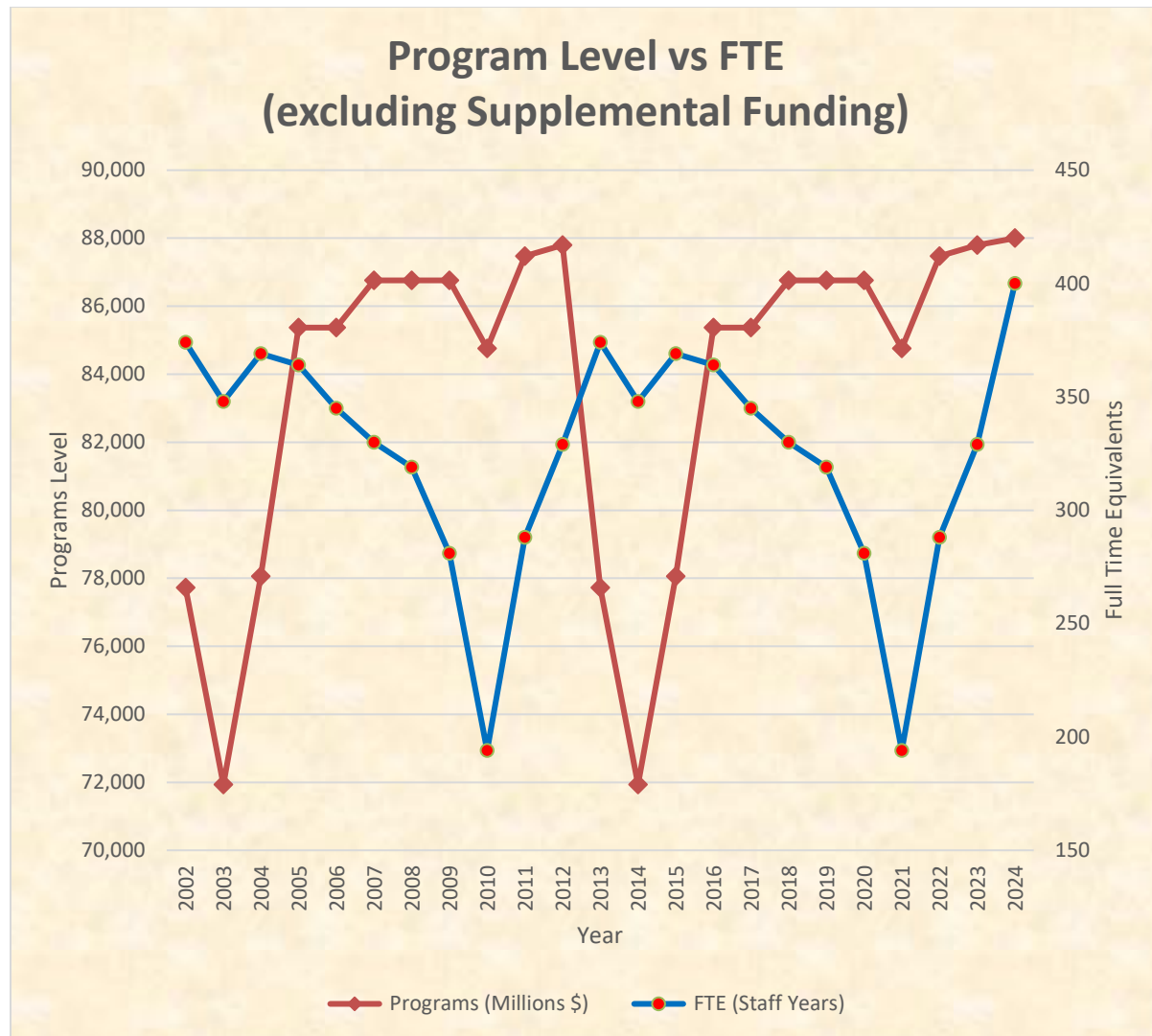
SAMPLE EXHIBIT

EXHIBIT 11-5 – PAY AND EMPLOYEE COSTS

The Pay and Employee Costs exhibit shows the calculations estimating an increase in pay and employee costs due to pay raises and costs for Federal employees. Because the pay cycle operates on a calendar year basis, the calculations involve portions of two fiscal years.

GENERAL INSTRUCTIONS

- a. Use the current Federal pay raise assumptions and inflation factors for computing personnel and non-pay costs as provided in the Economic Assumptions for the 2023 President’s Budget and as calculated according to OMB guidance. Initially, use a 4.6 percent pay raise for January 2023 and 4.6 percent for January 2024; however, further guidance will be provided by OMB upon the release of the FY 2023 Budget MSR economic assumptions. OBPA will provide additional guidance as new information is made available.
- b. The amounts provided for Object Class 11 and 12 for this submission will be used throughout the entire FY 2024 Budget Cycle to calculate pay and employee costs for the Department. OBPA will have a master pay cost table that will be used to calculate Pay and Employee costs based on the Agency object class submission that will be updated for final OMB guidance on the pay cost increase assumption that will be used in the FY 2024 President’s Budget. Agencies should not recalculate pay outside of this process without discussing with the OBPA Formulation Staff. OBPA will do a data call to update the Master Pay and Employee cost table with actual object class 11 and 12 information after fiscal year end.
- c. This table is for OBPA internal purposes and will not be included in the QSR presentations.

SAMPLE EXHIBIT

AGRICULTURAL ENGINEERING SERVICE
PAY AND EMPLOYEE COST EXHIBIT
(thousands of dollars)

FY 2022 Estimated EOY:

Object Class 11	15,795
Object Class 12	2,281
Total, FY 2022	<u>18,076</u>

STEP 1**Annualization of the 2022 Pay and Employee Costs:****Salaries and
Expenses Account**

OC 11 and 12 from 2022	18,076
Multiply by one quarter of year	0.25
Multiply by pay assumption for 2022	2.70%
= Annualization of the 2022 Pay and Employee Costs	<u>122</u>

STEP 2**Calculation of the 2023 Increased Pay and Employee Costs:**

OC 11 and 12 from 2022	18,076
Add Annualization of 2022 pay and employee cost	122
Multiply by three quarters of year	0.75
Multiply by pay assumption for 2023	4.60%
= Increased 2023 Pay and Employee Cost in FY 2023	<u>628</u>

Total, Increased Pay and Employee Costs for FY 2023 =
Sum of Step 1 and Step 2

750

STEP 3**Calculation of the 2024 Increased Pay and Employee Costs:**

OC 11 and 12 from 2023	18,826
Multiply by four quarters of year	1.00
Multiply by pay assumption for 2024	4.60%
= Increased 2023 Pay and Employee Costs in FY 2024	<u>866</u>

EXHIBIT 11-6 – JUSTIFICATION OF CHANGES

The Justifications narratively illustrate each program’s purpose, target demographic, effectiveness (include program performance measures and evaluations), base cost (including IT investment and FTEs), and detailed description of any proposed increase or decrease, except Pay and Employee costs (exhibit 11-5), one-time costs reductions to the Revised 2024 level, and WCF/SCP increases. Agencies should include a highlight of the justification of changes in the QSR presentations.

Justification narratives should include input from Agency Performance and Risk staff. Performance metrics, risk profiles, and program evaluations should be used as evidence to support PPA (each row from the Bridge Table if not at the PPA level) budgetary requests, if available and appropriate.

Instructions

- a. All increases or decreases in programs, projects and activities must be justified (Pay and Employee costs, and WCF/SCP increases do not need justification).
 - A description of the economic implications of the problem the program or activity seeks to address.
 - Include any information on expected net benefits of the program based on cost-benefit assessment.
 - State how the program or activity supports overall USDA strategic priorities and/or Administration priorities such as Equity Action Plans.
 - Describe the impact to performance and/or risks.
- Include Alignment information on Q1 QSR Priority, KPIs, Strategic Goal, and/or Thematic Priority.
- b. Present key findings on program effectiveness from program evaluations, performance data, or from relevant research. For grant programs, discuss how the agency is increasing the use of effectiveness evidence when making decisions on allocating grant awards.

SAMPLE EXHIBIT**Justification of Changes****Revised FY 2022 Flat Scenario**

A decrease of \$2,143,000 and XX FTE in Agricultural Research Plains [program name] to reduce [project name] activity (\$XM and Y FTE available in 2022):

AES has a variety of studies, evaluations, and related activities that no longer meet the needs of agricultural farmers and program demand has dropped by a quarter. In addition, the program performance shows little impact on the surrounding economic vitality of the rural communities. AES currently does not have any staff capacity and the program effectiveness and performance is unknown. The requested decrease includes estimated impact on commodities.

FY 2024 Request Increase Scenario

An increase of \$1,456,000 in Agricultural Research Plains [program name] to evaluate [project name] activity (\$XM and Y FTE available in 2022):

AES must conduct a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that AES programs are effective in achieving their goals. AES currently does not have any staff with evaluation capacity and the program effectiveness and performance is unknown. This line supports efforts for AES, including the Federal staff and additional capacity needed to oversee this vital work. The requested increase includes estimated inflation (Federal costs).

EXHIBIT 11-7 – APPROPRIATIONS LANGUAGE AND EXPLANATION OF CHANGES**GENERAL INSTRUCTIONS**

1. Include the language, in its entirety, for every appropriation account where the Agency is requesting a change (excluding changes in amount or updating years) in the FY 2024 Agency Estimates, using the FY 2023 President's Budget as the base.
2. Prepare an explanation of the need for change from FY 2023 and a justification for change for each main head appropriation for which there is a language change other than revisions in appropriation amounts and/or fiscal years. Clearly describe the reasons why the change is needed. In the explanation of change, please specify whether the change is new authorizing legislation or can be done under the current authorization.
3. Provide account title and underscore it.
4. Describe language change by quoting the FY 2023 President's Budget, underscoring new language to be added and bracketing portions to be deleted.
5. Italicize introductory words explaining changes as indicated. Provide a complete description and justification of the need for the change and the impact of the change on the program.
6. Only include substantial legislative changes in the QSR presentations.

SAMPLE EXHIBIT

Account 1: Salaries and Expenses

Appropriations Language

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 For expenses necessary to carry out investigations, experiments, and demonstrations concerning agricultural productivity,
- 2 forest conservation and farmland improvement; management of soils to improve productivity and to conserve soil and water
- 3 resources, including the design and planning of drainage and irrigation systems; and for the[acquisition (not to exceed
- 4 one),] operation[,] and maintenance of airplanes, [including not to exceed \$15,000 for data-sharing services contract,
- 5 \$81,683,000]\$75,800,000.

Change Description

The first change (line 3 of paragraph 1) adds language for the planning and design of drainage and irrigation systems as authorized by the Clean Air Act of March 5, 1997 (Public Law 104-00), authorizing funds appropriated for this account to be used for these activities.

The second change (line 4 of paragraph 1) deletes language included in the 2023 Budget, authorizing the acquisition of an airplane for agricultural mapping. This was a non-recurring provision applicable to 2023 only.

The third change (lines 4 and 5 of paragraph 1) deletes language authorizing use of funds to purchase data from a research firm. This was a non-recurring provision applicable to 2023 only. No data purchases are expected in 2024.

Note: If there are more than five changes, number the lines as shown. Line numbering is shown as an example, but not required if less than five changes.

EXHIBIT 11-8 - PROPOSED LEGISLATION**GENERAL INSTRUCTIONS**

The Summary of Proposed Legislation summarizes each legislative proposal related to and may impact the proposed BY request. Agencies will include a summary of the legislative proposals in the QSR presentations. Only include substantial legislative changes in the QSR presentations.

Instructions

- a. For any proposed legislative changes that are proposed as a general provision, provide a detailed explanation of the proposed legislation, including which current legislation is being amended, explaining each provision of the proposal, including any performance indicators that would illustrate changes in the program and how the estimate is calculated. Proposed legislation include:
 - a. Expiring Non-Farm Bill Authorizations for one-year renewal (reauthorizations in a general provision)
 - b. Good Government language proposals (small changes included in a general provision to allow the program to run more efficiently or effectively and is cost-neutral or offset as a part of your submission)
 - c. Non-Farm Bill policy changes and administration priorities (examples are Fire, Multi-Family Housing Revitalization and Preservation authorization, Rental Assistance decoupling). The Department will need to begin dialogue with OMB on these items at the time of submission of Department Estimates.

SAMPLE EXHIBIT**Summary of Proposed Legislation**

Program: Provide name of program

Current legislative authority to be amended:

Proposed legislative language (general provision):

Proposal: Provide a detailed explanation of the proposal

Rationale: Provide a justification for the proposed change and how it will enhance the achievement of targeted results.

Goal: Describe the objective of the proposal.

Item	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	10 Year Total
Budget Authority	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$10,000
Outlays	-658	-858	-858	-858	-1,071	-1,071	-1,071	-1,071	-1,071	-1,071	-9,658

Anticipated IT Impacts: Provide the name and Unique Investment Identifier (UII) for the IT investment(s) affected by this proposal. If a new investment will be needed because of this proposal, please provide a brief explanation as to the purpose and scope of the investment.

1.1. EXHIBIT 11-9 - KEY PERFORMANCE INDICATORS (KPI) PROPOSALS AND REVISIONS

The KPI Proposals exhibit describes the proposed KPIs for the agency. The indicators will be used to monitor progress towards strategic objectives, measure program effectiveness, inform resource decisions, and justify the budget.

1.2. GENERAL INSTRUCTIONS

OBPA will review proposals for new KPIs and any changes to current KPIs with the FY 2024 agency estimates. All proposals need to support the new USDA strategic goals and objectives. Agencies should explain if the proposed measure is (1) new, in addition to existing KPIs, (2) new and replacing an existing KPI, or (3) a change to an existing KPI.

Agencies and staff offices should use the following guidance when submitting proposals:

- a. **Propose performance measures in alignment with the USDA Strategic Plan to the strategic objective level.** Agencies may propose more than one performance measure; however, all proposed performance measures must align with the USDA Strategic Plan, other Administration priorities such as organizational DEIA and program equity, and your agency's key missions and activities. If the proposed measure has a relationship to programs using supplemental funding, please explain in the proposal. Consider the following when crafting proposals:
 - *Outcome Measures:* Outcome measures describe the intended result of carrying out a program or activity, indicate progress against achieving the intended result of a program, and identify changes in conditions that the Government is trying to influence.
 - *Efficiency Measures:* While outcome measures provide valuable insight into program achievement, a greater outcome may be achieved with the same resources if an effective program also increases its efficiency. Therefore, agencies are encouraged to develop efficiency measures as well. Efficiency gains may be described as maintaining a level of performance at a lower cost, improving performance levels at a lower cost, improving performance levels at the same cost, or improving performance levels to a much greater degree than costs are increased. Simply put, efficiency is the ratio of the outcome or output to the input of any program.
 - *Customer satisfaction/service measures:* The purpose of these measures is to improve user experience of external and internal USDA customers. The measures should help agencies ensure that customers are maximizing the use of USDA programs.
 - *Budget sensitive measures (BSM):* When submitting draft performance measures, consideration should be given to BSMs. BSMs are measures that are directly impacted by the funding level received to carry out the activities. The performance of these measures should be linked to the amount of funding received. For example, if an agency is requesting an increase in funding, there should be a direct correlation to increased activities and outcomes that help achieve the strategic objective and goal.

Graphic A



In addition, the proposed performance measures should have:

- **Baseline Data:** Performance measures should have baseline data for an entire year. The baseline year can be FY 2020 or a prior year. If baseline information will become available prior to the release of the FY 2024 President's Budget but such information is not presently available, justification as to the absence of baseline data is needed. Performance measures where baseline data will not be available will not be considered.
 - **Performance Targets:** Performance measures must have targets. Performance targets should set direction for positive change.
 - **Key Performance Indicators:** Selected performance measures will become the Department's Key Performance Indicators/Measures and will be included in USDA's Annual Performance Plan and Annual Performance Report. They will also be used by USDA in performance reporting to OMB and reported on the public website Performance.gov. These KPIs are intended to reflect areas of policy priority and/or programmatic significance.
- b. **Selected KPIs:** OBPA will review the proposals and determine those that will be submitted as part of the USDA Annual Performance Plan and Report to OMB. In addition, new KPIs will be subject to quarterly progress updates and used in the Department's Quarterly Strategic Review meetings. The strategic reviews are data-driven meetings where senior managers discuss the Department's progress in meeting established performance targets; share ideas and successes toward meeting shared goals; and assess challenges and risks which could impact the ability to meeting strategic goals and objectives.