



DEPARTMENT of HEALTH and HUMAN SERVICES

Fiscal Year 2026

General Departmental Management
Assistant Secretary for Enforcement
Office of Strategy
Assistant Secretary for a Healthy Future
Assistant Secretary for Consumer Product Safety
Nonrecurring Expenses Fund
Service and Supply Fund
Debt Collection Fund
Organizational Reform and Support

**Justification of Estimates for
Appropriations Committees**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DEPARTMENTAL MANAGEMENT**

	FY 2026	
	FTE	Program Level
General Departmental Management	803	\$319,796,000
PHS Evaluation Set-Aside – Public Health Service Act	13	\$9,900,000
<i>GDM Program Level¹</i>	816	\$329,696,000
Office of Strategy – Discretionary Budget Authority	121	\$239,530,000
PHS Evaluation Set-Aside – Public Health Service Act	519	\$218,540,000
<i>Office of Strategy Program Level²</i>	640	458,070,000
Assistant Secretary for Enforcement ³	893	\$230,687,000
Assistant Secretary for a Healthy Future ⁴	822	\$3,672,000,000
Assistant Secretary for Consumer Product Safety	459	\$135,000,000
HHS Organizational Reform and Support	-	\$200,000,000
Service and Supply Fund	1,561	-
Debt Collection	25	-
TOTAL, Departmental Management^{5,6}	5,216	\$5,025,453,000

¹ The FY 2025 GDM Program level does not include estimated reimbursable budget authority and associated FTE, HCFAC and associated FTE, and MACRA PTAC associated FTE, unless otherwise indicated.

² The Office of Strategy is a new OS Staff Division that reflects the consolidation of organizational functions of ASPE, AHRQ, NCHS, formerly within the Centers for Disease Control and Prevention, and ORI, formerly within the Office of the Assistant Secretary for Health into one office. ORI's budget of \$14,986,000, and 23 FTE are non-adds within the Office of Strategy, supported by a reimbursable agreement with the National Institutes of Health.

³ The ASE Program budget reflects the consolidation of organizational functions of MHA, OCR, DAB, and OHRP. Funding levels include MHA funding from the HI and SMI Trust Funds, and discretionary budget authority allocations for OCR, DAB, and OHRP.

⁴ The ASHF is a new OS Staff Division that reflects the consolidation of organizational functions of ARPA-H, formerly within NIH, and select programs formerly in the Administration for Strategic Preparedness and Response.

⁵ The Budget eliminates the Public Health and Prevention Fund.

⁶ The Health Care and Education Reconciliation Act of 2010 appropriated \$1,000,000,000 to the Health Insurance Reform Implementation Fund within the Department of Health and Human Services to carry out the Affordable Care Act. As of FY 2025, \$11.4 million remains available for obligation.



*Message from the Acting Assistant
Secretary for Financial Resources*

This volume presents the Congressional Justification for Departmental Management activities within the Office of the Secretary. This Budget request represents the Administration's priorities for guiding the Department of Health and Human Services (HHS) in its mission and a new critical initiative to Make America Healthy Again (MAHA).

The FY 2026 President's Budget reflects President Trump's commitment to enabling agencies to fulfill their statutory responsibilities in the most cost-effective and efficient manner possible. The budget pursues planned consolidations of offices to enhance efficiencies and eliminate wasteful spending. It also ensures that Departmental Management activities focus on providing departmental oversight to ensure that HHS is carrying out its mission of serving Americans.

The Budget request supports the Secretary in his role as chief policy officer and general manager of HHS. The FY 2026 request totals \$5 billion to support:

- **Operational Funds:** \$330 million to provide the Secretary with resources needed for oversight of the largest cabinet department in terms of budget. Funding supports program integrity oversight and operations and management in the Office of the Secretary, areas historically underfunded; departmental cybersecurity and health IT; and external affairs to communicate MAHA priorities and engage with Americans.
- **Enforcement:** \$241 million for the proposed consolidation to the Assistant Secretary for Enforcement, which establishes a unified leadership framework to support enforcement, education, and adjudicatory functions in a more efficient, transparent, and structured manner.
- **Strategy:** \$458 million for the proposed consolidation of the research and strategy functions that prioritize long term statistical activities, statistical healthcare research, and preserve long-term and high-impact work.
- **A Healthy Future:** \$3.7 billion for proposed consolidation activities, including Biomedical Advanced Research and Development, Strategic National Stockpile, pandemic preparedness, and research to support transformative biomedical and health breakthroughs, which were formerly in ARPA-H and the Administration for Strategic Preparedness and Response.
- **Consumer Product Safety:** \$135 million for HHS's new Assistant Secretary for Consumer Product Safety which will work to save lives and keep families safe by reducing unreasonable risk of injuries associated with consumer products, and work with other HHS entities to protect the health of all Americans.

The Secretary looks forward to working with the Congress, toward the enactment and implementation of the FY 2026 Budget.

Caitrin Shuy
Acting Assistant Secretary for Financial Resources

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SECTION I: EXECUTIVE SUMMARY

INTRODUCTION AND MISSION

INTRODUCTION

The FY 2026 Congressional Justification is one of several documents that fulfill the Department of Health and Human Services' (HHS) performance planning and reporting requirements. HHS achieves full compliance with the Government Performance and Results Act of 1993 (GPRA) and Office of Management and Budget (OMB) Circulars A-11 and A-136 through the HHS agencies' FY 2026 Congressional Justifications and Online Performance Appendices, the Agency Financial Report, and the HHS Citizens' Report. These documents are available at <http://www.hhs.gov/budget>.

The FY 2026 Congressional Justifications and accompanying Online Performance Appendices contain the updated FY 2026 Annual Performance Report and FY 2025 Annual Performance Plan. The Agency Financial Report provides fiscal and high-level performance results. The Summary of Performance and Financial Information summarizes key past and planned performance and financial information.

DEPARTMENTAL MANAGEMENT OVERVIEW

Departmental Management (DM) is a consolidated display that includes the Office of the Secretary (OS) activities funded under the following accounts:

- General Departmental Management (appropriation);
- Assistant Secretary for Enforcement (appropriation);
- Office of Strategy (appropriation and PHS Evaluation);
- Assistant Secretary for a Healthy Future;
- Assistant Secretary for Consumer Product Safety
- Service and Supply Fund (revolving fund);
- Debt Collection Fund

The mission of the Office of the Secretary (OS) is to provide support and assistance to the Secretary in administering and overseeing the organization, programs, and activities of the Department of Health and Human Services.

The FY 2026 President's Budget total for Departmental Management is 5,025,453,000 in discretionary program level funding, and 5,216 full-time equivalent (FTE) positions. The budget proposes consolidating key offices to streamline operations, create efficiencies, reduce waste, and enhance strategic alignment.

- The Office for Civil Rights, Office of Medicare Hearings and Appeals, Departmental Appeals Board, and Office for Human Research Protections (formerly within Office of Assistant Secretary for Health (OASH)) will merge into the Office of the Assistant Secretary for Enforcement.
- The Assistant Secretary for Planning and Evaluation, Agency for Healthcare Research and Quality, National Center for Health Statistics formerly in CDC, and Office of Research Integrity will integrate into the Office of Strategy.
- Additionally, the Advanced Research Projects Agency for Health, select programs formerly in the Administration for Strategic Preparedness and Response (Biomedical Advanced Research and Development Authority, including Project Bio-Shield, Strategic National Stockpile, Pandemic Preparedness programs) will be consolidated into the Office of the Assistant Secretary for a Healthy Future.
- The budget also proposes to reorganize the Consumer Product Safety Commission and transfer its staff and functions to the Assistant Secretary for Consumer Product Safety, a Staff Division within the Office of the Secretary at U.S Department of Health and Human Services.

The **General Departmental Management (GDM)** appropriation supports the activities associated with the Secretary's responsibilities as chief policy officer and general manager of the Department in administering and overseeing the organization, programs, and activities of HHS. These activities are carried out through six Staff Divisions (STAFFDIVs), including the Immediate Office of the Secretary, and the offices of, financial resources, administration, and the general counsel. The budget restructures key organizational functions to enhance efficiency and drive better outcomes. The Office of the Chief Information Officer, the Office of the National Coordinator for Health IT/Assistant Secretary for Technology Policy, and the departmental cybersecurity program will be unified under the Office of the

Chief Technology Officer. Similarly, the Assistant Secretary for Legislation, Assistant Secretary for Public Affairs, Office of Global Affairs, Office of Intergovernmental and External Affairs, and the Partnership Center for Faith-Based and Neighborhood Partnerships will be consolidated into the new Office of the Assistant Secretary for External Affairs. The FY 2026 President's Budget program level request for GDM includes a total of \$329,696,000 and 816 FTE. The budget includes increased investments in the E-Gov Travel Service system, grants management and GREAT Act implementation, policy and program oversight; and funding for shared operating expenses to enhance efficiency.

The **Assistant Secretary for Enforcement (ASE)** appropriation reflects the consolidation of organizational functions the offices for Civil Rights, Medicare Hearings and Appeals, Human Research Protections, and the Departmental Appeals Board into a new Assistant Secretary level office to carry out its mission as a unified guardian of American health, rights, and research. The FY 2026 President's Budget request for ASE is \$230,687,000 and 893 FTE. ASE will carry out legal compliance through enforcement and adjudication in the healthcare environment under all federal statutes and regulations, including but not limited to civil rights laws, Medicare appeals statutes, and administrative law authorities.

The **Office of Strategy** appropriation produces, analyzes, and evaluates scientific evidence and data; oversees and directs research integrity activities; and advises the Secretary of the Department of Health and Human Services on timely and accurate program and policy development in health, human services, data, and science; and makes healthcare and public health services safer, higher quality, more accessible, and affordable. The FY 2026 President's budget requests \$458,070,000 and 640 direct FTEs and merges the Assistant Secretary for Planning and Evaluation (ASPE), the Agency for Healthcare Research and Quality (AHRQ), the Office of Research Integrity, along with the National Center for Health Statistics, formerly in the Centers for Disease Control and Prevention (CDC).

The **Assistant Secretary for a Healthy Future** appropriation supports developing high-impact solutions to society's most challenging health problems and preparing for and responding to public health emergencies and disasters. The FY 2026 President's Budget streamlines public health research and development efforts with a \$3,672,000,000 request that accelerates better health outcomes through the consolidation of Advanced Research Projects Agency for Health (ARPA-H) and select programs formerly executed by the Administration for Strategic Preparedness and Response, including but not limited to the Biomedical Advanced Research and Development Authority (BARDA), Pandemic Influenza, and the Strategic National Stockpile.

The **Service and Supply Fund (SSF)**, the HHS revolving fund, is composed of two components: the Program Support Center (PSC) and the Non-PSC activities. For FY 2026, the SSF is projecting a total revenue of \$1,495,000 and usage of 1,561 FTE.

The **Debt Collection Fund** is a Treasury designated debt collection center providing a full range of debt management and collection services. For FY 2026, the Fund estimates a budget of \$10,000,000⁶ and the usage of 25 FTE.

The FY 2026 President's Budget includes a proposal for the Office of the Secretary to absorb the functions and staff of the Consumer Product Safety Commission (CPSC) and realign them as the **Assistant Secretary for Consumer Product Safety**. The budget includes \$135,000,000 to continue carrying out CPSC's mission to protect the public from unreasonable risks of injury or death from consumer products through education, safety standards activities, regulation, and enforcement.

General Departmental Management

OVERVIEW OF THE BUDGET REQUEST

The FY 2026 President's Budget program level request for General Departmental Management is \$329,696,000. This includes \$319,796,000 in Discretionary budget authority, and \$9,900,000 in Public Health Service (PHS) Evaluation funding.

The budget reflects the consolidation of organizational functions of the: Office of the Chief information Officer, the Assistant Secretary for Technology Policy/Office of the National Coordinator for Health IT, and the departmental cybersecurity program into the Office of the Chief Technology Officer; and the Assistant Secretary for Legislation, Assistant Secretary for Public Affairs, Office of Global Affairs, Office of Intergovernmental and External Affairs, and the Partnership Center for Faith-Based and Neighborhood Partnerships into the new Office of the Assistant Secretary for External Affairs to leverage efficiencies and increase productivity and outcomes.

OVERVIEW OF PERFORMANCE

General Departmental Management is committed to using an effective performance management framework as a key part of the overall management approach. The Office of the Secretary routinely uses data-driven reviews to improve programmatic and operational outcomes. New performance measures are being developed for reporting in FY 2027 that align with administration priorities, such as the Make America Healthy Again agenda.

ALL PURPOSE TABLE

(Dollars in Thousands)

General Departmental Management	FY 2026 President's Budget
Discretionary Budget Authority	319,796
PHS Evaluation	9,900
Total, Program Level	329,696
FTEs⁷	816

⁷ FY 2026 FTE levels reflect estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

SECTION II: BUDGET EXHIBITS

SUMMARY OF CHANGES

(Dollars in Millions)

Details	Dollars	FTEs
FY 2026 President's Budget	\$329,696	816

Details	FY 2025 Estimate	FY 2026 President's Budget
Children's Interagency Coordinating Council	3,000	-

APPROPRIATIONS HISTORY TABLE

Fiscal Year	Details	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations
2017	Appropriation	\$478,812,000	\$365,009,000	\$444,919,000	\$460,629,000
	Rescission	-	-	-	-\$1,050,000
	Transfers	-	-	-	-\$1,050,000
	Subtotal	\$478,812,000	\$365,009,000	\$444,919,000	\$458,529,000
2018	Appropriation	\$304,501,000	\$292,881,000	\$470,629,000	\$470,629,000
	Rescission	-	-	-	-3,128,000
	Transfers	-	-	-	-1,141,000
	Subtotal	\$304,501,000	\$292,881,000	\$470,629,000	\$466,360,000
2019	Appropriation	\$289,545,000	\$379,845,000	\$480,629,000	\$480,629,000
	Transfers	-	-	-	\$3,597,121
	Subtotal	\$289,545,000	\$379,845,000	\$480,629,000	\$484,226,121
2020	Appropriation	\$339,909,000	\$485,169,000	\$490,879,000	\$479,629,000
	Subtotal	\$339,909,000	\$485,169,000	\$490,879,000	\$479,629,000
2021	Appropriation	\$347,105,000	\$459,959,000	\$489,879,000	\$485,794,000
	Transfers	-	-	-	-\$1,443,490
	Subtotal	\$347,105,000	\$459,959,000	\$489,879,000	\$484,350,510
2022	Appropriation	\$576,981,000	\$582,981,000	\$544,090,000	\$506,294,000
	Transfers	-	-	-	-\$1,443,490
	Subtotal	\$576,981,000	\$582,981,000	\$544,090,000	\$504,850,510
2023	Appropriation	\$665,067,000	\$563,894,000	\$915,394,000	\$537,144,000
	Subtotal	\$665,067,000	\$563,894,000	\$915,394,000	\$537,144,000
2024	Appropriation	\$611,320,000	\$402,341,000	\$537,144,400	\$653,136,000
	Subtotal	\$611,320,000	\$402,341,000	\$537,144,400	\$653,136,000
2025	Appropriation	\$532,940,000	\$409,136,000	\$663,136,000	\$653,136,000
	Subtotal	\$532,940,000	\$409,136,000	\$663,136,000	\$653,136,000
2026	Appropriation	\$319,796,000	-	-	-
	Subtotal	\$319,796,000	-	-	-

SUMMARY OF REQUEST

The FY 2026 President's Budget program level request for General Departmental Management is \$329,696,000. This includes \$319,796,000 in discretionary budget authority, and \$9,900,000 in Public Health Service (PHS) Evaluation funding.

The budget reflects the consolidation of organizational functions of the Office of the Chief Information Officer, the Assistant Secretary for Technology Policy/Office of the National Coordinator for Health IT, and the departmental cybersecurity program into the Office of the Chief Technology Officer to leverage efficiencies and increase productivity and outcomes.

The budget reflects the consolidation of organizational functions of the Assistant Secretary for Legislation, Assistant Secretary for Public Affairs, Office of Global Affairs, Office of Intergovernmental and External Affairs, and the Partnership Center for Faith-Based and Neighborhood Partnerships into the new Office of the Assistant Secretary for External Affairs to leverage efficiencies and increase productivity and outcomes.

Key investments include:

- Up to \$7,000,000 to support the Office of the Secretary's transition to the E-gov travel service (ETS) system; a government-wide travel solution to allow for increased efficiencies and transparency.
- \$5,000,000 to improve overall grants management, including resources for Grants QSMO, and the implementation of the GREAT Act which intends to modernize and improve federal grant reporting.
- \$1,600,000 for the Immediate Office of the Secretary and the Office of National Security to ensure adequate policy and program oversight of the department.
- \$1,271,000 for Shared Operating Expenses to address rising costs across OS.
- \$130,000,000 for the new Office of the Chief Technology Officer to oversee and support: the mission critical functions of Assistant Secretary for Technology Policy/Office of the National Coordinator for Health IT; OCIO and departmental cybersecurity program.

GENERAL DEPARTMENTAL MANAGEMENT

NARRATIVE BY ACTIVITY

Budget Summary
Dollars in Thousands

General Departmental Management	FY 2026 President's Budget
Immediate Office of the Secretary	24,042
Secretarial Initiatives and Innovations	2,000
Office of General Counsel	33,029
Assistant Secretary for Financial Resources	38,099
Financial System Integration	934
Quality Service Management Office & GREAT Act	5,850
Assistant Secretary for Administration	14,624
Assistant Secretary for External Affairs	36,157
Office of the Chief Technology Officer	130,000
Rent, Operations, Maintenance, and Related Services	14,409
Share Operating Expenses	13,652
E-gov Travel Service (ETS)	7,000
Children's Interagency Coordinating Council	-
Total, Budget Authority	319,796
Public Health Activities (PHS Evaluation)	8,800
Office of the Chief Technology Officer (PHS Evaluation)	-
Assistant Secretary for Financial Resources (PHS Evaluation)	1,100
Total, Program Level	329,696
FTEs⁸	816
Allocation Method.....	Direct Federal

⁸ FY 2026 FTE levels reflect estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

General Departmental Management Full-Time Equivalents (FTEs)	FY 2026 President's Budget
Immediate Office of the Secretary	96
Office of General Counsel	144
Assistant Secretary for Financial Resources	152
Quality Service Management Office & GREAT Act	4
Assistant Secretary for Administration	40
Assistant Secretary for External Affairs	123
Office of the Chief Technology Officer	244
Public Health Activities (PHS Evaluation)	11
Office of the Chief Technology Officer (PHS Evaluation)	-
Assistant Secretary for Financial Resources (PHS Evaluation)	2
Total, FTE⁹	816

Program Description

General Departmental Management funded programs include:

Immediate Office of the Secretary (IOS) to include the Office of National Security (ONS)

IOS provides leadership, direction, policy, and management guidance to HHS and supports the Secretary and Deputy Secretary in their roles as representatives of both the Administration and HHS.

IOS organizational components include the Executive Secretariat, the Office of National Security, counselors to the Secretary and Deputy Secretary, and other offices supporting the leadership of the Department. IOS provides leadership, direction, policy, and management guidance to HHS and supports the Secretary and Deputy Secretary in their roles as representatives of both the Administration and HHS. IOS serves as the central point of coordination and oversight for all HHS activities and the Department's mission of enhancing the health and well-being of Americans. IOS also serves as the central point of coordination with the White House and other Cabinet agencies regarding HHS issues.

Secretarial Initiatives and Innovations

Funding set aside for the Secretary to promote and foster innovative, high-impact, collaborative initiatives that target HHS priorities and address intradepartmental gaps.

Office of General Counsel (OGC)

OGC manages legal matters across HHS, providing legal counsel and advocacy to client agencies across the department.

⁹ FY 2026 FTE levels reflect estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

Assistant Secretary for Financial Resources (ASFR)

ASFR advises the Secretary on budget, grants, financial management, and acquisition, and provides oversight and direction for these activities throughout HHS.

ASFR organizational components include the Immediate Office, Office of Acquisitions, Office of Budget, Office of Finance, and Office of Grants. The Office of Acquisitions provides department-wide leadership and management direction around procurement. The Office of Budget provides advice and support to the Secretary on matters pertaining to formulation of the HHS and President's Budgets, management and performance reporting, presentation of budgets and budget-related legislation to the Office of Management and Budget (OMB) and the Congress, and resolution of issues arising from execution of final appropriations. The Office of Finance provide financial management leadership to the Secretary, issues the HHS Agency Financial Report, and develops and implements financial policies, standards, and annual financial statements. The Office of Grants provides department-wide leadership on grants strategy, policy, and regulations.

Financial System Integration

Funding set aside for management of HHS's overall financial management systems environment to keep financial systems current, secure, reliable, and available.

Quality Service Management Office (QSMO)

HHS is designated as the government's Grants QSMO, providing HHS and the federal government with the mechanism to operationalize federal grants management that enables improved mission outcomes and better leverages the buying power of government through shared services.

Assistant Secretary for Administration (ASA)

ASA advises the Secretary on all aspects of administration and provides oversight and leadership across the Department in the areas of human resources, equal employment opportunity, facilities management, and departmental operations.

Assistant Secretary for External Affairs (ASEA)

External Affairs is a new OS Staff Division that reflects the consolidation of organizational functions of global, legislative, intergovernmental, and public affairs into one office to allow for streamlined operations and reduced duplication.

External Affairs serves as the Department's principal on legislative matters; communications efforts in support of the HHS mission; global health diplomacy on behalf of the government; and the primary link between HHS, state, local, territorial, and tribal governments, and non-governmental organizations.

External Affairs serves as the Department's principal advocate before Congress, communicating the Administration's health and human services initiatives; HHS legislative liaison and advisor to the Secretary and department on congressional activities; and maintains communications with the White House, Congress, and other Executive Branch departments.

External Affairs also serves as the HHS principal public affairs office, leading communications efforts in support of the HHS mission, Secretarial initiatives, and other priorities. It maintains relationships with the public through news media, websites, broadcasts, social media, speeches, public events, and Freedom of Information Act (FOIA) disclosures.

External Affairs advances HHS's global strategies and partnerships in the coordination of global health policy and international engagement. HHS has relationships with more than 200 Ministries of Health and Science and Technology. HHS Health Attaches continually represent the US government by working with other government agencies, NGOs, and industry on health and human services. External Affairs is the first point of contact between the U.S. and strategic bilateral and regional partners on matters of health.

External Affairs also serves as the primary link between HHS, state, local, territorial, and tribal governments, and non-governmental organizations to facilitate communication related to HHS initiatives. It serves as a conduit reporting stakeholder interests and positions to the Secretary for use in the HHS policymaking process.

Office of the Chief Technology Officer (CTO)

CTO is a new OS Staff Division that provides leadership to HHS programs and operations related to innovation, data, artificial intelligence, and departmental cybersecurity by implementing statutory responsibilities attributed to the Office of the Chief Information Officer, the Assistant Secretary for Technology Policy/Office of the National Coordinator for Health IT, and cybersecurity.

CTO leads the development and implementation of IT infrastructure across the Department and ensures agency-wide advanced security and data privacy protections that allows HHS to serve its mission-critical operations. CTO also leads in creating systemic improvements in health and care through the access, exchanges, and use of data to establish health IT policy and standards for HHS.

Rent, Operations, Maintenance, and Related Services

Funding set aside to support HHS headquarters facility costs of Staff Divisions funded by the General Departmental Management appropriation. Funding covers rental payments to GSA, operations, maintenance, and repair of buildings which GSA delegated management to HHS, and related services.

Shared Operating Expenses

Funding set aside to cover administrative items and activities which cut across and impact all Staff Divisions under the GDM appropriation.

E-gov Travel Service (ETS)

Funding set aside to cover costs of OS's transition to the E-gov Travel Service, a governmentwide travel management services that allows for consolidation of travel services and platforms to improve leverage of government travel spending, reduce waste, and increase transparency for improved accountability.

Public Health Activities

Funding set aside to evaluate the effectiveness of HHS Public Health Service program and operations to improve the quality of those programs. Evaluations focus on expected effectiveness and impacts of existing, new, and proposed Public Health Service programs, regulations, policies, activities, and operations.

Budget Request

The FY 2026 President's Budget program level request for General Departmental Management is \$329,696,000. This includes \$319,796,000 in discretionary budget authority, and \$9,900,000 in Public Health Service (PHS) Evaluation funding.

Budget Request Highlights

Grants Quality Service Management Office & GREAT Act Implementation

The FY 2026 President's Budget allocation for the Grants QSMO and GREAT Act Implementation is \$5,850,000. This funding will support HHS's ongoing efforts in transforming overall grants management through the Grants QSMO, and the implementation of the GREAT Act, which aims to improve transparency and overall federal financial assistance management by developing and implementing government wide grants standards and modernized federal grant reporting.

The Federal Grants ecosystem needs data standards to enable information exchange and system interoperability throughout the grants management lifecycle, drive high-quality analysis and reporting on federal grants activity, understand the performance of federal grants and programs, and reduce the administrative burden for recipients and grantors.

Funding will support around five FTEs to work on defining thousands of data terms and standards that are required to make, manage, and oversee grant awards. Additionally, HHS will continue to support the modernization of two of the major HHS grant systems, Grants.gov and GrantSolutions, used by nearly a million applicants, recipients, and Federal users.

Office of the Chief Technology Officer

The budget reflects the consolidation of organizational functions of the Office of the Chief information Officer, the Assistant Secretary for Technology Policy Office of the National Coordinator for Health IT, and the departmental cybersecurity program into the Office of the Chief Technology Officer to leverage efficiencies and increase productivity and outcomes.

The FY 2026 President's Budget allocation for the Office of the Chief Technology Officer is \$130,000,000. The FY 2026 President's Budget includes \$100,000,000 for HHS's Cybersecurity Program for departmental cybersecurity activities.

The office will continue the work on technology policy and regulatory efforts to support the Secretary's Make America Healthy Again initiatives.

Assistant Secretary for Administration

The FY 2026 President’s Budget allocation for the Assistant Secretary for Administration (ASA) is \$14,624,000. This request reflects the reorganization of the Office of the Chief Information Officer (OCIO) out of ASA and into the OCTO. ASA will focus on upholding effective and innovative resource management resulting in effective enterprise governance; ensuring programmatic goals are met efficiently and transparently across all management practices; and supporting the ASA’s administrative and oversight responsibilities across HHS.

Immediate Office of the Secretary

The FY 2026 President’s Budget allocation for the Immediate Office of the Secretary and the Office of National Security is \$24,042,000. At this level, IOS will be able to support the Make America Healthy Again initiative, continue leadership, direction, policy, and management guidance delivery to HHS, and sustain operational capabilities to conduct intelligence and counterintelligence services for HHS.

Funding History

Fiscal Year	Amount
FY 2022	\$239,827,000
FY 2023	\$280,171,000
FY 2024	\$282,571,000
FY 2025 Enacted	\$282,571,000
FY 2025 President’s Budget	\$319,796,000

Program Accomplishments

General Departmental Management funds several Staff Divisions, each accomplishing numerous mission related achievements each year. The below accomplishments are merely several highlights of these achievements:

- External Affairs facilitated over 77 health and social services related external meetings with stakeholders and 20 in-person events, including site visits, roundtables, and press conferences, to support Make America Healthy Again efforts; issued over 60 press releases, handled 2,800 media inquiries, hosted 4 major press conferences, and coordinated national media interviews to elevate Administration initiatives and inform the public.
- ASA completed thirteen human resources reviews including three full human capital reviews, eight delegated examining audits, and two performance culture reviews. Reviews are conducted to assess program effectiveness, efficiency, and legal compliance.
- Departmental cybersecurity implements a comprehensive, Department-wide Program and health sector partnerships to protect the critical information with which the Department is entrusted. In 2024, 174 ethical phishing scenarios were conducted across the Department, totaling 1,506,849 individual emails to users, with 29% of users actively reporting the test as a phishing attempt. HHS continually increases its protections against cyber threats, such as unauthorized access, denial of service, malicious code, inappropriate usage, and insider threat, all of which pose risks to HHS critical functions, services, and data.

- CTO will lead HHS's health IT policy strategy through implementation of the Health IT Certification Program, health information standards coordination, such as US Core Data for Interoperability and Interoperability Standards Advisory; and health IT policy coordination efforts, including information blocking and TEFCA. In FY 2024, Common Agreement 2.0 was released and updated to include requirements for TEFCA participants.
- ONS made intelligence-derived threat information more accessible to HHS leadership and stakeholders, enhancing security posture and mitigating threats to the Department. Non-ONS utilization of SCIF facilities increased 64% between FY 2023 and FY 2024 and 484 intelligence threat assessments were disseminated to HHS leaders. ONS investigations uncovered 142 incidents of previously unidentified foreign ownership, control, or influence from China, Russia, Iran, and North Korea involving HHS programs.
- The past year has seen over 10 million visits to the current Grants.gov platform, which hosts over 4,000 Notices of Funding Opportunity annually from 32 Federal agencies, making more than \$300 billion in discretionary grant funding available to the public. Federal Agency Partners collect over 250,000 grant applications annually through Grants.gov, and HHS is continuously improving the platform's security posture to ensure secure transmission of these applications to Federal Agency Partners.
- ASFR enhanced public grant data dashboards and improved DATA Act reporting processes to USASpending.gov, resulting in 99.99% reporting accuracy of grant data, and increasing transparency to the public around government spending.
- ASFR led a comprehensive, data-driven approach to review all active HHS contracts to identify which may be redundant or no longer serving a value-add purpose and initiated termination processes to align with the Executive Order 14222, Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative, reducing FY2025 contract obligations by \$17.1 billion.
- ASFR facilitated the increased use of Category Management spend principles by \$3.2 billion to streamline acquisitions and leverage the buying power of the Federal Government for lower unit prices, increased quality, shorter acquisition lead times and centralized vendor management.
- For FYs 2023, 2024, and 2025, the Nonrecurring Expenses Fund notified for \$1.9 billion in new projects and fulfilled \$2.6 billion in enacted rescissions. The FY 2024 Rescission of \$1.4 billion was the largest ever.
- HHS obtained its 26th consecutive unmodified (clean) financial statement audit opinion with no material weaknesses, along with its 12th Certificate of Excellence in Accountability Reporting (CEAR) award. Also honored with the Best-in-Class Award for Informative Introductions for the Agency's Mission, Organization, and Report, marking the first time the CEAR program has recognized any agency in this category.
- To facilitate more targeted investment support, the Grants QSMO developed an agency engagement management tool, tracking agency needs, challenges, and grants IT environments. This tool supports 52 agencies, six federal shared service providers, and six commercial vendors, connecting over 600 grants community members to shared services and modernization opportunities.

Grant Awards¹⁰

	FY 2024 Final	FY 2025 Enacted¹¹	FY 2026 President's Budget
Number of Awards	5,000,000	NA	0
Average Award	400,000	NA	0
Range of Awards	424,000 -1,000,000	NA	0

¹⁰ The Chief Technology Office is the only GDM Staff Division with grants in FY 2026.

¹¹ Grants awards estimates are still under development.

SECTION III: SUPPLEMENTARY TABLES

BUDGET BY OBJECT CLASS

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget
11.1	Full-time permanent	125,878	120,967	110,053
11.3	Other than full-time permanent	-	-	-
11.5	Other personnel compensation	-	-	-
11.7	Military personnel	452	232	236
Subtotal	Personnel Compensation	126,330	121,199	110,289
12.1	Civilian personnel benefits	42,124	36,100	31,879
12.2	Military benefits	36	19	19
13.0	Benefits for former personnel	-	-	-
Total	Pay Costs	168,490	157,318	142,187
21.0	Travel and transportation of persons	2,648	2,483	2,426
22.0	Transportation of things	17	17	17
23.1	Rental payments to GSA	11,270	11,270	11,385
23.3	Communications, utilities, and misc. charges	41	41	41
24.0	Printing and reproduction	122	122	123
25.1	Advisory and assistance services	1,357	1,357	1,371
25.2	Other services from non-Federal sources	28,916	34,716	21,049
25.3	Other goods and services from Federal sources	60,344	64,631	60,528
25.4	Operation and maintenance of facilities	607	607	614
25.5	Research and development contracts	-	-	-
25.6	Medical care	-	-	-
25.7	Operation and maintenance of equipment	76,207	76,207	76,985
25.8	Subsistence and support of persons	-	-	-
26.0	Supplies and materials	258	258	259
31.0	Equipment	1,535	2,784	2,813
32.0	Land and Structures	-	-	-
41.0	Grants, subsidies, and contributions	-	-	-
42.0	Insurance claims and indemnities	-	-	-
44.0	Refunds	-	-	-
Total	Non-Pay Costs	183,319	194,491	177,609
Total	Budget Authority by Object Class	351,809	351,809	319,796

DETAIL OF FULL-TIME EQUIVALENTS (FTE)¹²

Direct FTE	FY 2024 Final Civilian	FY 2024 Final Military	FY 2024 Total	FY 2025 Est. Civilian	FY 2025 Est. Military	FY 2025 Est. Total	FY 2026 Est. Civilian	FY 2026 Est. Military	FY 2026 Est. Total ¹³
Direct	944	4	948	881	2	883	801	2	803
Total FTE	944	4	948	881	2	883	801	2	803
-	-	-	-	-	-	-	-	-	-
Average GS Grade Direct	-	-	13.4	-	-	13.5	-	-	13.5

¹² Does not include reimbursable FTE.

¹³ FY 2026 FTE levels reflect estimates for October 1, 2025 and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

DETAIL OF POSITIONS¹⁴

(Direct only)

Detail	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget ¹⁵
Executive level I	1	2	1
Executive level II	1	1	1
Executive level III	-	-	-
Executive level IV	3	4	2
Executive level V	-	-	-
Subtotal, Positions	5	7	4
-	-	-	-
Executive Service	85	100	90
Subtotal, Positions	85	100	90
-	-	-	-
GS-15	209	175	175
GS-14	268	204	174
GS-13	222	235	228
GS-12	65	69	59
GS-11	42	42	32
GS-10	1	1	1
GS-9	35	36	26
GS-8	1	2	2
GS-7	6	9	9
GS-6	-	-	-
GS-5	2	-	-
GS-4	3	1	1
GS-3	-	-	-
GS-2	-	-	-
GS-1	-	-	-
Subtotal, Positions	854	774	707
-	-	-	-
Total Positions	944	881	801
-	-	-	-
Average GS grade	13.4	13.5	13.5
Average GS Salary	\$ 133,345	\$ 137,306	\$ 137,395

¹⁴ Does not include Commissioned Corps or reimbursable FTE.

¹⁵ FY 2026 FTE levels reflect estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

PROGRAMS PROPOSED FOR ELIMINATION

Program	Year Proposed for Elimination	Rationale Elimination
Children's Interagency Coordinating Council	2026	Removed to reconsider alignment with new administration priorities.

FTES FUNDED BY THE AFFORDABLE CARE ACT
General Departmental Management

(Dollars in Thousands)

	Section	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Pregnancy Assistance Fund Discretionary P.L. (111-148)	Section 10214	0	0	0	0	0	0	0	0	0	0	0
FTE	-	0	0	0	0	0	0	0	0	0	0	0

PHYSICIANS' COMPARABILITY ALLOWANCE WORKSHEET

Chief Technology Office

	PY 2024 (Actual)	CY 2025 (Estimate)	BY 2026 (Estimate)
Number of Physicians Receiving PCAs	1	3	3
Number of Physicians with One-Year PCA Agreements	0	0	0
Number of Physicians with Multi-Year PCA Agreements	0	3	3
Average Annual PCA Physician Pay (without PCA payment)	159,028	159,028	159,028
Average Annual PCA Payment	16,000	16,000	16,000

Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

CTO needs physicians with a strong medical background to engage clinical stakeholders and to provide an in-depth clinically based perspective on policies and activities such as EHR safety, usability, clinical decision support, and quality measures.

Without the PCA, it is unlikely that CTO could have recruited and maintained its current physician, nor is it likely that CTO would be able to recruit and maintain physicians without PCAs in future years.

Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

In FY 2024, one physician was onboard through the use of PCA. Retaining physicians with strong medical backgrounds ensured the agency was better able to engage clinical stakeholders and provide a clinically based perspective on policies and activities.

SECTION IV: PROPOSED LAW

(Proposed language will be submitted at the Departmental level with all consolidations.)

STAFFDIV SPECIFIC REQUIREMENTS

CENTRALLY MANAGED PROJECTS

HHS centrally administers certain projects on behalf of all Operating Divisions in the Department. Authority for carrying out these efforts is authorized by either specific statute or general transfer authority (such as the Economy Act, 31 USC 1535). The costs for centrally managed projects are allocated among the Operating Divisions and Staff Divisions in proportion to the estimated benefit to be derived.

Project	Description	FY 2025 Funding
Bilateral and Multilateral International Health Activities	Office of Global Affairs activities leading the U.S. government's participation in policy debates at multilateral organizations on health, science, social welfare policies, advancing HHS's global strategies and partnerships, support of coordination of global health policy, and setting priorities for international engagements across USG agencies.	\$7,943,357
HHS GAO Audit Activity Augmentation	ASL support the HHS GAO audit liaison mission, and the GAO Audit unit supports the Department's efforts to effectively and efficiently collaborate with GAO to include ongoing maintenance, licensing, technical assistance, and any enhancements of the IT platform. All HHS components access the system, its workflows, and dashboards to better track and monitor their respective caseloads and recommendations.	\$ 478,788
Department-wide CFO Audit of Financial Statements	HHS financial statements annual audit is required by the CFO Act of 1990, and stand-alone audit of the CMS producing Department-wide financial statements and coordinating the HHS audit process.	\$22,188,465
The Digital Accountability and Transparency Act	DATA Act operations and maintenance services, an allocation by financial system, determined to be the most reflective of the law, and the area of greatest impact to HHS business operations.	\$819,372
White House Initiative and President's Advisory Commission on Asian Americans, Native Hawaiians, and Pacific Islanders	Under the prior administration, the White House Initiative on Asian Americans, Native Hawaiians, and Pacific Islanders and the President's Advisory Commission on Asian Americans, Native Hawaiians, and Pacific Islanders were tasked with developing, monitoring, and coordinating executive branch efforts to advance equity, justice, and opportunity for Asian American, Native Hawaiian, and Pacific Islander communities. These activities have ceased.	\$550,000
HHS Biosafety and Biosecurity Coordinating Council	HHS efforts to confront threats posed by the accidental or deliberate release of high-consequence biological agents/toxins and aligns with the principles articulated in the <i>National Health Security Strategy</i> and the <i>National Strategy for Countering Biological Threats</i> .	\$351,036
Intradepartmental Council on Native American Affairs	HHS-wide tribal consultation, gathering information towards developing policies affecting the Native American communities served by the department. Coordination of activities throughout HHS and works to improve coordination, outreach, and communication on American Indian/Alaska Native, Tribal Government, Native Hawaiian, and other Pacific Islander issues at HHS.	\$201,820
NIH Negotiation of Indirect Cost Rates	NIH expanded its capacity to negotiate on behalf of all HHS OPDIVs, indirect cost rates with commercial (for-profit) organizations receiving HHS contract and grant awards, to ensure indirect costs are reasonable, allowable, and allocable.	\$2,772,494

President's Advisory Council on Combating Antibiotic-Resistant Bacteria	EO 13676 directs the Secretary of Health and Human Services to establish the Advisory Council in consultation with the Secretaries of Defense and Agriculture. The Council provides advice on programs and policies to preserve the effectiveness of antibiotics, to strengthen surveillance of antibiotic-resistant bacterial infections, and the dissemination of up-to-date information on the appropriate and proper use of antibiotics to the public, human, and animal healthcare providers.	\$956,250
Office of Regional Health Operations	The RHAs provide senior-level leadership in health, bringing together the Department's investments in public health and prevention by providing a health infrastructure across the ten HHS regions. Particularly in the areas of prevention, preparedness, coordination, and collaboration, the RHA's represent the Secretary, Assistant Secretary for Health and Surgeon General in the Regions and are key players in managing ongoing public health challenges.	\$2,356,277
Secretary's Advisory Committee on Blood and Tissue Safety and Availability	Advises the Secretary on a broad range of public health, ethical and legal issues related to blood transfusion and transplantation safety. Activities ensure HHS coordination of transfusion and transplantation safety and availability, for relevant U.S. Public Health Service agencies to prevent adverse events that occur during the donation and transfusion/transplantation processes.	\$310,000
Secretary's Policy System (SPS)	The official records repository of the Immediate Office of the Secretary, it is used to manage regulations, reports to Congress, correspondence, memoranda, invitations, and other documents. The SPS system ensures compliance with laws, directives, and EOs, and provides HHS leadership assurance that all documents, policies, or regulations that require review and approval are tracked, reviewed, and recorded for future reference.	\$610,629
HHS Tribal Affairs	The STAC develops a coordinated, HHS-wide strategy for incorporating Tribal recommendations on HHS priorities, policies, and budgets, improving the Government-to-Government relationship, and ensuring that mechanisms to improve services to Indian tribes are in place. The STAC's seeks consensus, exchange views, share information, provide advice and/or recommendations, or facilitate any other interaction related to intergovernmental responsibilities or administration of HHS programs.	\$730,000
Dietary Reference Intakes Updates	OASH's Office of Disease Prevention and Health promotion (ODPHP), other HHS agencies (NIH, CDC, FDA), USDA, and DOD collaborate with Health Canada to coordinate for updates the Dietary Reference Intakes (DRIs) that are used across the federal government in high priority nutrition activities. There is a joint U.S. and Canadian committee to update the DRIs for macronutrients (carbohydrates, fats, and proteins) and energy. The macronutrient and energy DRIs were last updated in 2004 and is needed for the next (2025) edition of the <i>Dietary Guidelines for Americans</i> .	\$1,000,000
Development of the Dietary Guidelines for Americans, 2025-2030	The <i>Dietary Guidelines</i> is required by statute to be published jointly by HHS and the U.S. Department of Agriculture (USDA) every five years. It is the cornerstone of all federal nutrition programs and policies, providing science-based recommendations to help prevent diet-related chronic diseases and promote overall health. HHS and USDA alternate serving as the administrative lead for each five-year <i>Dietary Guidelines</i> cycle, which entails assuming primary financial responsibility. HHS has the lead role for the 2025 edition.	\$7,664,922
Centrally Managed Projects Total		48,933,410

PERFORMANCE MEASURES PROPOSED CHANGES

General Departmental Management

Assistant Secretary for Administration

Measure	Year and Most Recent Result Target for Recent Result Summary of Result	FY 2025 Target	FY 2026 Target	FY 2026 +/- FY 2025
1.4 Reduce HHS GHG emissions (Metric Tons CO2 Equivalent) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.5 Increase HHS owned facilities municipal solid waste (MSW) diversion rate (Outcome)	Discontinued	N/A	N/A	N/A
1.6 Reduce energy intensity (MMBtu/kSF) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.7 Reduce water intensity (Gal/kSF) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.8 Percent of HHS-owned buildings meeting Council on Environmental Quality's Guiding Principles for Sustainable Federal Buildings	Discontinued	N/A	N/A	N/A
1.9 Percent of HHS leased buildings with occupancy rate of at least 60%	Discontinued	N/A	N/A	N/A
1.10 Dollar Value of Backlog of Maintenance and Repair for HHS-owned buildings	Discontinued	N/A	N/A	N/A
2.6 Increase HHS employee engagement through Employee Viewpoint Survey (Outcome)	Discontinued	N/A	N/A	N/A
2.8 Intrinsic Work Experience (Outcome)	Discontinued	N/A	N/A	N/A
2.9 Employee Satisfaction with... Opportunities for Professional Development and Growth (Outcome)	Discontinued	N/A	N/A	N/A
3.7 Phishing Test Success Rate (Outcome)	Reorganization	N/A	N/A	N/A
1.4 Reduce HHS GHG emissions (Metric Tons CO2 Equivalent) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.5 Increase HHS owned facilities municipal solid waste (MSW) diversion rate (Outcome)	Discontinued	N/A	N/A	N/A
1.6 Reduce energy intensity (MMBtu/kSF) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.7 Reduce water intensity (Gal/kSF) from prior FY (Outcome)	Discontinued	N/A	N/A	N/A
1.8 Percent of HHS-owned buildings meeting Council on Environmental Quality's Guiding Principles for Sustainable Federal Buildings	Discontinued	N/A	N/A	N/A
1.9 Percent of HHS leased buildings with occupancy rate of at least 60%	Discontinued	N/A	N/A	N/A
1.10 Dollar Value of Backlog of Maintenance and Repair for HHS-owned buildings	Discontinued	N/A	N/A	N/A
2.6 Increase HHS employee engagement through Employee Viewpoint Survey (Outcome)	Discontinued	N/A	N/A	N/A
2.8 Intrinsic Work Experience (Outcome)	Discontinued	N/A	N/A	N/A
2.9 Employee Satisfaction with... Opportunities for Professional Development and Growth (Outcome)□	Discontinued	N/A	N/A	N/A
3.7 Phishing Test Success Rate (Outcome)□	Reorganization	N/A	N/A	N/A

CTO

Measure	Year and Most Recent Result Target for Recent Result Summary of Result	FY 2025 Target	FY 2026 Target	FY 2026 +/- FY 2025
3.7 Phishing Test Success Rate (Outcome)	Reorganization	N/A	N/A	N/A

Assistant Secretary for Enforcement



DEPARTMENT of HEALTH and HUMAN SERVICES

**Fiscal Year
2026**

Assistant Secretary for Enforcement

**Departmental Appeals Board (DAB)
Office for Civil Rights (OCR)
Office for Human Research Protection (OHRP)
Office of Medicare Hearings and Appeals (OMHA)**

**Justification of Estimates for
Appropriations Committees**



I am pleased to present this proposed new organization's Fiscal Year 2026 Congressional Justification which advances the Administration's priorities to increase efficiencies through the proposed consolidation of Departmental agencies.

The U.S. Department of Health and Human Services (HHS) plans to establish the Office of the Assistant Secretary for Enforcement (ASE). ASE will centralize executive oversight over several mission-critical offices: the Departmental Appeals Board (DAB), the Office for Civil Rights (OCR), the Office of Medicare Hearings and Appeals (OMHA), and the Office for Human Research Protections (OHRP). While each office retains its statutory authorities and program-specific expertise, this proposed consolidation is designed to streamline oversight, improve enforcement and adjudication coordination, provide education and guidance on relevant legal authorities, and strengthen HHS's ability to fulfill its legal obligations to the public.

This restructuring will not alter the substantive legal responsibilities of any of the participating offices. Rather, it establishes a unified leadership framework to support the execution of their respective enforcement, education, and adjudicatory functions in a more efficient, transparent, and structured manner. The creation of ASE is intended to eliminate duplicative administrative functions, accelerate backlog reduction, and provide a single point of accountability for some of the Department's most essential enforcement and compliance activities.

Of particular importance in this new structure will be the maintenance of firewalls between the enforcement and adjudication mechanisms. This will ensure independence in decision-making where required by law.

This FY 2026 President's Budget requests funding for ASE to meet the critical needs of this soon to be established agency. It is my pleasure to submit this budget request which supports the Administration's and HHS's mission and goals.

A handwritten signature in blue ink, reading "Anthony F. Archeval".

Anthony Archeval
Acting Director of OCR
Transition Lead for Planning and Implementation of ASE

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SECTION I: EXECUTIVE SUMMARY

Introduction and Mission

The proposed Office of the Assistant Secretary for Enforcement (ASE) mission will be to serve as a unified guardian of American health, rights, and research. ASE commits to ensuring that all HHS services provided are administered with the highest levels of fairness, accountability, compliance, and integrity. Four key offices would work collectively to ensure all policy and standards are enforced. The Office for Civil Rights (OCR) enforces federal conscience, civil rights, health information privacy and security, and religious freedom laws to protect the American people's fundamental rights. The Office of Medicare Hearings and Appeals (OMHA) administers the nationwide hearing program for appeals, at the third level, arising from the Medicare program. The Departmental Appeals Board (DAB) provides impartial, independent review of disputed decisions under more than 60 statutory provisions. The Office for Human Research Protections (OHRP) protects the rights and welfare of the American people who volunteer for biomedical and behavioral research. ASE will carry out legal compliance through enforcement and adjudication in the healthcare environment, including conscience, civil rights, health information privacy and security, religious freedom, Medicare appeals, and human research protection.

The proposed Office of the Assistant Secretary for Enforcement (ASE) will:

- Ensure individuals and institutions attain resolution of complaints, disputes, and appeals
- Encourage compliance through regulations, guidance, education, and technical assistance
- Enforce legal compliance and adjudication under federal statutes and regulations

Overview of Budget Request

The FY 2026 President's Budget requests \$230,687,000, a total reduction of -\$16,028,000 from FY 2025. ASE requests \$180,000,000 from the Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) Trust Funds, -\$16,000,000 from the FY 2025 Enacted level. The non-Trust Fund request is \$50,687,000, -\$28,000 from the FY 2025 Enacted level.

- The non-Trust Fund request of \$50,687,000 consists of discretionary budget authority for:
 - The Office for Civil Rights (OCR)
 - The Office for Human Research Protections (OHRP)
 - The Departmental Appeals Board (DAB)
- The Trust Fund request of \$180,000,000 to adjudicate Medicare related claims consists of:
 - The Office of Medicare Hearings and Appeals (OMHA)
 - The Departmental Appeals Board (DAB)
- The total program level also includes a projection of \$10,000,000 in civil monetary penalties and settlement funding utilized by the Office for Civil Rights to further Health Insurance Portability and Accountability Act (HIPAA) Privacy, Security, and Breach Notification Rule (HIPAA Rules) enforcement.

Overview of Performance

Once formally established, ASE will review all current measures to optimize the overall performance of the new agency and align the performance program with stated mission objectives.

Departmental Appeals Board (DAB): The Board met 100 percent of statutory or regulatory deadlines and issued 55 percent of decisions within six months or less, exceeding Performance Measures 1.1.1 *Percentage of CRD decisions issued within all applicable statutory and regulatory deadlines* and 1.2.1 *Cases closed in a fiscal year as a percentage of total cases open in the fiscal year*. Beginning in FY 2025, Measure 1.1.1 will target decisions for 30 percent of the number of cases open at the beginning of the fiscal year. Currently, 19 percent of the Board's pending active cases have a net case age of six months or less. This allows the Division to address older, more complex cases, including complex Nursing Home and high dollar grant disallowance cases.

The Alternative Dispute Resolution (ADR) Division closed 93 percent of cases open during FY 2024 and conducted 18 conflict resolution seminars, exceeding both Measures *Number of conflict resolution seminars conducted for HHS employee* and *Cases closed in a fiscal year as a percentage of cases open in the same fiscal year*. ADR expects to meet or exceed both targets in FY 2025. The DAB proposes reducing the FY 2026 goal for conflict resolution seminars conducted from 15 to five sessions. The DAB remains able to accommodate training requests beyond the proposed goal, should it see an increase in demand for those services.

Measure 1.2.1 tracks how long it takes to close a case after the Medicare Operations Division (MOD) receives the claim file. MOD focuses on closing high priority cases, including Part C and D pre-service cases, Part D – expedited cases and beneficiary appeals, which is designed to reduce the average time it takes to close a case. Measure 1.2.2 tracks case closures, which are directly proportional to staffing. MOD decreased its target for FY 2026 to reflect the reduction in attorney during FY 2025. While MOD anticipates being able to outpace incoming receipts, the reduction of the backlog will be minimal with less staff, increasing the time it will take to eliminate the backlog entirely.

Office for Civil Rights (OCR): In FY 2024 OCR exceeded most of its performance targets and will seek continual improvement in FY 2026. However, Measure #1 was not met, as OCR met 77% of the target. *"The number of regulated entities taking corrective actions as a result of OCR interventions per year to promote compliance with the authorities in OCR's jurisdiction"* is dependent on the number of investigators OCR maintains, which has fluctuated over the years. OCR will prioritize meeting this target in FY 2026. Measure #6 was established in FY 2024 so data is not available to report in 2026 Budget. .

Office for Medicare Hearings and Appeals (OMHA): FY 2024 was OMHA's first year since 2011 that OMHA fully focused on its legislative mandate: timely adjudication of appeals. In FY 2024, OMHA reduced average processing time to 71 days, well within the 90-day statutory adjudication time frame. In FY 2026, OMHA will increase the target for Benefits Improvement and Protection Act of 2000 (BIPA) cases closed from 90 percent to 94 percent.

Another high-priority performance measure tracks customer experience. To measure annual progress, OMHA commissions independent assessments that review customer service through surveys distributed to randomly selected appellants and appellant representatives. In the 2024 survey, OMHA exceeded its target of 3.9 with an average survey result of 4.02.

All Purpose Table
(Dollars in Thousands)

	FY 2024 Final		FY 2025 Enacted		FY 2026 President's Budget		FY 2026 +/- FY 2025	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Assistant Secretary for Enforcement (ASE) Budget Authority (BA)					50,687	138		
DAB non-Trust Fund	4,674	21	4,674	18	-	-	-4,674	-18
OCR non-Trust Fund	39,798	101	39,798	113	-	-	-39,798	-113
OHRP non-Trust Fund	6,243	21	6,243	21	-	-	-6,243	-21
Civil Monetary Settlement Funding	18,000	35	10,000	-	10,000		-	-
Sub-total, Discretionary BA Program Level	68,715	178	60,715	152	-	-	-60,7915	-26
MHA Discretionary BA Trust Fund (OMHA and DAB)	196,000	897	196,000	813	180,000	755	-16,000	-58
Sub-total, MHA Program Level	196,000	897	196,000	813	-	-	-16,000	-58
Total Discretionary BA non-Trust Fund	50,715	143	50,715	152	50,687	138	-28	-14
Total Discretionary BA Trust Fund	196,000	897	196,000	813	180,000	755	-16,000	-58
Total ASE Discretionary BA Level	246,715	1,040	246,715	965	230,687	893	-16,028	-72
Total ASE Program Level	264,715	1,075	256,715	965	240,687	893	-16,028	-72
Non-Recurring Expense Funds	8,994							
Project 1 (OMHA ECAPE – ePortal Module)	4,894							
Project 2 (OCR PIMS NEXTGEN)	4,100							

SECTION II: BUDGET EXHIBITS

Summary of Changes (Dollars in Thousands)

	Dollars	FTEs
FY 2025 Enacted		
Total estimated budget authority	246,715	965
FY 2026 President's Budget		
Total estimated budget authority	230,687	893
Net Change	-16,028	-72

	FY 2025 Enacted		FY 2026 President's Budget		FY 2026 +/- FY 2025	
	BA	FTE	BA	FTE	BA	FTE
Increases:						
A. Built-in:						
Subtotal, Built-in Increases	-	-	-	-	-	-
B. Program:						
1. Operations and maintenance of equipment	1,126	-	6,264	-	5,138	-
2. Advisory and Assistance Services	14,502	-	17,359	-	2,857	-
3. Communications, utilities, and misc. charges	8,561	-	10,935	-	2,374	-
4. Other goods and services from Federal sources	23,390	-	24,034	-	644	-
5. Travel and transportation of persons	313	-	459	-	146	-
6. Operation and maintenance of facilities	1,917	-	1,976	-	59	-
7. Transportation of things	45	-	57	-	12	-
Subtotal, Program Increases	49,854	-	61,084	-	11,230	-
Total Increases	49,854	-	61,084	-	11,230	-
Decreases:						
A. Built-in:	-	-	-	-	-	-
Subtotal, Built-in Decreases	-	-	-	-	-	-
B. Program:						
1. Full-time permanent	123,280	965	106,800	893	-16,480	-72
2. Civilian personnel benefits	45,626	-	39,484	-	-6,142	-
3. Rental payments to GSA	15,681	-	13,220	-	-2,461	-
4. Other services from non-Federal sources	6,970	-	5,863	-	-1,107	-
5. Printing and reproduction	910	-	549	-	-361	-
6. Benefits for former personnel	675	-	418	-	-257	-
7. Supplies and materials	746	-	490	-	-256	-
8. Other than full-time permanent	467	-	333	-	-134	-
9. Other personnel compensation	2,197	-	2,166	-	-31	-
10. Medical Care	47	-	30	-	-17	-
11. Military personnel	6	-	-	-	-6	-
12. Equipment	46	-	40	-	-6	-
13. Insurance claims and indemnities	210	-	21-	-	-	-
Subtotal, Program Decreases	196,861	965	169,603	893	-27,258	-72
Total Decreases	196,861	965	169,603	893	-27,258	-72
Total Increases	49,854	-	61,084	-	11,230	
Net Change	246,715	965	230,687	893	-16,028	-72

Appropriations History

[This is a new appropriations request.]

Summary of Request

The ASE FY 2026 request is \$230,687,000, a decrease of -\$16,028,000 from FY 2025 Enacted levels. The non-Trust Fund discretionary budget request level is \$50,687,000 which is a -\$28,000 decrease from the combined agency FY 2025 Enacted levels. The Trust Fund request is \$180,000,000 which is a \$16,000,000 decrease from the combined agency FY 2025 Enacted levels. This decrease reflects the resolution of the Level 3 Medicare Appeals backlog and the associated staff decreases. Though there is still a backlog at Level 4; HHS is actively working to reduce it and can do so within the lower topline.

Narrative by Activity

	FY 2024 Final	FY 2025 CR	FY 2026 President's Budget	FY 2026 +/- FY 2025
Discretionary Budget Authority	246,715,000	246,715,000	230,687,000	-16,028
Program Level	264,715	256,715	240,687	-16,028
FTE	1,075	965	893	-72

Program Description

The proposed ASE mission will be to serve as a unified guardian of American health, rights, and research. ASE is committed to ensuring that all services provided under HHS are administered with the highest levels of fairness, accountability, compliance, and integrity. ASE will carry out legal compliance through enforcement and adjudication in the healthcare environment, including conscience, civil rights, health information privacy and security, religious freedom, Medicare appeals, and human research protection.

ASE is collectively committed to the following foundational principles:

- Carrying out legal compliance through enforcement and adjudication under federal statutes and regulations, including civil rights laws, Medicare appeals statutes, and administrative law authorities.
- Ensuring individuals and institutions have access to transparent, timely, and impartial resolution of disputes and complaints.
- Responding to high volumes of complaints, appeals, and requests in a consistent, lawful, and prompt manner, ensuring the highest quality public service.
- Maintaining firewalls between enforcement and adjudication, ensuring independence in decision-making where required by law.
- Encouraging and ensuring compliance through education and guidance about federal statutes and regulations, including human research protections requirements and the handling of research misconduct.
- Eliminating duplicative structures, advancing administrative efficiency, and consolidating core functions (e.g., budget, acquisition/contracting, exec sec, FOIA, human resources, IT, communications, and training) to improve stewardship of taxpayer resources.

Office for Civil Rights (OCR): OCR is uniquely charged with enforcing health information privacy, data, and security, federal civil rights, and conscience and religious freedom laws. OCR promotes and enforces laws that protect our nation's security by advancing health information privacy and regulating our nation's health care systems' cybersecurity. Additionally, OCR administers and enforces laws that prohibit discrimination on the basis of race, color, national origin, sex, age, disability, and religion in some of the most critical programs across the nation – those related to health and social services. OCR accomplishes its mission through enforcement, rulemaking, guidance, technical assistance, training, education, and outreach.

OCR also tackles emerging issues and new threats to patient privacy; protects the privacy of health information when engaging in telehealth; defends against common cyber-attacks; and ensures the confidentiality of substance use disorder treatment records. OCR engages in vigorous enforcement of the HIPAA Rules through investigations and enforcement actions to address ransomware, phishing,

disclosure of health information to the media, individuals' access to health information, and malicious insiders.

Office for Human Research Protection (OHRP)

OHRP was created in June 2000 to lead HHS's efforts to protect human subjects in biomedical and behavioral research, and to provide leadership for all federal agencies that conduct or support human subjects research under the Federal Policy for the Protection of Human Subjects, also known as the Common Rule. OHRP replaced the Office for Protection from Research Risks (OPRR), which was created in 1972 and was part of the National Institutes of Health (NIH).

OHRP serves a critical role in the safe advancement of science through its mission to protect the rights and welfare of the American people who volunteer for biomedical and behavioral research. OHRP coordinates human research protections among the 20 other federal agencies that fund most government-supported human subject research. For over 25 years, OHRP has provided guidance, education, and oversight of HHS divisions and extramural institutions that support or conduct human research. It provides develops policy and materials, maintains regulatory oversight, advises on ethical and regulatory issues in biomedical and behavioral research, and administers the programs for assurance of compliance and Institutional Review Board (IRB) registrations. OHRP has oversight over an estimated 12,000 institutions in the United States and worldwide that hold a Federal wide Assurance of compliance with OHRP for the conduct of nonexempt human subjects' research.

Departmental Appeals Board (DAB)

DAB provides impartial, independent hearings and appellate reviews at the fourth level of appeals. Outside parties, such as States, universities, hospitals, nursing homes, clinical laboratories, doctors, health care providers/suppliers, and Medicare beneficiaries that disagree with a determination made by an HHS agency or its contractor, may initiate cases. DAB decisions on certain cost allocation issues in grant programs have government-wide impact because HHS decisions in this area legally bind other Federal agencies. Disputes heard by the DAB sometimes involve over \$1 billion in federal funds in a single year. The Secretary appoints all DAB's judges: Board Members, ALJs, and Administrative Appeals Judges (AAJs).

Office of Medicare Hearings and Appeals (OMHA)

OMHA opened its doors in July of 2005 pursuant to the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003, in response to Medicare appeal processing delays at the Social Security Administration (SSA) by establishing an Administrative Law Judge (ALJ) hearing forum dedicated solely to the adjudication of Medicare benefit appeals. While SSA had no statutory time frame for case adjudication, the Medicare, Medicaid, and State Children's Health Insurance Program Benefits Improvement and Protection Act of 2000 envisioned that most Medicare appeals would be decided by OMHA within 90 days of filing. Furthermore, the MMA provided for the addition of ALJs, and staff as needed to ensure timely action on appeals before administrative law judges.

OMHA serves a broad sector of the public, including Medicare service providers and suppliers, and Medicare beneficiaries who are often elderly or disabled. OMHA's ALJs hear and adjudicate Medicare claim appeals for items and services arising under Medicare Parts A, B, C, and D; entitlement to Medicare benefits appeals; and disputes of Part B and Part D premium surcharges brought by enrollees and healthcare providers and suppliers at the third level of the Medicare appeals process.

Budget Request

The FY 2026 President's Budget for ASE consists of \$50,687,000 in non-Trust Fund discretionary budget authority and \$180,000,000 HI and SMI Trust Fund discretionary budget authority for a total of \$230,687,000.

The Office for Civil Rights requests non-trust fund Budget Authority levels that will maintain its current programmatic activities and continue defending the public's right to nondiscriminatory access to HHS-funded health and human services and enforcing health information privacy and security laws. OCR is experiencing an increase in its case backlog due to the recent sharp decrease in the number of investigators on staff. At the close of FY 2024, the backlog stood at 6,532 whereas in May 2025 it stands at 13,274.

The Office for Human Research Protection also requests non-trust fund budget authority that will maintain minimal operations. This includes conducting a limited number of for-cause compliance assessments of human research protection programs or institutional review boards, processing approximately 800-1,000 incident reports, and approximately 400-600 complaints about research. Develop guidance, the fulfillment of the FWA and IRB registration missions, and the ability to develop educational tools and resources will be limited.

The Departmental Appeals Board requests trust fund and non-trust fund authority. The trust fund level allows the DAB to fund term appointed judges and attorneys to reduce of the Medicare appeals backlog at the Medicare Operations Division. At the close of FY 2024, the backlog stood at 12,952 with a 10 percent reduction rate. The non-trust fund level supports most of the Board's Appellate work and its Alternative Dispute Resolution activities on behalf of the Department.

The trust fund decrease will be absorbed by the Office of Medicare Hearings and Appeals, which is entirely funded by the trust funds. This level supports 77 ALJ teams with a cumulative annual capacity of 47,750 appeal dispositions, which aligns OMHA's capacity with workload to maintain compliance with the statutory 90-day adjudication time frame through FY 2026. This decrease reflects the scale of OMHA's recent efforts to match adjudicatory capacity to post-backlog workloads. In 2018, OMHA received additional funding to meet court-imposed backlog reduction targets through increased capacity. By 2020, capacity was sufficient to meet the remaining court-imposed targets. In October of 2020, OMHA implemented a hiring freeze and concurrent cost cutting efforts to prepare for reduced post-backlog workloads. As of April 30, 2025, 554 positions have been eliminated through the hiring freeze, exit incentives, and subsequent departure incentives offered by the new administration. Since October of 2020, OMHA's full time position count has dropped from 1,154 to 600, and concurrent non-pay cost cuts have kept discretionary expenses below 2% of annual budgets. The latest interagency workload forecast predicts OMHA may receive between 52,000 and 54,000 appeals annually from FY 2025 through FY 2027. However, prior year and year-to-date appeal receipts do not yet support this forecast. When annual workloads reach these levels, OMHA will adjust subsequent budget requests to address the increase. In the meantime, the current request level assumes OMHA will receive roughly 48,000 appeals in FY 2026.

Funding History

[Not applicable as this is a new appropriations request.]

Program Accomplishments

Compliance Review consistent with EO on Keeping Men out of Women's Sports

- In February 2025, a compliance review of the Maine Department of Education was completed, including the University of Maine System, based on information that Maine allows biological males to compete in women's sports. The investigation concluded in March 2025, and found that the Maine Department of Education, the Maine Principals' Association, and Greely High School violated Title IX of the Education Amendments of 1972 (Title IX), as amended, and its HHS implementing regulation. The determination letter offered the three entities an opportunity to voluntarily resolve the matter through a signed agreement. Since no agreement was reached, the OCR referred the matter to the U.S. Department of Justice for appropriate action.

Enforcing compliance with HIPAA Rules through investigations resolved with corrective action plans

- In January 2025, Solara Medical Supplies, LLC settled at \$3,000,000 and agreed to implement a corrective action plan that requires them to take steps to resolve potential violations of the HIPAA Security and Breach Notification Rules. In 2019, OCR investigated a phishing attack of eight Solara workforce member email accounts containing electronic protected health information (ePHI) of 114,007 individuals between April and June 2019. OCR investigated a second breach that resulted when notification letters relating to the phishing incident were sent in November 2019 to wrong mailing addresses, resulting in the disclosure of PHI of 1,531 individuals. OCR determined that Solara failed to conduct a compliant risk analysis to determine the potential risks and vulnerabilities to ePHI in Solara's systems, and that Solara failed to implement security measures sufficient to reduce the risks and vulnerabilities to ePHI to a reasonable and appropriate level. It was also determined that Solara failed to provide timely breach notification to individuals, the media, and HHS.

Ensuring individuals with mobility impairments have access to mammography examinations

- In August 2024, OCR announced a settlement with the New Jersey Imaging Network to resolve a civil rights complaint filed by an individual who has a mobility impairment that requires wheelchair use. The individual alleged that the New Jersey Imaging Network refused to perform a mammogram during the patient's scheduled appointment because of her use of a wheelchair. After OCR conducted a thorough investigation and presented the findings to New Jersey Imaging Network, the parties agreed to enter into a voluntary settlement agreement to resolve any issues and ensure the New Jersey Imaging Network is in compliance with civil rights laws in the future.

Combatting waste, fraud, and abuse by ensuring federal funds are not used to unlawfully segregate individuals with disabilities who want to live in their communities

- Throughout 2025, OCR used its Expedited Complaint Resolution process to resolve complaints by individuals with disabilities who want to leave institutions to live in their communities and who want opportunities to be contributing members to their communities pursuant to their right under federal civil rights laws to live in the most integrated setting. This also supports the Secretary's priorities to Make America Healthy Again and address the surge in autism. On April 4, 2025, OCR announced the resolution of a complaint that a young man with autism was being held in an Alabama State institution due to lack of community services. In addition, OCR provided technical assistance to Alabama to expand its community services for other similarly situated individuals through a partnership during National Autism Acceptance Month.

Hosting Public Events to Increase Community Interaction and Awareness

- OHRP co-sponsored one in-person Research Community Forums (RCF) and co-hosted a virtual RCF in September. In September, OHRP hosted its annual Exploratory Workshop exploring the ethics and governance of human research involving artificial intelligence. Another virtual event was held to commemorate the 50th anniversary of the National Research Act.

Issuance of Rules, Guidance, and Training

- In tandem with FDA, OHRP issued draft guidance on including tissue biopsies in clinical trials and other resources for the regulated community, including key information for informed consent focused on helping the regulated community apply the HHS requirements for the protection of human research subjects.
- In February 2024, OHRP launched an online interactive training for writing participant-centered informed consent for research and to broaden its availability, formed a public-private partnership with the Collaborative Institutional Training Initiative, which is a leading provider of human subjects training for colleges, universities, healthcare institutions, technology and research organizations and government agencies.
- In October 2024, OHRP published a final rule bringing subparts B, C, and D of 45 CFR 46 into conformity with prior changes to subpart A.

Timely Adjudication of Medicare Appeals

- The Medicare appeals backlog at level 3 was resolved in FY 2023. Since then OMHA has been fully focused on timely adjudication of appeals. In FY 2024, average processing time was 71 days – a twentyfold decrease from a high of 1,430 days in FY 2020, and well within the statutory 90-day time frame.
- In FY 2024, the Appellate Division closed 72 appeals, including cases addressing fraud, waste, and abuse, and compliance disputes involving federal grants. The total dollar value of appeals closed in FY 2024 is over \$714 million, which represents a more than 600% increase compared to FY 2023, leaving the value of open appeals at the end of FY 2024 at approximately \$637 million
- In FY 2024, the Alternative Dispute Resolution (ADR) Division provided mediation services and conflict resolution seminars to HHS components. ADR's mediation services were instrumental in resolving complex cases, including three cases totaling \$35.5 million, which provided significant cost savings for HHS.
- During FY 2024, the Civil Remedies Division (CRD) received 768 new cases, closed 712 cases, and issued 180 decisions, protecting the integrity of the Medicare program from providers and suppliers whose actions jeopardize the health and safety of millions of Americans, while also protecting Medicare Trust Fund from fraudulent and abusive billing. At the end of FY 2024, 546 cases were pending, of which 347 were filed in FY 2024. CRD reduced the number of pre-FY 2022 pending cases to a minimal level, focusing on older and more complex appeals.
- MOD closed 9,038 cases in FY 2024, including Medicare claims for coverage and payment, post-payment audits, and overpayment determinations. In FY 2024, MOD successfully reduced its backlog by 27%, from approximately 17,422 to 12,721 pending appeals. By the end of FY 2024, MOD reduced the number of pending appeals filed prior to FY 2020 by 30%. The dollar value of all open appeals at the end of FY 2024 was approximately \$802 million.

Key Outputs and Outcomes Tables

Measure	Year and Most Recent Result Target for Recent Result Summary of Result	FY 2025 Target	FY 2026 Target	FY 2026 Target +/- FY 2025 Target
DAB-1.1.2 Cases closed in a fiscal year as a percentage of cases open in the same fiscal year. (Outcome)	FY 2024: N/A Target: N/A (Not Measured)	30%	30%	Maintain
DAB-1.2.1 Percentage of Board decisions meeting applicable statutory and regulatory deadlines for issuance of decisions. (Outcome)	FY 2024: 100% Target: 80% (Target Exceeded)	80%	80%	Maintain
DAB-1.5.1 Number of conflict resolution seminars conducted for HHS employees. (Outcome)	FY 2024: 18 Target: 15 (Target Exceeded)	15	5	Reduce
DAB-1.5.2 Cases closed in a fiscal year as a percentage of cases open in the same fiscal year. (Outcome)	FY 2024: 93% Target: 90% (Target Exceeded)	90%	90%	Maintain
DAB-MHA-1.1.1 Percentage of CRD decisions issued within all applicable statutory and regulatory deadlines. (Outcome)	FY 2024: 100% Target: 90% (Target Exceeded)	90%	90%	Maintain
DAB-MHA-1.1.2 Cases closed in a fiscal year as a percentage of total cases open in the fiscal year (Outcome)	FY 2024: 54% Target: 50% (Target Exceeded)	50%	50%	Maintain
DAB-MHA-1.2.1 Average time to complete action on Requests for Review measured from receipt of the claim file. (Outcome)	FY 2024: 843 Target: 727 (Target Not Met)	727	727	Maintain
DAB-MHA-1.2.2 Number of MOD dispositions. (Outcome)	FY 2024: 9,108 Target: 8,500 (Target Exceeded)	8,500	6,000	Reduce
OCR-1 The number of regulated entities taking corrective actions as a result of OCR interventions per year to promote compliance with the authorities in OCR's jurisdiction (Outcome)	FY 2024: 1,539 Target: 2,000 (Target Not Met)	2,200	2,200	Maintain
OCR-2 The number of covered entities making substantive policy changes as a result of OCR intervention/year (Outcome)	FY 2024: 304 Target: 300 (Target Exceeded)	330	330	Maintain
OCR-3 Percent of closure for civil rights, including conscience and religious nondiscrimination cases / cases received each year (Outcome)	FY 2024: 99% Target: 90% (Target Exceeded)	95%	95%	Maintain

OCR-4 Percent of closure for health information privacy and cybersecurity cases / cases received each year (Outcome)	FY 2024: 117% Target: 90% (Target Exceeded)	95%	95%	Maintain
OCR-5 Percent of civil rights complaints requiring formal investigation resolved within 365 days (Output)	FY 2024: 78% Target: 85% (Target Not Met)	85%	85%	Maintain
OCR-6 Percent of closure for reviews of reports that a large breach of unsecured protected health information occurred affecting over 500 individuals / reviews of breach reports affecting over 500 individuals received each year. (Outcome)	FY 2024: N/A Target: N/A (Measure established in FY25)	85%	85%	Maintain
OMHA-1.1.4 Reduce the percentage of decisions reversed or remanded on appeals to the Medicare Appeals Council	FY 2024: 1.6% Target: 1% Target Not Met	1%	1%	Maintain
OMHA-1.1.5 Retain average survey results from appellants reporting good customer service on a scale of 1 to 5 at the Medicare appeals level	FY 2024: 4.0 Target: 3.9 Target Exceeded	3.9	3.9	Maintain
OMHA-1.1.8 Increase the number of Benefits Improvement and Protection Act of 2000 (BIPA) cases closed within the applicable adjudication time frame	FY 2024: 98.3% Target: 90% Target Exceeded	90%	94%	+4%

SECTION III: SUPPLEMENTARY TABLES

Budget Authority by Object Class

(Dollars in Thousands)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	123,280	123,280	106,800	-16,480
11.3	Other than full-time permanent	467	467	333	-134
11.5	Other personnel compensation	2,197	2,197	2,166	-31
11.7	Military personnel	6	6	-	-6
Subtotal	Personnel Compensation	125,950	125,950	109,299	-16,651
12.1	Civilian personnel benefits	45,626	45,626	39,484	-6,142
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	675	675	418	-257
Total	Pay Costs	172,251	172,251	149,201	-23,050
21.0	Travel and transportation of persons	313	313	459	146
22.0	Transportation of things	45	45	57	12
23.1	Rental payments to GSA	15,681	15,681	13,220	-2,461
23.3	Communications, utilities, and misc. charges	8,561	8,561	10,935	2,374
24.0	Printing and reproduction	910	910	549	-361
25.1	Advisory and Assistance Services	14,502	14,502	17,359	2,857
25.2	Other services from non-Federal sources	6,970	6,970	5,863	-1,107
25.3	Other goods and services from Federal sources	23,390	23,390	24,034	644
25.4	Operation and maintenance of facilities	1,917	1,917	1,976	59
25.6	Medical Care	47	47	30	-17
25.7	Operation and maintenance of equipment	1,126	1,126	6,264	5,138
Subtotal	Other Contractual Services	47,952	47,952	55,526	7,574
26.0	Supplies and materials	746	746	490	-256
31.0	Equipment	46	46	40	-6
42.0	Insurance claims and indemnities	210	210	210	-
Total	Non-Pay Costs	74,464	74,464	81,486	7,022
Total	Budget Authority by Object Class	246,715	246,715	230,687	-16,028

Detail of Full-Time Equivalent (FTE)

	2024 Actual Civilian	2024 Actual Military	2024 Actual Total	2025 Est. Civilian	2025 Est. Military	2025 Est. Total	2026 Est. Civilian	2026 Est. Military	2026 Est. Total
Assistant Secretary for Enforcement									
Departmental Appeals Board									
Direct	183	-	183	189	-	189	-	-	-
Reimbursable	-	-	-	-	-	-	-	-	-
Office for Civil Rights									
Direct	100	1	101	113	-	113	-	-	-
Reimbursable	35	-	35	-	-	-	-	-	-
Office for Human Research Protection									
Direct	21	-	21	21	-	21	-	-	-
Reimbursable	-	-	-	-	-	-	-	-	-
Office of Medicare Hearings and Appeals									
Direct	689	-	689	621	-	621	-	-	-
Reimbursable	46	-	46	21	-	21	-	-	-
Totals									
Direct	1,103	1	1,014	944	-	944	893	-	893
Reimbursable	79	-	79	21	-	21	-	-	-
Program Level	1,074	1	1,075	965	-	965	893	-	893

Detail of Positions¹

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget
SES	11	10	12
SL	6	7	7
ALJ	133	121	91
AAJ	24	23	23
Subtotal ES Positions	174	161	133
Total - ES Salaries	\$35,010,475	\$32,853,602	\$27,296,991
	-	-	-
GS-15	52	47	45
GS-14	80	74	78
GS-13	161	139	135
GS-12	294	282	270
GS-11	33	24	23
GS-9	27	30	29
GS-8	170	147	147
GS-7	10	9	8
GS-6	12	10	10
Subtotal GS Positions	839	762	745
Total - GS Salary	\$86,626,847	\$84,406,247	\$81,438,929
Average ES Salary	\$201,210	\$204,060	\$205,241
Average GS Grade	12/1	12/3	12/3
Average GS Salary	\$103,250	\$110,769	\$109,314

¹ This table does not include reimbursable FTEs.

Performance Measure Proposed Changes

Unique Identifier	Original Measure Title - relevant information	Change Type	Proposed Change - Describe how the measure will be modified	Reason for Change (new data, aligning to appropriations, aligning priorities, clarification of measure language, etc.)
1.5.1	1.5.1 Number of conflict resolution seminars conducted for HHS employees. (Outcome)	Change Target	Decrease from 15 sessions to 5.	Due to a temporary suspension of activities in FY25 and the uncertainty of the number of future requests during a period of Departmental transformation, the DAB proposes reducing the FY26 goal for conflict resolution seminars conducted from 15 to five sessions. However, the DAB will remain able to accommodate training requests beyond the proposed goal should it see an increase in demand for those services.
1.2.2	MHA1.2.2 Number of MOD dispositions. (Outcome)	Change Target	Decrease from 8,500 dispositions to 6,000	In light of staff departures ahead of schedule (both term and permanent attorneys), original productivity measure is out of reach

Office of Strategy



DEPARTMENT of HEALTH and HUMAN SERVICES

**Fiscal Year
2026**

Office of Strategy

**Justification of Estimates for
Appropriations Committee**



This volume presents the Congressional Justification for Office of Strategy activities within the Office of the Secretary. This Budget request represents the Administration's priorities for guiding the Department of Health and Human Services (HHS) to Make American Healthy Again (MAHA) and support more programmatic and internal operational efficiencies.

The FY 2026 President's Budget will establish an Office of Strategy in alignment with President Trump's and the Secretary's vision for achieving an efficient and effective organization that optimizes taxpayer resources. The budget will establish an enhanced structure for HHS data innovation and analytics, consolidating the Assistant Secretary for Planning and Evaluation (ASPE), the Agency for Healthcare Research and Quality (AHRQ), the National Center for Health Statistics, and the Office of Research Integrity into one organization. The new Office of Strategy will support the development and coordination of federal health and human services policy, strategic planning, and accountability practices to improve health outcomes for the American people.

The Budget request supports the Secretary in his role as chief policy officer and ensures transparent, effective, data-driven, and evidence-based decision-making for improved health, healthcare, and human services for the American people. The FY 2026 request totals \$458 million to support:

- Healthcare Research: \$240 million to research and develop data-driven and evidence-based practices to improve health outcomes, enhance care quality and safety, and reduce chronic disease.
- Health Statistics: \$175 million for continued prioritization of data collection and dissemination activities that allow policymakers and the public to understand the health of the U.S. population and promote evidence-based policymaking and improved healthcare delivery.
- Planning and Evaluation: \$43 million to support the Secretary in defining quantitative strategic health outcomes for the American people and identifies programs and actions needed to achieve them.
- Research Integrity: \$15 million (*non-add*) to facilitate and direct critical oversight and compliance activities to ensure integrity in all Public Health Service-supported work and reduce research misconduct to restore public trust in HHS science.

The Secretary looks forward to working with the Congress, toward the enactment and implementation of the FY 2026 Budget.

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Section I: EXECUTIVE SUMMARY

Introduction and Mission

Introduction

The Department of Health and Human Services (HHS) will establish an Office of Strategy which aligns with the Secretary's vision for achieving an efficient and effective organization that optimizes taxpayer resources. The Office of Strategy will oversee HHS' development and coordination of federal health and human services policy, strategic planning, accountability practices, and research integrity standards for improved health outcomes for the American people. The Office of Strategy will be established by combining the Assistant Secretary for Planning and Evaluation (ASPE), the Agency for Healthcare Research and Quality (AHRQ), to create a new focal point for HHS data innovation and analytics. Joining ASPE and AHRQ in the new Office of Strategy will be the National Center for Health Statistics (NCHS), formerly within the Centers for Disease Control and Prevention (CDC); and the Office of Research Integrity (ORI) formerly within the Office of the Assistant Secretary for Health (OASH).

While leading HHS policy and strategic planning, the Office of Strategy will directly support the Secretary on the development, analysis, and guidance for health, healthcare and human services, health services research, and health system policies. The newly established Office of Strategy will be a forward-leaning, accountable entity that enhances transparency, quality, efficiency, and effectiveness of the U.S. research and healthcare system and ensuring HHS programs deliver greater value to the American people. The Office of Strategy will ensure transparent, effective, data-driven, and evidence-based decision-making by:

- Overseeing the development of all Department-level mandatory policies, strategies, and other Administration priorities.
- Providing the Secretary with analysis of existing or proposed policies and strategies to understand strengths and limitations and support improved health, healthcare, and human services for the American people.
- Supporting the HHS Secretary in fulfilling the federal trust responsibility to Tribal Nations by advancing Tribal healthcare data sovereignty, expanding Native-specific healthcare research and surveys, promoting relevant quality measurement, and enabling tribally driven health system improvement through technical assistance and collaborative innovation, and improving the economic and social well-being of Tribal children and families.
- Leading research related to health and healthcare to ensure the quality, appropriateness, and effectiveness of federally supported healthcare, public health and human services.
- Collecting, analyzing, and disseminating data, evidence, and other resources to help policymakers, patients and their families, and healthcare professionals make informed decisions.
- Assessing and monitoring the impact of federal actions on health, healthcare, and economic policies.
- Promoting research integrity by overseeing policies and practices that prevent research misconduct and ensure the responsible conduct of research across HHS-funded activities.

Mission

"Drive transformative change by advancing data-driven and evidence-based policy development strategic planning and research integrity to improve transparency in decision-making and enhance the health and well-being of all Americans."

Overview of the Budget Request

The FY 2026 President's Budget program level request for the Office of Strategy is \$458,070,000. The request will establish the new office within the Office of the Secretary and aligns funding and activities from the Assistant Secretary for Planning and Evaluation, the Agency for Healthcare Research and Quality, the National Center for Health Statistics formerly within the Centers for Disease Control and Prevention; and the Office of Research Integrity, formerly within the Office of the Assistant Secretary for Health. The budget includes discretionary budget authority and Public Health Service (PHS) Evaluation Set-Aside Funding.

Discretionary Budget Authority: \$239,530,000

The Office of Strategy will use funding to promote data-driven, evidence-based practices to improve health outcomes, reduce chronic disease, enhance care quality and safety, advance human services outcomes, and address allegations of research misconduct while fostering a research environment that promotes the responsible conduct of research. Discretionary funds will be allocated as follows:

- \$7,400,000 for the U.S. Preventive Services Task Force (USPSTF).
- \$42,596,000 for Research on Quality Improvement and Patient Safety.
- \$65,640,000 for Health Services Research, Data, and Dissemination.
- \$76,442,000 for the Medical Expenditure Panel Survey (MEPS).
- \$47,452,000 for Healthcare Research Program Support.
- *\$14,986,000 for research integrity efforts via a non-add reimbursable agreement from the NIH.*

PHS Evaluation Funding: \$218,540,000

The Office of Strategy will use the funding to integrate policy, research, and data-driven decision-making to enhance HHS' effectiveness; support the Secretary in defining strategic health outcomes; track healthcare trends; and provide policy recommendations through cost-benefit analyses and data evaluation; and manage national data collection on healthcare use, costs, and access at both the household and hospital system levels to support evidence-based policymaking and improve healthcare delivery. PHS evaluation funds are allocated as follows:

- \$43,243,000 for Planning and Evaluation.
- \$175,297,000 for the National Center for Health Statistics.

Overview of Performance

In FY 2026, the Office of Strategy will produce the Annual Poverty Guidelines, Annual Indicators of Welfare Dependence, Federal Medical Assistance Percentage, the Quadrennial Strategic Plan, HHS Evaluation Plan and other related items. The Office will also continue its support of the mandated Patient Safety Organizations (PSOs), develop a national curriculum for team-based communication and safety, structured resources for improving safety culture in clinical units, and continue the Consumer Assessment of Healthcare Providers and Systems to assess patient experiences with healthcare providers and systems, aiming to improve patient care and inform decision-making. The Office will continue to manage both the U.S. Preventive Services Task Force (USPSTF) and the Evidence-based Practice Center (EPC) Program—two distinct initiatives that systematically review scientific evidence on healthcare topics. The USPSTF develops independent clinical recommendations, while the EPC Program produces comprehensive evidence reports to inform decision-making. Together, these efforts support the administration’s Make America Health Again (MAHA) agenda by guiding clinical guidelines, policy development, and research priorities across the healthcare system. The Office will continue fielding and making publicly available data collected from HHS flagship programs such as the Medical Expenditure Panel Survey, the Healthcare Cost and Utilization project, the National Health Interview Survey (NHIS), National Health and Nutrition Examination Survey (NHANES), National Ambulatory Medical Care Survey (NAMCS) and others.

All Purpose Table

(Dollars in Thousands)

OFFICE OF STRATEGY ¹	FY 2026 PB	
	\$	FTE
Discretionary Budget Authority	-	-
Healthcare Research ²	239,530	121
Health Statistics ³	-	-
<i>Research Integrity (non-add)⁴</i>	14,986	23
Sub-total, Discretionary Budget Authority	239,530	121
PHS Evaluation	-	-
Planning and Evaluation ⁵	43,243	91
Health Statistics ³	175,297	428
Sub-total, PHS Evaluation	218,540	519
Total, Program Level	458,070	640

¹ Consistent with the 2025 operating plan, funding levels are displayed for statutory PPAs.

² Healthcare Research's budget authority planned for reorganization from AHRQ.

³ Health Statistics' budget authority planned for reorganization from CDC.

⁴ Research Integrity's budget authority remains reimbursable, funded by NIH. Planned for reorganization from OASH. Research Integrity's 23 FTEs are not included in the total for Office of Strategy FTEs and are paid for by the NIH funding.

⁵ Planning and Evaluation's budget authority planned for reorganization from ASPE.

Section II: Office of Strategy: BUDGET EXHIBITS

OFFICE OF STRATEGY SUMMARY OF CHANGES

	Dollars	FTEs ⁶
FY 2026 President's Budget (Discretionary Program Level)	\$239,530	121
FY 2026 President's Budget (PHS Evaluation Program Level)	218,540	519
FY 2026 President's Budget (Program Level)	458,070	640

(dollars in thousands)	FY 2026 President's Budget	
	BA	FTE
Increases		
Health Statistics PHS Evaluation	\$175,297	428
Planning and Evaluation	\$43,243	91
Total Increases	\$218,530	519
Decreases		
Healthcare Research Discretionary Budget Authority	239,530	121
Health Statistics Discretionary Budget Authority	-	-
Total Decreases	\$239,530	121

⁶ FY 2026 FTE level reflects estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change.

Office of Strategy

Appropriation History Table

(This is a new appropriation request)

Office of Strategy

Summary of the Request

The Office of Strategy's FY 2026 President's Budget program level request is \$458,070,000. The discretionary budget authority is \$239,530,000. The FY 2026 President's Budget also includes a PHS Evaluation funding request of \$218,540,000.

Funding supports the following:

Discretionary

Healthcare Research	\$239,530,000
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PHS Evaluation

Health Statistics	\$175,297,000
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Planning and Evaluation	\$ 43,243,000
-------------------------	---------------

Total PHS Evaluation	\$218,570,000
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Research Integrity (non-add) \$ 14,986,000

The FY 2026 President's Budget for healthcare research proposes the elimination of Patient Centered Outcomes Research funding, and Digital Healthcare Research/Health IT and prioritizes high impact statistical healthcare research.

The Office of Strategy oversees research integrity with NIH funding, through an interagency agreement, consistent with prior years.

Section III: Narratives by Activity

OFFICE OF STRATEGY

(Dollars in Thousands)

OFFICE OF STRATEGY	FY 2026 President's Budget
Discretionary Budget Authority	
Healthcare Research ⁷	239,530
Health Statistics ⁸	-
<i>Research Integrity (non-add)</i> ⁹	14,986
Sub-total, Discretionary Budget Authority	239,530
PHS Evaluation	
Planning and Evaluation	43,243
Health Statistics ⁸	175,297
Sub-total, PHS Evaluation	218,540
Total, Program Level	458,070
Discretionary Budget Authority FTEs	
Healthcare Research	121
National Center for Health Statistics	-
Sub-total, Discretionary Budget Authority FTEs	121
PHS Evaluation FTEs	
Planning and Evaluation ¹⁰	91
National Center for Health Statistics	428
Sub-total, PHS Evaluation FTEs	519
<i>Office of Research Integrity (non-add)</i>	23
Total, Program Level FTEs¹¹	640

Allocation Method.....Direct Federal

⁷ Healthcare Research budget authority planned for reorganization from AHRQ.

⁸ Health Statistics' budget authority planned for reorganization from CDC.

⁹ Research Integrity's budget is a non-add funded by a reimbursable agreement with NIH. ORI is planned from reorganization from OASH.

¹⁰ Planning and Evaluation's budget authority planned for reorganization from ASPE.

¹¹ FTE Totals do not include the reimbursable non-add supported with an interagency agreement.

Budget Request

Discretionary Budget Authority

- **Healthcare Research (\$239,530,000):** The FY 2026 President's Budget requests \$239,530,000, providing resources for 121 FTEs. The FY 2026 request will align these activities from AHRQ into the Office of the Secretary, Office of Strategy. The funding will support patient safety research, health services research, data dissemination, extramural research grants, the U.S. Preventive Services Task Force; and the Medical Expenditure Panel Survey. The budget proposes no new grants in FY 2026, instead focusing resources on continuing grants and contract funding that supports statistical healthcare research. The budget provides for the following portfolios:
 - **Patient Safety (\$42,596,000):** Patient Safety research aims to prevent, reduce, and mitigate patient safety risks and hazards associated with health care and their harmful impact on patients. The FY 2026 President's Budget provides \$42,596,000.
 - **Health Services Research, Data, and Dissemination (HSR) (\$65,640,000):** HSR funds foundational health services research through continuing grants and contracts and the FY 2026 President's Budget provides \$65,640,000, for continuation of health services research contracts and interagency agreements (IAA), measurement and data collection, and dissemination and implementation activities.
 - **The U.S. Preventive Services Task Force (\$7,400,000):** The U.S. Preventive Services Task Force (USPSTF) is an independent, volunteer panel of national experts in prevention and evidence-based medicine who make evidence-based recommendations about the effectiveness of clinical preventive services and health promotion. The FY 2026 President's Budget provides \$7,400,000 for the Task Force, for the Office of Strategy to provide scientific, administrative, and dissemination support to the USPSTF.
 - **Medical Expenditure Panel Survey (MEPS) (\$76,442,000):** The MEPS is the only national source for comprehensive annual data on how Americans use and pay for medical care and is designed to provide annual estimates at the national level of the health care utilization, expenditures, and sources of payment and health insurance coverage of the U.S. civilian non-institutionalized population. The FY 2026 President's Budget provides \$76,442,000 million, to maintain the precision levels of survey estimates, maximize survey response rates, and continue to achieve timeliness, quality, and utility of data products.
 - **Healthcare Research Program Support (\$47,452,000):** Program support activities provide administrative, budgetary, logistical, and scientific support in monitoring of research, training awards, and contracts in the healthcare research portfolio. The FY 2026 President's Budget provides \$47,452,000 for salary and benefits costs within the healthcare research portfolio for 121 FTEs.
- **Research Integrity (\$14,986,000 non-add):** The FY 2026 President's Budget includes \$14,986,000 and provides resources for 23 FTEs and will be supported by a reimbursable agreement with the National Institutes of Health. The funding will promote integrity in biomedical and behavioral research, reduce research misconduct, and maintain the public's confidence in research supported by funds of the US. Public Health Service

agencies. The request plans to align these activities from the Office of the Assistant Secretary for Health to the Office of Strategy.

PHS Evaluation Set-Aside

- **Planning and Evaluation (\$43,243,000)**: The FY 2026 President's Budget includes \$43,243,000 and provides resources for 91 FTEs. The FY 2026 request plans to align these activities from the Assistant Secretary for Planning and Evaluation to the Office of Strategy. The funding will allow the Office of Strategy the ability to lead overall HHS policy and strategic planning, as it serves to directly support the Secretary on the development, analysis, and guidance for health, healthcare and human services, health services research, and health system policies.
 - **Health Statistics (\$175,297,000)**: FY 2026 President's Budget includes \$175,297,000 for the National Center for Health Statistics, which is planned to be reorganized from the CDC to the Office of Strategy. The funding request also includes costs associated with information technology and other program support costs and provides resources for 428 FTEs. The Office of Strategy will continue to prioritize its major data collection and dissemination activities, that allow policymakers and the public to understand the health of the U.S. population. This will be achieved while simultaneously absorbing increased survey deployment and personnel costs. FY 2026 resources will be used to continue ongoing statistical agency activities, including:
 - Providing high-quality health statistics to inform decisions by maintaining existing health data systems at current functionality.
 - Maintaining baseline sample sizes for surveys to produce estimates on key health indicators.
 - Ensuring maximum efficiency of efforts through statistical agency coordination and alignment of data collection activities across agencies and programs.
 - The Office of Strategy will continue high-priority activities including the National Vital Statistics System (NVSS), the National Health Interview Survey (NHIS), the National Health and Nutrition Examination Survey (NHANES), and the National Health Care Surveys. The Office of Strategy will also expand access to public-use and restricted data access through tools like the NCHS Data Query System and the Virtual Data Enclave as well as continue the Data Linkage Program, integrating survey data with other government datasets, maximizing value and reducing costs.

Funding History

Fiscal Year	Amount
FY 2022	-
FY 2023	-
FY 2024	-
FY 2025 Enacted	-
FY 2026 President's Budget	\$458,070,000

Program Accomplishments

- Produced annual estimates of childcare subsidy eligibility and receipt which are relied on by GAO and inform policy makers.
- Led development of HHS chapters in the Quadrennial Supply Chain review and developed a draft Action Plan for Addressing Shortages of Medical Products and Critical Foods and Strengthening the Resilience of Medical Product and Critical Food Supply Chains.
- Published numerous policy reports and analyses on drug pricing, drug innovation, competition, mental health and substance use, disability, healthcare access, and other priority topics.
- Expanded the MEPS Tables Compendia by 250, bringing the total number of tables available to the user population to 12,735. This represents twenty years of data for both the Household and Insurance Components, enabling the user to follow trends on a variety of topics, including health insurance, accessibility and quality of care, medical conditions, and prescribed drugs. Data release schedules will be maintained.
 - Key research findings from recent research that used the MEPS HC and the MEPS IC to provide information that can inform, and provide context for, efforts to improve the value and quality of healthcare, include efforts to 1) identify and address the effects of adverse childhood experiences (ACES), 2) efforts to reform billing, coverage, and medical debt, and 3) efforts to improve the affordability of insurance. [Medical Expenditure Panel Survey Publication Details \(ahrq.gov\)](https://www.hhs.gov/ahrq/research-and-data/publications/medical-expenditure-panel-survey-publication-details)
- Continued to support work for the Patient Safety Learning Lab (PSLL) by applying systems engineering approaches to address both diagnostic and treatment errors in health care. AHRQ posted [eight new diagnostic safety issue briefs](#) and [three diagnostic safety articles](#) published open access in peer reviewed journals.
- Posted new research summaries on different patient safety topics to the website, including three published summaries on [Improving Healthcare Safety by Enhancing Healthcare Facility Design](#), [Improving Healthcare Safety by Enhancing Teamwork and Leadership](#) and [Improving Patient Safety by Enhancing Care Coordination](#).
- CUSP for Telemedicine (official title: AHRQ Safety Program for Telemedicine: Improving Antibiotic Use) completed recruitment of over 450 telemedicine practices and kicked off implementation activities in June 2024. The project will result in a toolkit to be posted on the website after it is completed in 2026.
- Using a four-step process beginning with Topic Nomination and ending with Draft Evidence Review and Recommendation Statement, this program-maintained recommendation statements for 90 preventive service topics, published 8 final recommendation statements, and posted 8 final evidence reports.
- Responded to 296 allegations of research misconduct through coordination with their respective institutions as needed.

- Provided technical assistance and guidance to institutions responding to allegations of research misconduct in over 355 instances.
- Closed 110 research integrity cases, including 2 with findings of research misconduct involving PHS-funded research and 2 resulting in debarments.
- Assured that over 6,500 institutions worldwide attested to having research misconduct policies in place, a requirement for receiving PHS funds for research. Monitored their annual reports of research misconduct and their compliance with their own policies for handling allegations of research misconduct. Reviewed 2,296 policies from academic institutions for compliance with the PHS Policies on Research Misconduct.
- Received over 769,000 visits to the ORI website from 635,000 users, with over 2.8 million page views from users in domestic and international locations.
- Expanded provisional data releases, increasing mortality updates to weekly and natality updates to monthly, enabling near real-time analysis of vital statistics trends for timely public health research and policymaking.
- Exceeded 2024 target wherein over 75 percent of users were satisfied with data relevance and ease of access, continuing the upward trend in satisfaction since 2021.
- Attained a 100% satisfaction score among Federal Power Users (key federal officials involved in health and health care policy or programs). The score assesses their satisfaction with NCHS's products and services, including data quality, ease of data accessibility and use, professionalism of staff, relevance of data to major health issues, and relevance of data to user needs.
- The National Health Interview Survey interviewed 29,522 adults in 2023, exceeding its performance target by over 500 adults. Due to the creative efforts of NCHS staff and Census Bureau Field Representatives, the NHIS response rate has almost returned to pre-pandemic levels at a time when survey response rates nationwide are declining.

Key Outputs and Outcomes – Patient Safety

Measure	Most Recent Result and Target	FY 2025 Target ¹²	FY 2026 Target
1.3.41 Increase the cumulative number of evidence-based resources and tools available to improve health care quality and reduce the risk of patient harm. (Outcome)	FY 2024: 327 tools Target: 325 (Target exceeded)	-	355 tools
1.3.65 Increase the total number of voluntary submissions of SOPS® survey and/or SOPS® supplemental items to the AHRQ SOPS® Databases from all healthcare facilities	FY 2024: 18,403 Target: 16531 (Target exceeded)	-	19,562
1.3.66 Increase the total number of unique email recipients of SOPS® program outreach activities through the GovDelivery distribution mechanism	FY 2024: 82,081 Target: 65,118 (Target exceeded)	-	Discontinue

Key Outputs and Outcomes – U. S. Preventive Services Taskforce

Measure	Most Recent Result and Target	FY 2025 Target ¹²	FY 2026 Target
2.3.7 Increase the percentage of older adults who receive appropriate clinical preventive services (Outcome)	FY 2024: 5% Target: 5% (Target met)	-	Discontinue

¹² Performance targets under development.

Key Outputs and Outcomes – Medical Expenditure Panel Survey- Insurance Component¹³

Measure	Most Recent Result and Target	FY 2025 Target ¹⁴	FY 2026 Target
1.3.16 Maintain the number of months to produce the Insurance Component tables following data collection (MEPS-IC) (Output)	FY 2024: 6 months Target: 6 months (Target met)	-	6 months
1.3.19 Increase the number of tables per year added to the MEPS table series to further the utility of the data in conducting research and informing policy (Output)	FY 2024: 59,076 total tables in MEPS table series Target: 58,300 (Target exceeded)	-	+1,964 total tables in MEPS table series**

¹³ The Quality of Care MEPS-HC table is only released every odd year, so the number of added MEPS-HC tables alternates every year.

¹⁴ Performance targets under development.

Key Outputs and Outcomes – Health Statistics

Measure	Most Recent Result and Target	FY 2025 Target ¹⁵	FY 2026 Target
8.A.E.2 Reduce the number of months after data year for release of the final mortality and natality files <i>(Outcome)</i>	FY 2023: 10 Target: 11 (Target Exceeded)	-	11
8.A.1.1b Sustain the percentage of Federal Power Users (key federal officials involved in health and health care policy or programs) that indicate that data quality is good or excellent <i>(Outcome)</i>	FY 2024: 100% Good or Excellent Target: 100% Good or Excellent (Target Met)	-	100% Good or Excellent
8.A.1.1e Achieve and sustain the percentage of NCHS website users that are satisfied with data relevance and ease of access <i>(Outcome)</i>	FY 2024: 75.1% Target: 65% (Target Exceeded)	-	75%
8.A.1.3 Increase the number of web visits as a proxy for use of NCHS data <i>(Output)</i>	FY 2024: 25.4 Million Target: 13.5 million (Target Exceeded)	-	20 million
8.G Number of adults interviewed in the National Health Interview Survey <i>(Output)</i>	FY 2024: 32,629 Target: 27,000 (Target Exceeded)	-	29,000

¹⁵ Performance targets under development.

Grant Awards

	FY 2024 Final	FY 2025 Enacted¹⁶	FY 2026 President's Budget
Number of Awards¹⁷	401	-	286 ¹⁸
Healthcare Research Average Award	\$40,000 – \$1,500,000	-	\$40,000 – \$1,500,000
Healthcare Research Range of Awards	\$0 – \$1,500,000	-	\$0 – \$1,500,000
Research Integrity Average Award	\$50,000	-	\$160,000
Research Integrity Range of Awards	\$50,000	-	\$50,000 – \$375,000

¹⁶ Grant award estimates under development.

¹⁷ Total includes grant awards inclusive of healthcare research and research integrity programs.

¹⁸ The FY 2026 President's Budget does not include funding for new, competing grant awards. This total only reflects estimated continuing grant awards.

Section IV: Supplementary Tables

Budget By Object Class - Direct

(Dollars in Thousands)

Object Class Code	Description	FY 2026 President's Budget
11.1	Full-time permanent	24,461
11.3	Other than full-time permanent	2,041
11.5	Other personnel compensation	1,473
11.7	Military Personnel	892
Subtotal	Personnel Compensation	28,867
12.1	Civilian personnel benefits	7,114
12.2	Military benefits	71
Total	Pay Costs	36,052
21.0	Travel and transportation of persons	15
22.0	Transportation of things	6
23.1	Rental payments to GSA	2,395
23.3	Communications, utilities, and misc. charges	100
24.0	Printing and reproduction	3
25.1	Advisory and assistance services	-
25.2	Other services from non-Federal sources	6,508
25.3	Other goods and services from Federal sources	14,372
25.4	Operation and maintenance of facilities	
25.5	Research and development contracts	91,021
25.6	Medical care	-
25.7	Operation and maintenance of equipment	297
25.8	Subsistence and support of persons	-
26.0	Supplies and materials	50
31.0	Equipment	85
32.0	Land and Structures	-
41.0	Grants, subsidies, and contributions	88,626
42.0	Insurance claims and indemnities	-
44.0	Refunds	-
Total	Non-Pay Costs	203,601
Total	Budget Authority by Object Class	239,530

Detail of Full-Time Equivalent Employment (FTE)

Detail	FY 2026 Est. Civilian	FY 2026 Est. Military	FY 2026 Est. Total
Discretionary			
Direct	115	6	121
PHS Evaluation			
Direct	510	9	519
<i>Program Level Total¹⁹</i>	625	15	640

¹⁹ FTE Totals do not include the reimbursable non-add supported with an interagency agreement.

Detail of Positions

Details	FY 2026 President's Budget
Executive level I	5
Executive level II	5
Executive level III	4
Executive level IV	5
Executive level V	3
Subtotal Executive Level Positions	18
-	-
ES-6	1
ES-5	5
ES-4	4
ES-3	-
ES-2	-
ES-1	-
Subtotal ES positions	28
GS-15	87
GS-14	104
GS-13	219
GS-12	95
GS-11	46
GS-10	1
GS-9	41
GS-8	9
GS-7	2
GS-6	2
GS-5	6
GS-4	0
GS-3	0
GS-2	0
GS-1	0
Subtotal	636
Total	640

Programs Proposed for Elimination

Program	Year Proposed for Elimination	FY 2025 Enacted Total	Rationale Elimination
Digital Healthcare Research/Health IT	2026	\$16,349,000	Eliminates digital healthcare portfolio to prioritize high impact statistical healthcare research.
Patient Centered Outcomes Research	2026	\$127,000,000	Eliminates patient centered outcomes research to prioritize high impact statistical healthcare research.

**FTEs Funded by The Affordable Care Act
Office of Strategy**

	Section	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Patient Centered Outcomes Research Fund - AHRQ	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory	6301	1,505	1,644	1,430	1,129	1,096	1,026	2,297	4,130	5,118	9,101	-
FTE	-	10	8	8	7	5	6	13	22	26	35	-

Physicians' Comparability Allowance (PCA) Worksheet

OFFICE OF STRATEGY

	PY 2024 (Actual)	CY 2025 (Estimates)	BY 2026 (Estimates)
3a) Number of Physicians Receiving PCAs	26	31	33
3b) Number of Physicians with One-Year PCA Agreements	0	0	0
3c) Number of Physicians with Multi-Year PCA Agreements	26	31	33
4a) Average Annual PCA Physician Pay (without PCA payment)	\$176,520	\$178,285	\$180,068
4b) Average Annual PCA Payment	\$23,619	\$23,619	\$23,619

Most, if not all, of the research positions in the Office Strategy are in occupations that are in great demand, commanding competitive salaries in an extremely competitive hiring environment. This includes the 602 (Physician) series which is critical to advancing the Office of Strategy's mission to produce evidence to make health care safer, higher quality, more accessible, equitable, and affordable. Since the Office of Strategy has not utilized other mechanisms for the 602 series (for example, Title 38), it is imperative that the Office of Strategy offers PCAs to recruit and retain physicians. In the absence of PCA, the Office would be unable to compete with other Federal entities within HHS and other sectors of the Federal government which offer supplemental compensation (in addition to base pay) to individuals in the 602 series.

PCA contracts are used as a tool to alleviate recruitment problems and attract top private sector physicians into public sector positions. These recruitments give the Office of Strategy a well-rounded and highly knowledgeable staff.

Section V: Proposed Law

(Proposed new language to establish the Office of Strategy will be submitted at the Departmental level with all consolidations)

STAFFDIV SPECIFIC REQUIREMENTS

(No special requirements requested)

PERFORMANCE MEASURES PROPOSED CHANGES

(There are no proposed changes to performance. The Office of Strategy will assess performance measures during the FY 2027 budget process)

Assistant Secretary for a Healthy Future



DEPARTMENT of HEALTH and HUMAN SERVICES

Fiscal Year

2026

**Assistant Secretary for
a Healthy Future**

***Justification of Estimates for
Appropriations Committee***

Message from the Department



The Department of Health and Human Services is pleased to present the Fiscal Year (FY) 2026 Congressional Justification for the Assistant Secretary for a Healthy Future (ASHF). The Secretary will establish the new ASHF to aid in the Department's goal to Make America Healthy Again. The FY 2026 President's Budget request will allow ASHF to support the development of high-impact solutions to society's most challenging health problems as well as preparing for and responding to public health emergencies and disasters.

The FY 2026 Budget reflects the Secretary's planned reorganization of select programs from the Administration for Strategic Preparedness and Response (ASPR) and the Advanced Research Project Agency for Health (ARPA-H) into the dynamic ASHF. The ASHF will bolster preparedness infrastructure through strategic investment and harness cutting-edge research and development to address society's most pressing health challenges. ASHF will take a risk-based approach to ensure its activities are aligned to the evolving threat landscape.

ASHF will lead the development, acquisition, and stockpiling of medical countermeasures needed during public health emergencies. ASHF, through the Biomedical Advanced Research and Development Authority (BARDA), will work with both public and private sector partners to support the advanced research, development, regulatory approval, and procurement of life-saving medical products that are known collectively as medical countermeasures (MCMs). BARDA's advanced research and development program bridges gaps in national preparedness that no other federal agency does: the late stages of development necessary to reach licensure of medical products that address chemical, biological, radiological, and nuclear threats (CBRN) threats, emerging infectious diseases, pandemic influenza, and the growing public health threat of antimicrobial resistance. To date, BARDA's efforts have led to 105 FDA licensures, approvals, and clearances of MCMs. Through investments in innovation, future products developed by BARDA have the potential to revolutionize emergency response and basic health care for all Americans. Having medical countermeasures ready in a public health crisis requires long-range investment in the research and development of highly specialized products.

It is not enough to research and develop these products, we must ensure they are manufactured and stockpiled so they are ready to deploy when needed. To strengthen this MCM continuum, the Industrial Base Management and Supply Chain program, formerly in ASPR, will continue to ensure that critical supplies are manufactured in the United States. The budget also maintains the Strategic National Stockpile (SNS), to ensure MCMs and other supplies are ready for deployment.

ASHF will seek to eliminate Federal-State redundancies in preparedness and response, while ensuring Americans are protected against both natural and artificial health threats.

ASHF will seek to accelerate better health outcomes for all Americans through ARPA-H. ARPA-H currently leverages a business model pioneered by the Defense Advanced Research Projects Agency (DARPA) to address healthcare's most difficult challenges – those that cannot readily be accomplished through traditional research nor commercial activity. The request will allow the program to continue to support program investments that address specific, urgent, and intractable problems in health.

Given the significant work for which ASHF is responsible, the Department is pleased to present the discretionary FY 2026 President's Budget request for ASHF which is \$3,672,202,000.

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Section I: EXECUTIVE SUMMARY

Introduction and Mission

The Secretary will establish the new Assistant Secretary for a Healthy Future (ASHF) to Make America Healthy Again by supporting the development of high-impact solutions to society's most challenging health problems, and preparing for, and responding to public health emergencies and disasters. ASHF will act as the forward leaning, innovation focused arm of the Department of Health and Human Services (HHS). ASHF will incorporate key missions from the Administration for Strategic Preparedness and Response (ASPR) and Advanced Research Projects Agency for Health (ARPA-H). ASHF will strive to monitor and take a risk-based approach to preparing for and responding to the evolving threat landscape. ASHF, via the ARPA-H program, will accelerate better health outcomes for all Americans. To do so, it will leverage a business model pioneered by the Defense Advanced Research Projects Agency (DARPA) to address healthcare's most difficult challenges – those that cannot readily be accomplished through traditional research nor commercial activity.

Overview of Budget Request

The FY 2026 President's Budget request for the Assistant Secretary for a Healthy Future (ASHF) is \$3,672,202,000, which is a decrease of -\$1,046,196,000 below the comparable FY 2025 level.

New Programs (relative to FY 2025):

Program Management and Operations (\$279.800 million): The President's Budget includes Program Management and Operations to consolidate salaries and central costs for ASHF programs, except ARPA-H. The funding also includes activities funded under Administration for Strategic Preparedness and Response (ASPR) Operations, Policy and Planning, and Preparedness and Emergency Operations in prior budgets. Also included \$5 million for National Special Security Events (NSSE).

Programmatic Decreases (relative to FY 2025):

ARPA-H (decrease of -\$555 million, \$945 million total): The President's Budget provides \$945 million to ARPA-H. This will allow the agency to continue to support program investments that address specific, urgent, and intractable problems in health. ARPA-H has organized these programmatic efforts into five focus areas, which align to broader Administration and Department goals: 1) Addressing Chronic Disease, 2) America-Made Manufacturing and Rural Access, 3) Proactive Approaches to Healthy Well-Being, 4) Healthcare Security, Efficiency, and Transparency, and 5) American Leadership in Frontier Health Technologies. With these resources, the Agency will continue to build upon a strong foundation of concrete progress towards revolutionary technology and capabilities designed to push the boundaries of health research and development.

Biomedical Advanced Research and Development Authority (BARDA)/Advanced Research and Development (ARD) (decrease of -\$360.589 million, \$654.411 million): The President's Budget request supports funding for the advanced development of the highest priority MCMs against all 20 material threats identified by the Department of Homeland Security (DHS) and prioritized in the Public Health Emergency Medical Countermeasures Enterprise (PHEMCE) Strategy and Implementation Plan.

Strategic National Stockpile (decrease of -\$230 million, \$750 million total): The Budget aligns Strategic National Stockpile (SNS) funding to the highest priority sustainment activities, critical for the protection of Americans across SNS's threat portfolios.

Project BioShield (decrease of -\$100 million, \$725 million): The President's Budget request supports procurement of the highest priority MCMs against all 20 material threats identified by DHS and prioritized in the PHEMCE Strategy and Implementation Plan.

Overview of Performance

The Assistant Secretary for Healthy Futures (ASHF) will support nimble, future-focused innovation to improve the health and well-being of all Americans. To accomplish this, ASHF will continuously monitor program effectiveness and uses data, feedback, and other information to improve the most important health outcomes for the nation.

ASHF's performance management framework will be responsive to the current Administration's priorities, Executive Orders, and to the guidance of the HHS Secretary. Such responsiveness will be seen in ASHF's contribution to the HHS FY 2026 Annual Performance Plan (APP) and other requirements found in OMB Circulars A-123 and A-11, the Evidence Act, and the Government Performance and Results Act (GPRA) Modernization Act of 2010. ASHF's performance management activities will be linked to the organization's risk management activities in ways that address the complex challenges associated with advancing the well-being of Americans.

Ongoing expansion of the organization's learning culture provides context to the collection, compilation, processing, analysis, and dissemination of performance data in ways that foster data-driven decision making. Through this approach, ASHF will engage in dynamic and action-oriented processes to assess, mitigate, and report on its internal controls. Key activities will include active generating, monitoring, analyzing, teaching, and communicating of risk and performance data to drive improvements in ASHF's programs. Such integration fosters responsiveness and adaptations, the evolution of a risk-aware culture, and better understanding of efficient ways to use resources.

ASHF will recognize that effective communication is a key part of performance management. Data alone will not nurture ongoing improvements. The data must get to the right audiences in formats they find convenient to use. To continue to grow and thrive, ASHF's staff, customers, and stakeholders need to feel empowered to communicate using ASHF's program data and other actionable information in ways that facilitate change. By focusing on clear, concise, useful feedback, ASHF will engage with customers who facilitate the Administration's goals. To do this, ASHF will feed back the results of a core set of performance measures that capture risk and address gaps in knowledge. Such performance results can then help achieve goals while also managing, mitigating, and/or spending-down risk.

Within the planned HHS reorganization of ASHF is the Biomedical Advanced Research and Development Authority (BARDA), which is the premier advanced research and development office within the United States Government. BARDA's performance results provide examples of ways that ASHF impacts the nation. Major threats to the health of Americans are identified and tackled through BARDA's innovation, advanced research, and development. Their efforts towards U.S. Food and Drug Administration (FDA) approvals, acquisitions, and manufacturing of medical countermeasures (MCMs) are captured through their performance measures. BARDA also provides medicines, therapeutics, diagnostic tools, and devices to combat key health security threats. Such impact is seen through the six approved next-generation influenza medical countermeasures, dramatic increases in antigen

production, and the numerous performance targets that are consistently met or exceeded. For example, BARDA performance data consistently reports being able to quickly increase production of medical countermeasures during times of emergency. In addition, as of May 2025, BARDA-supported products have achieved 105 FDA approvals, licensures, or clearances. An example of BARDA's impact is leveraging existing infrastructures and capabilities to respond to the current Highly Pathogenic Avian Influenza (HPAI) H5N1 threat while continuing to establish new capabilities to improve rapid response to both the current H5N1 virus and other potential pandemic influenza viruses in the future.

ASHF will oversee the transition of procurement of MCMs for storage in the Strategic National Stockpile (SNS) to ensure their availability during a public health emergency.

SNS's capacity to transition and procure MCMs demonstrates the ability to provide vital resources in a timely way during public health emergencies. The supplies, medicines, and devices for lifesaving care contained in the stockpile can be used as a short-term, stopgap buffer when the immediate supply of these materials may not be available or sufficient. As found in the SNS Key Outputs and Outcomes table¹, ASHF's performance and risk data results meet or exceed all targets, including demonstrating that inventory is accurate, that the response rate of recall is maintained, and that SNS participants are trained and responsive. For example, the safety and efficacy of medical supplies SNS inventory is maintained at 100 percent. This strengthens the consistency and accuracy with which SNS can use the stockpile to strengthen readiness and response capabilities.

ASHF will envision a nation more prepared to prevent, respond to, recover from, and reduce the adverse health effects of public health emergencies and disasters. To drive this improvement, ASHF's work will be strengthened by using the best available evidence combined with rigorous performance evaluation. During FY 2026, ASHF's current measures and framework will be tested to ensure continued efficiency. ASHF will be proud to continue this strong work to enhance the most important health developments for the nation.

ARPA-H is committed to maintaining a culture of continuous improvement, transparency, and accountability. ARPA-H integrates industry best practices to identify measures and metrics that indicate progress towards agency goals and objectives and inform organizational, operational, and programmatic decision-making across all levels. For program investments, ARPA-H uses a rigorous scoping and evaluation approach called ARPA-(H)eilmeier Questions, to evaluate ideas and determine suitability for the agency's model. The approach is based on a set of questions developed by former DARPA Director, George H. Heilmeier (1975-1977), and ensures that the most ambitious, yet rigorously vetted ideas are selected for consideration. Program Managers (PMs) at ARPA-H begin with a directional focus that increases the likelihood of program success and then build a robust set of quantifiable metrics and milestones on which they base funding decisions and go/no-go continuation of awards. PMs leverage creative and highly skilled

¹ Included in the SNS' Outputs and Outcomes table performance measure table as 13.4.7: Maintain the safety and efficacy of medical supplies SNS inventory.

Agreement Officers uniquely qualified to exercise OT authority to negotiate advantageous terms for high risk, high reward business arrangements to achieve maximum ROI for the taxpayer. ARPA-H uses Objectives and Key Results (OKRs) and Key Performance Indicators (KPIs) to internally monitor progress towards strategic and operational priorities.

ARPA-H is also committed to effective financial stewardship and risk management to foster prudent use of resources and maintain public trust. ARPA-H continues to establish accurate, transparent, and on-time financial reports and justifications, develop documentation on standard business processes, and establish integrated data management and governance policies. Agency funding documents are vetted through multiple subject matter experts to ensure quality control and funding availability. Following technical, programmatic, and other internal approvals, funding is strategically aligned to R&D efforts and carefully monitored to ensure fiscal responsibility throughout program execution. All these efforts and many others continue to build and refine the agency's performance management capabilities.

All Purpose Table

(Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
Funding				
Advanced Research Projects Agency for Health (ARPA-H)	1,500.000	1,500.000	945.000	-555.000
Biomedical Advanced Research and Development Authority (BARDA)	1,015.000	1,015.000	654.411	-360.589
Project BioShield	825.000	825.000	725.000	-100.000
Pandemic Influenza	327.991	307.991	307.991	--
<i>No-Year Pandemic Influenza (non-add) 1</i>	<i>300.000</i>	<i>280.000</i>	<i>280.000</i>	<i>--</i>
<i>Annual Pandemic Influenza (non-add)</i>	<i>27.991</i>	<i>27.991</i>	<i>27.991</i>	<i>--</i>
Strategic National Stockpile	980.000	980.000	750.000	-230.000
Pandemic Preparedness and Biodefense	10.000	10.000	10.000	--
Program Management and Operations	--	--	279.800	+279.800
<i>National Special Security Events (NSSE) (non-add)</i>	<i>5.000</i>	<i>5.000</i>	<i>5.000</i>	<i>+5.000</i>
Preparedness and Emergency Operations	31.154	31.154	--	-31.154
<i>National Special Security Events (NSSE) (non-add)</i>	<i>5.000</i>	<i>5.000</i>	<i>-</i>	<i>-5.000</i>
Operations	34.376	34.376	--	-34.376
Policy and Planning	14.877	14.877	--	-14.877
Total, ASHF Discretionary Budget Authority	4,738.398	4,718.398	3,672.202	-1,046.196
FTE	1,034	964	822	-142

1/The FY 2024 Operating Level includes \$20 million of prior Public Health and Social Services Emergency Fund (PHSSEF) supplemental appropriation funding as directed by Congress.

Section II: ASSISTANT SECRETARY FOR A HEALTHY FUTURE BUDGET EXHIBITS

Summary of Changes

(Dollars in Millions)

Details	Dollars	FTEs
FY 2025 Estimate		
Total estimated budget authority	4,718.398	964
FY 2026 President's Budget		
Total estimated budget authority	3,672.202	822
Net Change	-1,046.196	-142

Details	FY 2025 Estimate	FY 2025 Estimate	FY 2026 President's Budget	FY 2026 President's Budget	FY 2026 +/- FY 2025	FY 2026 +/- FY 2025
-	BA	FTE	BA	FTE	BA	FTE
Increases:	-	-	-	-	-	-
Built-in:	-	-	-	-	-	-
Annualization of 2025 commissioned corps pay increase	\$21	44	\$80	43	\$59	-1
Annualization of 2025 civilian pay increase	\$251	920	-	779	-\$251	-141
Subtotal, Built-in Increases	\$272	964	\$80	-	-\$192	-142
-	-	-	-	-	-	-
B. Program:	-	-	-	-	-	-
1. New Program: Program Management and Operations			\$280	685	\$280	685
<i>Subtotal, Program Increases</i>	-	-	\$280	685	\$280	685
Total Increases	\$272	964	\$360	685	\$280	685
-	-	-	-	-	-	-
Decreases:	-	-	-	-	-	-
A. Built-in:	-	-	-	-	-	-
1. Infrastructure (GSA Rent)	\$20	-	\$15		-\$5	
Subtotal, Built-in Decreases	\$20	-	\$15	-	-\$5	-
-		-	-	-	-	-
B. Program:	-	-	-	-	-	-
Reduced Program: Biomedical Advanced Research and Development Authority (BARDA)	\$1,015	324	\$654	-	-\$361	-324

Reduced Program: Project BioShield (PBS)	\$825	-	\$725	-	-\$100	-
Reduced Program: Strategic National Stockpile (SNS)	\$980	248	\$750	-	-\$230	-248
Reduced Program: Pandemic Preparedness and Biodefense	\$10	25	\$10	-	-	-25
Reduced Program: Advanced Research Projects Agency for Health (ARPA-H)	\$1,500	137	\$945	137	-\$555	-
Consolidated Program: Preparedness and Emergency Operations (PEO)	\$31	62	-	-	-\$31	-62
Consolidated Program: Operations	\$34	120	-	-	-\$34	-120
Consolidated Program: Policy and Planning	\$15	48	-	-	-\$15	-48
<i>Subtotal, Program Decreases</i>	\$4,718	964	\$3,392	137	-\$1,326	-827
Total Decreases	-	-	-	-	-\$1,326	-827
Total Increases	-	-	-	-	\$280	685
Net Change	-	-	-	-	-\$1,046	-142

Appropriation History Table

(Dollars in Millions)

Fiscal Year	Details	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations
2022	<u>General Fund Appropriation:</u>				
2022	Annual- ARPA-H	6,500.000	3,000.000	2,400.000	1,000.000
2022	Subtotal	6,500.000	3,000.000	2,400.000	1,000.000
2023	<u>General Fund Appropriation:</u>				
2023	Annual- ARPA-H	5,000.000	2,750.000	1,000.000	1,500.000
2023	Subtotal	5,000.000	2,750.000	1,000.000	1,500.000
2024	<u>General Fund Appropriation:</u>				
2024	Annual- ASPR	4,271.913	3,620.597	3,673.677	3,647.597
2024	Annual- ARPA-H	2,500.000	500.000	1,500.000	1,500.000
2024	Subtotal	6,771.913	4,120.597	5,173.667	5,147.597
2025	<u>General Fund Appropriation:</u>				
2025	Annual- ASPR	3,768.088	3,630.597	3,827.597	3,627.597
2025	Annual- ARPA-H	1,500.000	500.000	1,500.00	1,500.000
2025	Subtotal	5,268.088	4,130.597	5,327.597	5,127.597
2026	<u>General Fund Appropriation:</u>				
2026	Annual- ASHF	3,672.202	-	-	-
2026	Subtotal	3,672.202	-	-	-

Note: For years prior to FY 2026, this exhibit does not include funds which were appropriated to other accounts. The FY 2026 allocation includes ASHF's budget request.

Narratives by Activity: Assistant Secretary for a Healthy Future (ASHF)

ASHF: Advanced Research Projects Agency for Health

Budget Summary
(Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2025 +/- FY 2024
Budget Authority	1,500.000	1,500.000	945.000	-555.000
FTE	111	137	137	-

Allocation Method: Cooperative Agreements, Contracts, Cash Prizes and Other Transactions

Program Description

ARPA-H's mission is to accelerate better health outcomes for all Americans. Inspired by the Defense Advanced Research Projects Agency (DARPA), the agency tackles healthcare's most complex and pressing challenges—those that may be too risky or uncertain for industry to pursue. By focusing on these high-risk, high-reward spaces, ARPA-H fills critical gaps, accelerates transformative solutions in health, and delivers outcomes for the American people.

ARPA-H plays a unique role in health and biotech research and development (R&D), targeting the intractable problems that more traditional funders cannot or will not. Rather than pre-allocating resources to specific research areas, the agency applies deep technical expertise to identify opportunities where focused investments can transition scientific discoveries into real-world solutions. These solutions are designed for rapid adoption by the commercial market or further advancement by other funders, such as venture capital and private equity firms. In this way, ARPA-H acts as a catalyst for innovation, bringing ideas to life and driving outsized impact with a small fraction of HHS's overall R&D budget. Indeed, even a single successful program holds the potential to transform health outcomes, reduce healthcare costs, and generate far-reaching societal benefits.

ARPA-H's structure and methodology promote an efficiency and accountability unique to government, ensuring investments have the highest potential to maximize return on investment. Central to this model is the agency's dynamic team of Program Managers (PMs), who serve as both visionary and executive leaders. PMs, who are deep technical experts and aspirational thinkers, design and manage ambitious programs that align with administration priorities in health and biotech, leveraging public-private partnerships to build multidisciplinary teams across government, industry, academia, and beyond that blend expertise and resources. PMs are term-limited to encourage urgency and accountability, and this constant rotation infuses fresh ideas into the agency. Through ARPA-H's unique statutory authority to apply Other Transactions (OTs), PMs leverage innovative business practices to drive programs. Specifically, PMs are integrated with specialized OT Agreement Officers to develop tailored acquisition tools that foster engagement with non-traditional performers, maximize competition, and use milestone-based payments to promote rapid technical progress toward commercialization. The agency is also exploring methods to recover investments from successful federally funded innovations, ensuring taxpayers share in the benefits of breakthroughs while reducing costs for families.

ARPA-H plays a vital role within the planned HHS reorganization of the Assistant Secretary for a Healthy Future (ASHF) office, which will lead the mission to Make America Healthy Again by catalyzing innovation across the health continuum. With its transformative, high-impact solutions, ARPA-H directly advances this mission by addressing society’s toughest health problems, creating opportunities for innovations to thrive, and integrating those breakthroughs into the broader healthcare landscape to deliver better health outcomes for all.

Funding History	
Fiscal Year	Amount
FY 2022 Final	\$1,000,000,000
FY 2023 Final	\$1,500,000,000
FY 2024 Final	\$1,500,000,000
FY 2025 Enacted	\$1,500,000,000
FY 2026 President’s Budget	\$945,000,000

Budget Request

For FY 2026, the budget request for ARPA-H will continue to support program investments – which address specific, urgent, and challenging problems in health – as well as ARPA-H’s business operations, which provide the foundation and capacity for such investments. ARPA-H’s FY 2026 budget request is \$945 million, \$555 million less than FY 2025. This request aligns to the Department of Health and Human Services’ (HHS) and the Administration’s priorities, ensuring ARPA-H continues to mature and implement programs that address the greatest challenges in health and contribute to a more efficient, effective, and secure healthcare system.

Focus Areas

ARPA-H will continue to make strategic investments in transformative solutions with the potential to improve health outcomes for all Americans. The agency has organized these investments into five focus areas, which align to broader Administration and Department goals. These are outlined below:

1. *Addressing Chronic Disease:* Around 60 percent of Americans have at least one chronic disease, and 40 percent have two or more. Ending America’s epidemic of chronic illness is an HHS priority and is a key portfolio area for ARPA-H. The agency prioritizes innovations with the potential to drastically lower chronic disease rates, such as regenerative medicine, molecular and cellular therapies, personalized and home-based interventions, mitigation of adverse environmental factors, and mental and behavioral health. In doing so, ARPA-H’s investments aim to achieve real-world results for broad swaths of the American populace, reducing mortality and morbidity rates for adults and children living with chronic disease, decreasing the country’s roughly \$4.5 trillion in chronic disease expenditures, and saving taxpayer resources.
2. *America-Made Manufacturing & Rural Access:* The United States currently relies heavily on overseas sources for medical products. In fact, it is estimated that around 80 percent of active pharmaceutical ingredients and 40 percent of finished drugs are manufactured outside the country. This renders the American public’s access to critical medical products and supplies, especially in rural areas, far too vulnerable. Thus, reshoring or onshoring medical product manufacturing and ensuring resilient, efficient supply chains is a priority for ARPA-H, which aligns with the Administration’s “America First” policy. Specifically, ARPA-H aims to transform manufacturing technologies, processes, and

business models for domestic medical product production, and ensure scalable manufacturing for personalized therapies and critical medical supplies. Success in these undertakings would result in decreased supply chain instability, lower costs, and increased domestic manufacturing for the critical medical products Americans rely on.

3. *Proactive Approaches to Healthy Well-Being:* Of the country's nearly \$5 trillion in total annual healthcare expenditures, approximately 30 percent is spent on treating preventable conditions, compared to a mere 3% devoted to proactive measures for these conditions. This imbalance presents a clear opportunity for ARPA-H. It is also an important area of focus for ARPA-H. Specifically, the agency aims to invest in novel capabilities in predictive diagnostics and early intervention, healthy and low-cost foods, natural approaches to modulating satiety, regulatory immune control, rest, and sleep. Success in these areas would optimize wellness, restore Americans' freedom of choice and personalization in their healthcare, and prevent them from becoming patients in the first place – ultimately lowering costs, restoring trust, and improving health outcomes.
4. *Healthcare Security, Efficiency, and Transparency:* Over half of the equipment in U.S. hospitals has critical vulnerabilities, compromising the country's digital healthcare infrastructure and resulting in deaths, hospital closures, and millions of dollars in losses. The next generation of health and biotechnologies – whether Artificial Intelligence (AI) or Machine Learning (ML), automated devices or systems, or other innovations – will require a strong foundation of resilience capabilities to safeguard security, efficacy, and performance standards. This will enable new products to enter the market safely and quickly, while ensuring they remain secure and trustworthy after deployment. More broadly, it will harden the entire healthcare system. It is crucial that these leading-edge solutions are developed in the United States, in conjunction with industry leaders, consistent with the Administration's priority to ensure America leads the world in technologies of the future. ARPA-H shares this commitment to maintaining U.S. leadership, investing in innovations that improve healthcare efficiency and resiliency, secure health data and digital systems, and protect national security.
5. *American Leadership in Frontier Health Technologies:* Central to the Administration's "America First" policy is maximizing U.S. competitiveness in critical and emerging technologies, including health and biotechnology. As the U.S. government's foremost agency for R&D in this space, ARPA-H is uniquely positioned to contribute to this goal. Indeed, each of the agency's investments is dedicated to pushing the boundaries of possibility across the spectrum of health and biotechnology innovation, to include: AI platforms that predict, control, and design protein structures to treat diseases like Alzheimer's and Parkinson's; computational methods that enable therapies to move through clinical trials safer and faster; AI-driven predictive analytics and genomics that empower labor and delivery physicians with objective, real-time maternal and fetal assessments to reduce complications for the baby and mother; and regenerative therapies that repair, regrow, and restore tissues, organs, and limbs for Americans that have suffered irreversible damage to critical functions.

Program Accomplishments

In just two years, ARPA-H's investments have already begun to yield significant, real-world results. Below are some examples across the Agency's five focus areas:

Addressing Chronic Disease

- The Novel Innovations for Tissue Regeneration in Osteoarthritis (NITRO) program, which aims to develop self-healing joints, has successfully bio-printed cartilage on a thigh bone structure.

- The Transplantation of Human Eye Allografts (THEA) program, which aims to cure blindness, has shown the ability to repair the optic nerve with no adverse effects – a precursor to full regeneration.

America-Made Manufacturing & Rural Access (NBC4 News)²

- The 34 Lives project, which aims to recover 50% of kidneys with viability concerns and bolster transplant availability of critical organs, has increased the rescue rate of discarded kidneys by over 650%, saving Medicare up to \$2.5 million per kidney and an estimated \$325 million in its first year of award. Since January 2025, 84 rescued kidneys have been transplanted at major centers including NYU Langone, Cleveland Clinic, Mayo Clinic, and Duke.

Proactive Approaches to Healthy Well-Being (NYT Article)³

- The ML/AI-Aided Therapeutic Repurposing In eXtended uses (MATRIX) project, which leverages systemic pharmaco-phenotyping to unlock the full potential of every drug to treat every disease, has developed algorithms to score the potential for around 3,000 FDA-approved drugs to treat 12,000 different rare diseases, enabling a patient with Polyneuropathy Organomegaly Endocrinopathy Monoclonal Skin (POEMS) syndrome to leave the ICU after traditional treatments failed.

Healthcare Security, Efficiency, and Transparency (Cyberscoop)⁴

- In the AlxCyber Challenge, a joint effort by ARPA-H and DARPA, competition participants have developed next-generation autonomous software agents to find and fix vulnerabilities in critical medical infrastructure, successfully identifying 22 unique synthetic vulnerabilities, patching 15 vulnerabilities, and discovering one real-world zero-day vulnerability that was responsibly disclosed for remediation.

American Leadership in Frontier Health Technologies

- The Health Enabling Advancements through Regenerative Tissue Printing (HEART) project, which aims to print a working human heart in one hour, has successfully integrated collision-free 3D printing with four concurrent printing heads and demonstrated error-free 3D printing of a full-sized human heart replica along with a dense vascular network, using a cell-friendly process.

² <https://www.nbc4i.com/business/press-releases/cision/20250507LA82501/130-kidneys-rescued-lives-saved-in-year-one/>

³ <https://www.nytimes.com/2025/03/20/well/ai-drug-repurposing.html>

⁴ <https://cyberscoop.com/darpa-competition-shows-promise-of-using-ai-to-find-and-patch-bugs/>

Key Outputs and Outcomes Table

ASHF: Advanced Research Projects Agency for Health (ARPA-H)

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
1.1 Number of Program Managers Onboard	FY 2024: 24.0 Target: Not Defined (Target Not In Place)	50.0	50.0	Maintain
2.1 Number of days between Science and Technology Board program approval and Congressional Notification of program launch	FY 2024: 39.0 Days Target: Not Defined (Target Not In Place)	Set Baseline	30.0 Days	N/A
3.1 Percent of discretionary funds obligated within the first year of appropriation	FY 2024: 30.2% Target: Not Defined (Target Not In Place)	60.0%	60.0%	Maintain
4.1 Utilization by programs/projects/initiatives of Customer Experience and Investor Catalyst Hubs	FY 2024: 21.0 Target: Target = (Target Exceeded)	Set Baseline	25.0	N/A

ASHF: Biomedical Advanced Research and Development Authority

Budget Summary
(Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2025 +/- FY 2024
Budget Authority	1,015.000	1,015.000	654.411	-360.589
FTE*	-	-	-	-

* All ASHF FTE salaries and expenses, except for ARPA-H, are funded by Program Management and Operations in FY 2026 President's Budget request.

Allocation Method: Direct Federal/Intramural, Contracts, Other Transaction Authority

Program Description

The ASHF Advanced Research and Development (ARD) program will focus efforts and balance funding across three areas critical for addressing the Administration's priorities for National Health Security—advancing MCMs against threats that have a material threat determination (MTD), particularly threats for which no countermeasures are currently available; development of threat agnostic platforms, capabilities, and other tools that can be used to address multiple current and future National Health Security threats, and supporting onshoring of manufacturing and related efforts to bolster domestic manufacturing capabilities. Many of these efforts will support not just ASHF's MCM mission space but have a broader impact on domestic manufacturing and technology capabilities.

The Biomedical Advanced Research and Development Authority (BARDA) supports innovative technologies, advanced research and development, late-stage development and licensure, initial stockpiling, and post marketing commitments of medical countermeasures (MCMs) for national health security preparedness and response. BARDA's mission is accomplished through successful public-private partnerships, sharing the risk in product development, improving efficiency, and accelerating products through the development process. BARDA uses ARD funding to support the development of MCMs while collaborating with interagency partners to limit any potential redundancy. Successful programs will often transition to Project BioShield (PBS) funding for late-stage development, FDA licensure, and procurement activities. Purchases of MCMs under PBS provide a market guarantee to meet Public Health Emergency Medical Countermeasures Enterprise (PHEMCE) requirements where there is little to no commercial market.

ASHF's ARD and PBS appropriations will act in concert to support innovative technologies and products that have the potential to transform preparedness and response capabilities and health care. This potential is driven by the ability to seamlessly transition promising MCM candidates from ARD to PBS. Overall, enhancing efficiency in moving products to licensure by the US Food and Drug Administration (FDA) and ensuring their availability for national health security events.

Funding History	
Fiscal Year	Amount
FY 2022 Final	\$745,005,000
FY 2023 Final	\$950,000,000
FY 2024 Final	\$1,015,000,000
FY 2025 Enacted	\$1,015,000,000
FY 2026 President's Budget	\$654,411,000

Budget Request

The FY 2026 President's Budget request for Advanced Research and Development is \$654,411,000, which is a decrease of \$360,589,000 below FY 2025. The Budget request supports innovative technologies and the advanced development of the highest priority MCMs against all 20 material threats identified by DHS and prioritized in the PHEMCE Strategy and Implementation Plan⁵. In addition, these funds will be used to support the Administration's priorities to address National Health Security threats and bolster domestic manufacturing technologies and capabilities. Specific funding efforts include:

1. Development of antivirals for filoviruses.
2. Threat agnostic therapeutics that have the potential to address multiple threats.
3. Development of vaccines or post-exposure prophylaxes for priority viral threats on platform technologies that can rapidly pivot to address any identified threat, building a rapid response capability.
4. Accelerating and improving MCM development by addressing the early-stage product development pipeline and technology gaps directly relevant to BARDA's priority threat space. Of particular focus will be addressing the small molecule pipeline gap to identify candidates for advance development. Efforts include:
 - a. Development and evaluation of new manufacturing capabilities and other technologies that can decrease manufacturing cost, improve concepts of operation for storage, distribution, delivery or administration, improve product safety or efficacy, and, otherwise facilitate enhanced response activities.
 - b. Developing and utilizing new tools, such as AI, animal models, and tissue-on-a-chip to identify new MCM candidates that have the safety and efficacy characteristics necessary to justify advanced development support. Of particular interest will be drugs to mitigate the effect of exposure to sulfur mustard, chlorine, cyanide, ionizing radiation, and viral threats.
 - c. Identify, and as necessary, develop, and implement approaches to take lead candidates through optimization processes and characterization so they are ready to transition to advanced development. Of particular interest will be broad spectrum anti-virals.
5. Clinical stage programs to counteract the effects of exposure to opioids, nerve agents, and acute radiation.

⁵ <https://www.phe.gov/Preparedness/mcm/phemce/Pages/strategy.aspx>

6. Development of threat agnostic, pathogen family, and pathogen specific tests and testing platforms for use in laboratory, point of care, and remote settings for detection of biothreat agents during an outbreak response.
7. Development of diagnostic tests to identify the bacterial pathogen(s) of a patient's infection and their antibiotic resistance profiles that can lead to sepsis and/or hospital-associated and community-acquired drug-resistant infections if not adequately treated.

Program Accomplishments

Building a Robust and Formidable MCM Development Pipeline

As of May 2025, BARDA funding has supported 105 FDA approvals of MCM products across the CBRN, pandemic influenza and emerging infectious disease space. Improving national health security preparedness and efficiency of availability of products during a national health security event such as an emerging infectious disease outbreak. ARD investments have greatly improved preparedness in terms of novel technologies and available MCMs for smallpox, anthrax, filoviruses, antimicrobial-resistant threats, nerve agents, opioids, exposure to ionizing radiation, and severe burn and blast injuries. Three diagnostic products achieved FDA 510(k) clearance, including two efforts in the fight against antimicrobial resistance (from manufacturers Selux and bioMérieux) and one effort expanding the utility of a key biothreat test panel (the Biofire Defense Warrior Panel),

A robust pipeline remains in place for priority unmet needs in terms of supporting products (e.g., Marburg virus and Sudan virus). Investments in MCMs for non-biological threats have generally targeted the injuries resulting from exposure to the threat, given response scenarios where damage may have already resulted from exposures. These concepts are being applied to the biological threat spaces to build on current preparedness postures and provide solutions that will: 1) allow for broad-spectrum approaches 2) reduce manufacturing sustainment and production costs, and 3) improve the likelihood that commercial markets that would reduce long-term sustainment costs and support domestic manufacturing would be available. Historically, new technologies, such as improved manufacturing processes, better formulation and delivery approaches, or more efficient candidate screening and development techniques, have been slow to move into the BARDA MCM development space. BARDA has begun addressing this issue through utilization of the unique authorities provided by Congress, including prizes, as well as the more recent BARDA Accelerator Network and Ventures programs, supporting MCM improvements, domestic manufacturing, and a more nimble and efficient national health security response capability.

Developing Multi-Use Technologies

BARDA initiated eight new awards in 2024 with the goal of investing in the technologies that could rapidly pivot among priority threats. Thus, streamlining a path to clinical development and reducing inefficiencies in later-stage development should the investments prove successful. BARDA investments in multi-use technologies resulted in key milestones to include the following:

1. FDA licensure of Silverlon for additional indications across the Chemical MCM and Burn/Blast MCM mission spaces.

2. Leveraging proven technologies from Ebola MCM to rapidly develop lead candidates for near neighbors (Sudan and Marburg virus) that enabled deployment of investigational vaccines and therapeutics during outbreaks.
3. BARDA's Rapid Response Partnership Vehicle (RRPV) was launched to provide a streamlined acquisition vehicle to partner with product developers prior to and during response activities. BARDA hosts a project called the diagnostic rapid response (DXR2) that is designed to support long-term partnerships with domestic diagnostic test manufacturers to achieve FDA regulatory clearance of multiple new biothreat tests and to transfer them to manufacturing to be ready to rapidly produce these tests at scale. Partners will establish a rapid response program in lieu of stockpiling to ship product within weeks from order and to achieve the equivalent of stockpiling of multiple infectious disease tests in one capability.

Enhancing Public-Private Partnerships to Face National Health Security Threats

As of May 2025, BARDA has supported 105 FDA licensure/approval/clearances of products. Many have received advanced research and development funding, that serves to build a robust pipeline of products with the potential to transition to Project BioShield funding. Additional FDA approvals have been supported by our annual appropriations for Pandemic Influenza and others through supplemental funding for emerging infectious disease. These products represent a significant return on investment. They also represent an enhanced ability to support preparedness and potential response to National Health Security threats since the fastest response is observed when FDA approved products are available for deployment.

BARDA is a leader for proactive interactions with the private sector to establish partnerships to address BARDA/PHEMCE requirements; the majority having no commercial market other than the US Government (USG). BARDA will continue to leverage our Other Transactional Authority (OTA) as we have established two consortia models to enhance preparedness against national health security threats, the Rapid Response Partnership Vehicle (RRPV) for development of products and the Biopharmaceutical Manufacturing Preparedness Consortium (BioMap-Consortium) to bolster domestic manufacturing technologies and capabilities. Both address Administration priorities and multiple Executive Orders. In 2024, BARDA engaged more than 1,000 stakeholders through RRPV Industry Days, Proposers Conferences, trainings and webinars, and its General Membership Meeting. Utilizing the BioMap-Consortium, BARDA connected with almost 900 external stakeholders in 2024 through collaboration events and Industry Days. BARDA's Tech Watch program is a best practice in the USG and now serves as a single point of entry for product developers to engage with USG funding organizations, even if their technology is not in alignment with BARDA priorities. Our Tech Watch program has expanded to include other HHS agencies and multiple programs under the Department of Defense. This program has enhanced the efficiency for product developers seeking to potentially partner with the USG. In 2024, BARDA re-envisioned our BARDA Accelerator Network, decreasing from 13 accelerators to five accelerators with specific roles to address BARDA's priorities for National Health Security threats. This has streamlined and made more efficient our interactions with private sector innovators that are supporting technologies with the potential to transform our preparedness and response capabilities moving forward.

Key Outputs and Outcomes Table
ASHF: Biomedical Advanced Research and Development Authority (ARD)

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
2.4.13a Increase the number of new licensed medical countermeasures across BARDA programs (Intermediate Outcome)	FY 2024: 11 ¹ Target: 7 medical countermeasures Target Exceeded	4 medical countermeasures	6 medical countermeasures	+2 medical countermeasures
2.4.13b Increase the number of new countermeasures eligible for consideration by FDA for Emergency Use Authorization (Intermediate Outcome)	FY 2024: 0 Target: 0 medical countermeasures Target Achieved	1 medical countermeasure	1 medical countermeasure	Maintain
2.4.14a Increase the technical assistance provided by BARDA to medical countermeasure manufacturers (Intermediate Outcome)	FY 2024: 83 Target: 75 manufacturers Target Exceeded	75 manufacturers	45 manufacturers	-30 manufacturers

¹Results based on both supplemental and base appropriations

ASHF: Project BioShield

Budget Summary (Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2025 +/- FY 2024
Budget Authority	825.000	825.000	725.000	-100.000
FTE	-	-	-	-

Allocation Method: Federal/Intramural, Contracts, Other Transaction Authority

Program Description

The ASHF's Biomedical Advanced Research and Development Authority (BARDA) program will support late-stage development, licensure, initial procurement, sustainment of manufacturing, and post marketing requirements and commitments of medical countermeasures for CBRN threats under Project BioShield (PBS), as identified by the Department of Homeland Security's Material Threat Determination process. Many of the products transitioned from advanced research and development, bringing the most promising products forward in an efficient manner that allows for continued support under PBS. Where feasible, investments prioritize the expansion of indications of commercially available products to avoid redundancy with private sector investments. If the commercial market is limited or nonexistent for a specific threat, additional efforts are taken to reduce Government long-term sustainment costs. This includes emphasizing domestic capacity to streamline operational logistics associated with manufacturing and stockpiling.

Funding History	
Fiscal Year	Amount
FY 2022 Final	\$780,000,000
FY 2023 Final	\$820,000,000
FY 2024 Final	\$825,000,000
FY 2025 Enacted	\$825,000,000
FY 2026 President's Budget	\$725,000,000

Budget Request

The FY 2026 President's Budget request for Project BioShield is \$725,000,000, which is \$100,000,000 below FY 2025. The FY 2026 request prioritizes the Administration's priority for maintaining and expanding domestic onshoring of manufacturing, supporting late-stage MCM development, and ensuring post licensure procurement and stockpiling of MCMs to address threats with a Material Threat Determination. Specific activities include:

- 1) Late-stage development of therapeutics and vaccines for Sudan virus and Marburg virus, and procurement of Ebola Medical Countermeasure (MCM);
- 2) Procurement of therapeutics and vaccines for smallpox;
- 3) Procurement of novel antimicrobials;
- 4) Procurement of MCMs to treat injuries resulting from exposure to chemical threats including nerve agents and pharmaceutical based agents such as opioids;
- 5) Late-stage development of new burn imaging technologies to improve survival following mass-casualty events as well as the procurement of new burn/blast kits if needed;
- 6) Procurements for MCMs to treat thrombocytopenia (low platelet count) caused by exposure to acute ionizing radiation. Funds may also support procurements of dried plasma products pending late-stage development work; and,
- 7) Late-stage development, procurement, and manufacturing capacity for diagnostics to detect biothreat pathogens, such as anthrax and Ebola for preparedness as well as for outbreak response.

Program Accomplishments

Since 2007, BARDA has invested in 39 unique MCMs under PBS. Twenty-seven of these MCMs have been delivered to the SNS or procured as vendor managed inventory. Successes since 2024 include the following:

- Four new licensed MCMs; Ceftobiprole (Zevtera) and Aztreonam-Avibactam (Emblaveo) for the treatment of antimicrobial-resistant infections, Nexobrid for the removal of damaged tissue from severe burn injuries in pediatric patients, and Silverlon for recovery from acute cutaneous radiation injuries. These products also have applications for routine care of patients with resistant bacterial infections or burn patients.
- Two vaccines and six treatments funded under PBS have been used in recent response activities to include smallpox vaccines and antivirals (in response to mpox), Ebola vaccines and treatments, and botulinum antitoxins.
- Seventeen active PBS programs are delivering priority MCMs, either to the Strategic National Stockpile or inventory maintained and managed by the vendor.

Key Outputs and Outcomes Table

ASHF: Project BioShield

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
2.4.14c Increase the number of medical countermeasures supported under Project Bioshield (PBS) (Outcome)	FY 2024: 39 Target: 40 medical countermeasures Target Not Achieved	43 medical countermeasures	46 medical countermeasures	+3 medical countermeasures
2.4.14d Increase the number of medical countermeasures delivered to the Strategic National Stockpile (SNS) or procured as Vendor Management Inventory (VMI) (Intermediate Outcome)	FY 2024: 33 Target: 26 medical countermeasures Target Exceeded	34 medical countermeasures	35 medical countermeasures	+1 medical countermeasure

ASHF: Pandemic Influenza

Budget Summary

(Dollars in Millions)

	FY 2024 Final ⁶	FY 2025 Enacted	FY 2026 President's Budget	FY 2025 +/- FY 2024
Budget Authority	327.991	307.991	307.991	-
<i>No-year funding (non-add)</i>	<i>300.000</i>	<i>280.000</i>	<i>280.000</i>	-
<i>Annual Funding (non-add)</i>	<i>27.991</i>	<i>27.991</i>	<i>27.991</i>	-
FTE	-	-	-	-

Allocation Method: Direct Federal, Contracts, Other Transaction Authority

Program Description

The ASHF's Pandemic Influenza program will have a dual mission-supporting advanced development of improved pandemic influenza medical countermeasures, while also sustaining pandemic preparedness and response capabilities through our National Pre-pandemic Influenza Vaccine Stockpile program (NPIVS). NPIVS is the only program in the federal government that maintains contracts with manufactures of licensed seasonal and pre-pandemic vaccines that would be needed in a response and simultaneously, developing improved vaccines, therapeutics, and diagnostics that are critical to enhancing our preparedness and response capabilities for the national health security threat of pandemic influenza. This dual responsibility presents a major challenge because the US Government requirements of the NPIVS fluctuate in accordance with status of circulating influenza strains of pandemic potential. As these requirements can change with little to no advanced notice, it requires shifting of strategies.

For example, since spring of 2022, over 70 human infections of influenza A(H5N1) have occurred in the United States. The unprecedented spread of A(H5N1) among wild birds throughout North and South America as well as the spread into dairy cattle and commercial poultry in the US pose a persistent threat to human health. In response, BARDA has supported additional pandemic influenza vaccine production.

In short, the United States Government (USG) must continue to improve medical countermeasures (MCMs), including vaccines, therapeutics, and diagnostics, while sustaining manufacturing capacity and supply chains so that MCMs are available when needed. It is essential that response capabilities are flexible and sustained to ensure an effective response to emerging pandemics.

⁶ The FY 2024 Operating Level includes \$20 million of prior Public Health and Social Services Emergency Fund (PHSSEF) supplemental appropriation funding as directed by Congress.

Funding History	
Fiscal Year	Amount
FY 2022 Final	\$292,991,000
FY 2023 Final	\$327,991,000
FY 2024 Final	\$327,991,000
FY 2025 Enacted	\$307,991,000
FY 2026 President's Budget	\$307,991,000

Budget Request

The FY 2026 President's Budget request for Pandemic Influenza (PI) is \$307,991,000, flat with FY 2025. The request includes \$280 million in no-year funding and \$27.991 million in annual funding for ASHF.

Funds will be used to support the Administration's priorities and the PI program's twin pillars: 1) PI preparedness and sustaining current response capabilities and 2) developing more effective medical countermeasures (MCMs) needed to significantly improve response capabilities. PI funding sustains domestic manufacturing capacity and operational readiness. Operational readiness includes maintenance and sustainment of pre-pandemic influenza virus vaccine seeds, antigen, and adjuvant stockpiles found in the US National Pre-pandemic Influenza Vaccine Stockpile (NPivs) as well as improving domestic manufacturing capacity, as funding allows, for licensed influenza vaccine platforms (cell-based, recombinant protein-, and egg-based antigen as well as MF59 and AS03 adjuvants). These activities are essential and work in tandem to enable a rapid and effective USG response to control an emerging pandemic.

In terms of MCM development, funds will support development and licensure of more effective influenza vaccines including vaccines that may provide protection against both seasonal and pandemic influenza viruses, therapeutics development for pre-exposure prophylaxis for seasonal and pandemic influenza, and host-directed therapeutics for the treatment of acute respiratory distress syndrome (ARDS), including ARDS caused by influenza. The FY 2026 funding request also supports ongoing efforts to develop home-use and point-of-need rapid diagnostic tests and testing platforms that empower patients and promote early detection of pandemic virus infections. Work will also continue for development of tests to support early outbreak response including tests to identify novel and emerging influenza viruses.

Program Accomplishments

Strengthening Pandemic Influenza Preparedness

Since 2024, the PI program has completed the following:

- Completed enrollment in a BARDA-sponsored Phase 2 clinical trial to assess the safety and immunogenicity of influenza A(H5) egg-based antigen adjuvanted with MF59 or AS03, completed two manufacturer-sponsored phase 2 clinical trials to assess the safety and immunogenicity of cell-based influenza A(H5) antigen co-formulated with MF59 adjuvant and egg-based influenza A(H5) antigen adjuvanted with AS03;

- Sustained US-based manufacturing of pandemic influenza vaccines including cell-based antigen, adjuvants, and a pandemic-ready supply of eggs to support influenza pandemic operational readiness;
- In conjunction with supplemental funding, leaned forward in our Nation's preparedness posture by producing bulk antigen and vaccines in final containers that are well-matched to circulating H5 influenza strains;
- Multiple pre-pandemic influenza virus vaccine seed stocks are readily available for rapid vaccine production as the need arises, including against influenza virus subtypes H5N1, H5N6, H5N8, and H7N9, and more are generated annually;
- Supported a collaboration with the Department of Defense's Joint Program Executive Office (JPEO) to test alternative routes of vaccine delivery (e.g., dermal, nasal, mucosal, etc.);
- Enabled start of two Phase 1 clinical studies: one for a vaccine candidate produced on a flexible manufacturing platform and another for a vaccine candidate delivered intradermally;
- Implemented a Phase 2 clinical study investigating three host-directed therapeutics for the treatment of acute respiratory distress syndrome (ARDS);
- Created a new program for the advanced research and development of pre-exposure prophylaxis therapeutic candidates for preventing both seasonal and pandemic influenza infection;
- Demonstrated that early treatment of influenza infections with baloxavir marboxil can reduce transmission to household contacts by 29 percent;
- Initiated support for next generation sequencing testing capabilities to detect and differentiate influenza and other respiratory viruses while enabling rapid test updates to incorporate detection of emerging respiratory pathogens; and,
- Supported five FDA 510(k) clearances for multiple respiratory panel tests for clinical laboratory and point-of care using a combination of supplemental funds and PI funding. These panel tests are important to distinguish influenza from other respiratory pathogens with similar clinical presentation; and Initiated development and validation of a diagnostic test to differentiate seasonal influenza A from A(H5) influenza for use in POC, remote, or home-use settings.

Key Outputs and Outcomes Table
ASHF: Pandemic Influenza

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
2.4.15a Assure that domestic pandemic influenza vaccine antigen manufacturing surge capacity produces desired number of vaccine doses within six months of candidate vaccine virus being delivered to the manufacturers (Intermediate Outcome)	FY 2024: 660 million antigen doses Target: 660 million antigen doses (Target met)	660 million antigen doses	660 million antigen doses	Maintain
2.4.15d Maintain a stockpile of adjuvant to be matched with pandemic antigens to increase the availability of immunogenic vaccines early in a response.	FY 2025: Set Baseline	Set Baseline: 130 million adjuvant doses	110 million adjuvant doses	-20 million adjuvant doses
2.4.15b Continue advanced research and development initiatives for more effective influenza vaccines manufactured using modern, flexible, agile technologies, and the development of influenza therapeutics for use in outpatient and hospital settings, including pediatric patients (Intermediate Outcome)	FY 2024: 6 Target: 3 programs (Target exceeded)	2 programs	2 programs	Maintain
2.4.15c Support pandemic influenza preparedness with manufacturing of pre-pandemic candidate vaccines (Output)	FY 2024:11 ¹ Target: 2 bulk lots of pre-pandemic influenza vaccine (Target exceeded)	2 bulk lots of pre-pandemic influenza vaccine	2 bulk lots of pre-pandemic influenza vaccine	Maintain

¹Results based on both supplemental and base appropriations

ASHF: Strategic National Stockpile

Budget Summary (Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2025 +/- FY 2024
Budget Authority	980.000	980.000	750.000	-230.000
FTE*	329	248	219	-29

*FTE displayed for comparability. All ASHF FTE salaries and expenses, except for ARPA-H, will be funded by Program Management and Operations in FY 2026 President's Budget request.

Allocation Method: Direct Federal/Intramural, Contracts

Program Description

The [Strategic National Stockpile](#)⁷ (SNS) is the nation's largest repository of [medical countermeasures](#)⁸ (MCMs), which includes pharmaceuticals, critical medical supplies, [Federal Medical Stations](#)⁹ (FMS), and medical equipment needed to supplement State, Local, Tribal, and Territorial (SLTT) partners during disasters and public health emergencies. The stockpile can be used as a short-term, stopgap buffer when the immediate supply of these materials may not be available or sufficient. Organized for scalable response to various public health threats, the SNS contains enough supplies to respond to multiple large-scale emergencies simultaneously. If a chemical, biological, radiological, or nuclear (CBRN) event occurred on United States soil today, the SNS is the primary federal resource readily available to respond.

Funding History	
Fiscal Year	Amount
FY 2022 Final	\$845,000,000
FY 2023 Final	\$965,000,000
FY 2024 Final	\$980,000,000
FY 2025 Enacted	\$980,000,000
FY 2026 President's Budget	\$750,000,000

Budget Request

The FY 2026 President's Budget request for SNS is \$750,000,000, which is a decrease of \$230,000,000 below FY 2025.

⁷ [Strategic National Stockpile https://aspr.hhs.gov/SNS/Pages/default.aspx](https://aspr.hhs.gov/SNS/Pages/default.aspx)

⁸ [What are Medical Countermeasures? | FDA https://www.fda.gov/emergency-preparedness-and-response/about-mcmts/what-are-medical-countermeasures](https://www.fda.gov/emergency-preparedness-and-response/about-mcmts/what-are-medical-countermeasures)

⁹ [Federal Medical Stations https://aspr.hhs.gov/SNS/Pages/Federal-Medical-Stations.aspx](https://aspr.hhs.gov/SNS/Pages/Federal-Medical-Stations.aspx)

For FY 2026, SNS plans to sustain existing medical countermeasure capabilities by replacing the highest priority expiring products and maintaining the highly efficient storage and inventory management services provided by commercial third-party logistics providers. With the funding available, SNS will support efforts that ensure SLTT partners are prepared to request, receive, distribute and dispense SNS products and provide guidance and technical assistance on state and local stockpiling activities. SNS will support in-person and online/virtual training options and exercise support to enhance and evaluate SLTT preparedness in these areas. These training and exercise resources are necessary to strengthen capabilities critical to the effective use of MCMs stockpiled at the federal, state and local levels to secure the nation's health.

Program Accomplishments

SNS Responses in 2024

In May 2024, the SNS began responding to the H5N1 bird flu outbreak by providing personal protective equipment (PPE) and antiviral drugs to states that had no stockpiles or shortages in their own stockpiles. As of May 2025, the SNS had deployed approximately 3.9 million pieces of PPE to 12 states and more than 4,000 courses of Tamiflu to two states.

SNS started deploying stockpiled countermeasures for vaccination against and treatment of mpox in response to state and local requests in May 2022. SNS continues the distribution of mpox treatments. Notably, the JYNNEOS vaccine previously deployed by SNS to respond to the mpox outbreak had been procured by the Biomedical Advanced Research and Development Authority (BARDA). Since this MCM is now commercially available, states are encouraged to obtain this directly when needed, or for inclusion in their own stockpiles along with other commercially available medical countermeasures.

In 2024, SNS provided Cyfendus (Anthrax Vaccine Adsorbed, Adjuvanted) for post-exposure prophylaxis of people potentially exposed to anthrax during post-mortem examinations of cattle. Also in 2024, Anthim (obitoxaximab) was deployed for treatment of a critically ill rare case of welder's anthrax. These represented the first times these two medical countermeasures have been deployed from SNS. SNS provided Ervebo (Ebola Zaire Vaccine) for vaccination of eligible healthcare workers or laboratorians. SNS will continue to be the sole source of these anthrax and ebola countermeasures for state and local requestors in FY 2026 as they are not readily available in the commercial market.

State, Local, Tribal, and Territorial Engagement

In 2024, SNS began hosting a series of monthly national MCM 'Office Hours' sessions for SLTT partners. These sessions provided guidance and identified emergency MCM resources available to SLTT jurisdictions when needed. SNS conducted nine sessions with nearly 3,000 representatives from SLTT jurisdictions participating.

Throughout 2024, SNS made several advancements to information technology systems and public-facing sites to ensure SLTT partners had access to operational guidance and planning resources. For example, to support SLTT access to SNS MCM planning guidance, SNS launched a technical assistance and resource SharePoint site in 2024. By the end of 2024, the site had 774 registered users and 526 Listserv members. SNS also made a number of enhancements in the design and operational features in the Inventory Management and Tracking System (IMATS) which SNS provides to jurisdictions to track, manage, and report MCM inventories to HHS during public health emergencies. These enhancements improved user access and system efficiency. By the end of 2024, there were approximately 1,600 registered users across 52 public health jurisdictions.

Strengthening overall engagement efforts, the SNS initiated a field staff program that will embed SNS staff in SLTT health departments. Field staff will be able to apply their expertise in working with their host programs to improve overall readiness to receive, distribute, dispense, and administer MCMs from the SNS during public health emergencies. This activity has been paused in the 2nd quarter of FY 2025.

In 2024, the SNS enhanced multiple jurisdictions' readiness to receive MCM from the SNS during public health emergencies by conducting validations of sites designated by public health officials as receive, stage, and store (RSS) sites. Through this process, SNS staff completed reviews of 22 sites in 12 CONUS jurisdictions and four OCONUS jurisdictions, (Alaska, Guam, Hawaii, and the Commonwealth of the Northern Mariana Islands).

Specific to Tribal engagement, SNS in collaboration with federal partners conducted a series of engagement activities to educate Tribal leaders and public health planners within tribal communities on the pathways to access the SNS during emergencies as well as an overview of the resources available within the SNS that can aid planning efforts.

SNS Support for Trainings and Exercises

The SNS works closely with SLTT jurisdictions to improve their ability to respond to public health emergencies requiring MCMs, particularly those that are not available commercially. In FY 2024, the SNS continued to expand web-based and virtual training opportunities, allowing more than 58,000 stakeholders to participate in training opportunities. Growth in the uptake of SNS training materials was due to continued interest in Federal Medical Station (FMS) training videos, which are posted to YouTube and were viewed more than 56,000 times in FY 2024. In total, the SNS provided training for 58,635 SLTT and federal partners during 2024 through the efforts listed below -

- 56,737 stakeholders viewed FMS training videos, available on YouTube
- 1,486 stakeholders participated in virtual training on SNS related topics
- 382 stakeholders participated in instructor-led courses (in-person)

In 2024, the SNS continued its partnership with the American Association for Respiratory Care (AARC) to provide quarterly webinar trainings for respiratory therapists and clinicians regarding SNS-held

ventilators. The webinars were held in December, March, and April with 1,177 participants in attendance. An additional 584 participants attended the first two trainings in FY 2025, held in December and February. This partnership began in 2021 and has resulted in numerous ventilator training videos that are housed on the ASHF website.

Inventory Management and SLEP

In FY 2024, the SNS sustained a 99.97 percent inventory accuracy rate and a 100 percent financial accuracy rate across its \$11.9 billion inventory. SNS also ensured that no product was lost due to failure to comply with FDA cGMP practices.

In FY 2025, the SNS closed two warehouses that previously held PPE. Closing these two warehouses saved the government almost \$38 million in FY 2025 and FY 2026.

To support cost-effective stockpile management, the Shelf-Life Extension Program (SLEP) evaluates potency of products and can potentially extend the dated shelf-life of a product, resulting in reduced costs for product replacement. Working in collaboration with FDA, an additional extension of expiration dates for certain stockpiled antivirals was granted outside of SLEP in April 2022. SNS also received outside-of-SLEP dating extensions for Prussian blue capsules in 2023, amoxicillin capsules in 2024, and Prussian blue capsules again in 2024, based on FDA's review of scientific data; additional extensions are under review.

Key Outputs and Outcomes Table
ASHF: Strategic National Stockpile

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
13.4.6 Percentage of inventory accuracies that are attained by using quality inventory management systems. (Outcome)	FY 2024: 99.9% Target: 97% (Target exceeded)	97%	97%	Maintain
13.4.7 Maintain the safety and efficacy of medical supplies SNS inventory (Outcome)	FY 2024: 100% Target: 100% (Target met)	100%	100%	Maintain
13.4.8 Maintain the response rate of recall capability (Intermediate Outcome)	FY 2024: 98% Target: 95% (Target exceeded)	95%	95%	Maintain
13.4.9 Increase the number of participants trained by SNS (Intermediate Outcome)	FY 2024: 58,635 ¹ Target: 1,500 trained (Target exceeded)	1,500 trained	1,800 trained	Increase

¹The total includes more than 56,000 views of FMS training posted to YouTube.

ASHF: Pandemic Preparedness and Biodefense

Budget Summary (Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
Budget Authority	10.000	10.000	10.000	-
FTE*	-	25	23	-2

**FTE displayed for comparability. All ASHF FTE salaries and expenses, except for ARPA-H, are funded by Program Management and Operations in FY 2026 President's Budget request.*

Allocation Method: Direct Federal/Intramural, Contracts

Program Description

The mission of ASHF's Pandemic Preparedness and Biodefense program will be to create, sustain, protect and restore domestic manufacturing of essential medicines; key starting materials; respective raw materials and key chemicals; medical countermeasures, inclusive of diagnostic kits; and critical medical equipment, including personal protective equipment (PPE).

Because the United States must protect critical infrastructure, military forces, and economy against outbreaks of emerging infectious diseases and chemical, biological, radiological, and nuclear (CBRN) threats, taking concrete steps to address shortfalls and vulnerabilities with respect to the United States' ability to produce essential medicines, medical countermeasures, and critical inputs domestically is essential to the national defense. The United States' current reliance on foreign manufacturing to obtain essential active pharmaceutical ingredients, medicines, medical countermeasures, and necessary raw materials (chemicals, key starting materials and active pharmaceutical ingredients) threatens the nation's ability to obtain and distribute life-saving interventions in a timely manner – especially in times of emergency. The current state of the U.S. industrial base for these products severely impairs national defense capability.

Section 303(a)(5) of the Defense Production Act of 1950 (50 U.S.C. 4501 *et seq.*) (DPA) provides the authority for the President to execute a contract to create, maintain, protect, expand, or restore domestic industrial base capabilities essential for the national defense, if the President, on a non-delegable basis, determines, with appropriate explanatory material and in writing, that – “(A) the industrial resource, material, or critical technology item is essential to the national defense; (B) without Presidential action under [the Act], United States industry cannot reasonably be expected to provide the capability for the needed industrial resource, material, or critical technology item in a timely manner; and (C) purchases, purchase commitments, or other action pursuant to this section are the most cost-effective, expedient, and practical alternative method for meeting the need.” 50 U.S.C. § 4533(a)(5).

Section 303 of Executive Order 13603 delegates the President's authority under section 303 of the DPA to the head of each agency engaged in procurement for the national defense, which includes the HHS

Secretary. As such, the HHS Secretary has delegated authority under section 303 of the DPA to create, maintain, protect, expand, or restore domestic industrial base capabilities essential for the national defense.

The U.S. Department of Health and Human Services (HHS) Secretary, has the authority, on behalf of the President, to address shortfalls and vulnerabilities associated with the scope of this determination. This authority would include actions to create, maintain, protect, expand, or restore domestic manufacturing capacity of essential medicines, critical medical equipment, medical countermeasures (MCMs), raw materials, key chemicals and other critical inputs to support the healthcare and public health industrial base.

The Pandemic Preparedness and Biodefense program will support ASHF's Industrial Base Management and Supply Chain office (IBMSC), which furthers this capacity through programs that establish and maintain additional domestic key starting material (KSM), active pharmaceutical ingredient (API) and finished dose form (FDF) manufacturing capabilities. A resilient and robust domestic manufacturing base for KSMs APIs and FDFs can ensure that essential medicines are available in the event of a public health emergency or disaster as well as for typical acute patient care. The reliable availability of these medicines can help to alleviate strains on hospital resources, resulting in more lives saved and improved patient care.

Domestic medical industries are disadvantaged by global low-cost providers who are further subsidized by their national governments. Global low-cost providers flood U.S. markets with cheap generic pharmaceuticals to drive domestic manufacturers out of business. The production of KSMs, APIs, and FDFs currently relies on just-in-time batch chemical manufacturing and has almost entirely been outsourced to foreign countries. ASHF's initiative would reduce foreign reliance by onshoring KSMs, APIs, and FDFs – specifically targeting those affecting critical medicines on the FDA's Essential Medicines List and those most critical drugs that would be in highest demand in another public health emergency or pandemic.

ASHF's goal will be to reestablish and maintain a domestic public health supply chain and coordinate the activities related to medical industrial base expansion and sustainment using contracts, grants, other transactions, Defense Production Act (DPA) authorities (purchases, purchase commitments, grants, and subsidy payments), and ESF-8 authorities.

Funding History	
Fiscal Year	Amount
FY 2022 Final	-
FY 2023 Final	-
FY 2024 Final ¹⁰	\$10,000,000
FY 2025 Enacted	\$10,000,000
FY 2026 President's Budget	\$10,000,000

¹⁰ The Pandemic Preparedness and Biodefense program first received appropriations in FY 2024.

Budget Request

The FY 2026 President's Budget request for Pandemic Preparedness and Biodefense is \$10,000,000, flat with FY 2025. Pandemic Preparedness and Biodefense funding supports end-to-end visibility of medical supply chains for priority drugs and devices. Funding will continue ASHF's work for reshoring and maintaining a resilient, reliable U.S. based pharmaceutical supply chain that ensures essential medicines are available where and when they are needed, and in the appropriate amounts and dosage forms. More than 95 percent of generic drugs consumed by the American public come from two international sources. This international reliance raises significant quality and supply chain risks.

ASHF's goal with this level of funding would be to on-shore up to two (2) additional essential medicines. ASHF would implement a balanced, diversified approach to capacity and sourcing that avoids single-source points of failure, decreases the risk of essential medicine shortages and reduces U.S. reliance on materials or manufacturing from competitor nations. SME support would also be included to ensure diligent technical program oversight. Funding to expand US production in crucial areas, supports multiple Administration and Secretarial priorities, including the President's American 1st Trade Policy and Executive Order "[Lowering Drug Prices by Once Again Putting Americans First](https://www.whitehouse.gov/presidential-actions/2025/04/lowering-drug-prices-by-once-again-putting-americans-first/)"¹¹ dated April 15, 2025.

Program Accomplishments

From FY 2020 through FY 2023, the program invested over \$18 billion in supplemental funding for medical countermeasures and domestic manufacturing capacities. These investments were across three key areas: reshoring pharmaceutical manufacturing, testing and diagnostics, and PPE.

In FY 2022 and FY 2023, the program, which was established during the pandemic response to address urgent supply chain issues, invested \$908 million in supplemental funding in building PPE production capacities across a wide range of categories, including manufacturing of N95 and surgical masks, gowns and gloves. ASHF will continue to administer one active contract valued at \$81.3 million to onshore nitrile glove production, one active contract valued at \$144.8 million to onshore nitrile butadiene rubber (NBR) production, and two active contracts valued at \$136 million to onshore key chemical production for NBR components.

In 2024, IBMSC led collaboration with the FDA, DHS CBP, and GSA to mitigate the impact of Hurricanes Helene and Milton on the Nation's intravenous (IV) Fluid supply. Through this effort, the U.S. government collaborated with the Baxter North Cove facility, Industry, and Commercial Carrier partners to rapidly bolster domestic supply through the importation of international IV solutions that were granted regulatory enforcement discretion by the FDA. ASHF facilitated 98 flights to expediently move approximately 13.9 million units of product from at least five different international facilities. ASHF IBMSC, in conjunction with the FDA and DHS CBP, also established a process to immediately vet and clear product through customs, even prior to arrival. This expedited the clearance process from at least 60 days to mostly same-day clearance of product to facilitate immediate distribution to patients in need. Another one of America's manufacturers of IV Fluids (B Braun) was directly in the path of Hurricane

¹¹ <https://www.whitehouse.gov/presidential-actions/2025/04/lowering-drug-prices-by-once-again-putting-americans-first/>

Milton, further endangering a supply of IV fluids that were in shortage following Hurricane Helene's impact on Baxter's North Cove facility. The timely actions of ASHF led to the movement of 60 truckloads of IV Fluids out of harm's way just before the storm. This supply was immediately brought back to distribution centers once the manufacturer could receive and distribute product to health systems. These actions prevented another significant supply chain disruption for the Nation and ensured the ability for health systems to provide care in America.

Additionally in 2024, the program supported medical manufacturers impacted by Hurricane Helene, including IV and peritoneal dialysis solutions maker, Baxter (North Carolina), to identify what types of materials and services were required to restart production. Baxter was able to rapidly procure materials and schedule the necessary services except for one item.

ASHF: Program Management and Operations

Budget Summary (Dollars in Millions)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
Budget Authority*	-	-	279.800	+279.800
<i>National Special Security Events (NSSE) (non-add)*</i>	5.000	5.000	5.000	-
FTE*	-	827	685	-142

*The new Program Management and Operations line will consolidate prior year accounts for Preparedness and Emergency Operations, Operations, and Policy and Planning which totaled \$85.4 million in FY 2025. In addition, the Program Management and Operations line will fund all Federal salaries and expenses for ASHF programs, with the exception of ARPA-H. NSSE and FTE displayed for comparability.

Allocation Method: Direct Federal/Intramural, Contracts

Program Description

The Assistant Secretary for a Healthy Future (ASHF) will be committed to implementing and supporting best practices to ensure that programs and initiatives effectively meet their missions. The Program Management and Operations (PMO) fund provides Federal salaries/benefits and central cost funding for all ASHF programs (except ARPA-H).

In addition to salaries and central costs ASHF-wide, the PMO will support management of financial resources, performance and risk management to drive improvement, facilities management, and preparedness activities including data monitoring and surveillance of public health emergencies. In addition, the PMO provides support to advance policy priorities; provides chemical, biological, radiological, and nuclear (CBRN) expertise; coordinates the development of biosafety and biosecurity policies to address emerging risks; guides the nation's MCM portfolio to address emerging threats; and establishes effective and fiscally responsible requirements to meet critical gaps. Finally, the PMO maintains critical HHS preparedness and response assets, including the Secretary's Operation Center (SOC) and HHS Continuity of Operations (COOP) program.

Funding History	
Fiscal Year	Amount
FY 2022 Final	-
FY 2023 Final	-
FY 2024 Final	-
FY 2025 Enacted	-
FY 2026 President's Budget	\$279,800,000

Budget Request

The FY 2026 President's Budget request for Program Management and Operations (PMO) is \$279,800,000, which is \$279,800,000 above FY 2025. The PMO is a new budget account created as part of the planned HHS reorganization for the new Assistant Secretary office. The new PMO will fund FTE salaries and benefits as well as other central costs associated with the ASHF programs, except for ARPA-H. The new fund includes the activities previously funded by the Operations, Policy and Planning, and Preparedness and Emergency Operations budget lines within the Administration for Strategic Preparedness and Response (ASPR). This funding has two-year availability.

This fund also includes \$5 million for National Special Security Events (NSSE) activities, which has three-year availability.

Program Accomplishments

ASHF Management

The PMO supports management services and business activities that enable programs to carry out their missions. ASHF continually seeks to improve business operations for maximum return on investment, to strengthen management practices, provide innovative technology solutions, and to create a more nimble and flexible organization.

ASHF utilizes best practices for financial management that align to strategic priorities and reflect a multiyear approach in measured financial performance. ASHF places emphasis on best value to taxpayers through effective and efficient business practices and partnerships. This is accomplished by working with programs early in the program management lifecycle to synchronize efforts, support efficiencies, and reduce duplication of investment.

Public Health Emergency Medical Countermeasures Enterprise (PHEMCE)

PHEMCE led the development of the 2024 PHEMCE Strategy and Implementation Plan (released September 2024), the PHEMCE Multi-year Budget (transmitted to Congress in March 2024), and the Medical Countermeasures Preparedness Review (MCMPR) Report, a threat-based review of the contents of the SNS that includes expanded reporting on broader MCM-related capabilities (transmitted to Congress in April 2024). These assessments and reviews support transparency of investments in research, development, procurement, and stockpiling of MCMs. PHEMCE also held 15 engagements with relevant non-federal PHEMCE partners, which increased transparency into PHEMCE operations, collected lessons learned, and identified opportunities to improve collaboration.

Requirements

ASHF will develop health consequence modeling that follows DHS risk and material threat assessments and determinations. This process contemplates all potential scenarios, and provides options for procurements and specifications for MCM research and development. In 2024, ASHF completed a gap analysis to review all 68 previously established requirements for validity and whether they remained accurate, up-to-date, and applicable to the pertaining threats and the new threat landscape. In addition, ASHF established requirements for MCMs to treat vesicants cutaneous injuries, hematopoietic acute

radiation syndrome, and select injuries or illnesses from simultaneous 10-kiloton improvised nuclear detonations.

Secretary's Operation Center

ASHF will lead and supports numerous efforts to prepare for, respond to, and recover from the impacts of public health emergencies and disasters. The HHS Secretary's Operation Center (SOC) via its Watch Officers support communications and informational awareness across HHS by sending notifications to thousands of HHS and interagency emergency managers and decision makers, enabling early intervention and the effective deployment of HHS personnel and assets to support State, Local, Tribal, and Territorial (SLTT) response efforts.

In addition to emerging incidents like hurricanes and floods, ASHF has also supported declared and non-declared public health emergencies, such as National Special Security Events (NSSEs). Some of these NSSEs, like the State of the Union, require COOP and Continuity of Government (COG) support as well as increased SOC monitoring.

Information Management, Data, Analytics, and Intelligence

The ASHF information management program will serve as the focal point for data management and information collection, analysis, and reporting for ASHF and during all responses to public health emergencies and national special security events.

ASHF has enhanced its response data ecosystem by launching a total of four modules (Requests\ for Information, Request for Resources, Personnel Accountability, Cyber Incident Information Management). In the second half of FY 2025, an additional three modules will be launched (Asset Accountability, Cost Estimation, and Finance). This has led to significantly improved efficiencies across response processes and has saved thousands of working hours due to process streamlining and automation. The next phase of implementation will require further modernization, integration, and interoperability of additional ASHF data systems.

ASHF's GIS Program delivers cutting-edge tools, seamless data integration, and advanced geospatial analysis to safeguard public health and promote community resilience. The functionalities empower ASHF, its partners, and stakeholders with advanced geospatial tools and insights that reveal spatial trends and patterns not visible through traditional data analysis. These critical insights are uncovered by custom maps, interactive dashboards, and expert consultation which can transform data into actionable solutions for data-driven decision making.

Continuity Programs

In accordance with Presidential and Federal directives and supported by Departmental policy, ASHF ensures the Department's Primary Mission Essential Functions continue, regardless of threat or condition, and with the understanding that adequate warning may not be available. ASHF serves the Secretary and the Department's Operating Divisions and Offices through management of the Continuity

of Operations (COOP), Continuity of Government (COG) and Continuity of the Presidency (COP) programs. This leadership provides HHS with a unified program integrated into daily operations.

In this role, ASHF will ensure daily training and drills for members with mission critical skills. On an annual basis, ASHF will develop and facilitate several continuity-focused testing, training, and exercise events to strengthen and assess the HHS COOP program.

HHS successfully completed the FY 2024 functional exercises (Eagle Horizon), which included participation from all HHS Operating and Staff Divisions to meet FEMA and White House annual continuity exercise and interagency evaluation requirements.

Personnel Security Operations

ASHF will track and manage over national security and public trust clearances, maintain accountability for all ASHF personnel enrolled in continuous vetting (CV), and require the services of a Special Security Officer (SSO) and other Federal Personnel Security Specialists to manage ASHF's classified spaces.

In FY 2024, ASHF processed more than 500 request packages for initial investigations and reinvestigations, and more than 600 security badge requests. ASHF is finalizing the design phase with ASHF and interagency partners to construct a new Sensitive Compartmented Information Facility (SCIF), allowing authorized ASHF personnel to access and collaborate on classified information and analysis. In FY 2025, ASHF expects personnel security operations to continue expanding to meet the personnel security process activities necessary to secure ASHF's assets.

Implementing and Managing the Preparedness Cycle

To manage preparedness efforts and ensure readiness to respond and improve future responses, ASHF uses the preparedness cycle of Plan, Organize and Equip, Train, Exercise, and Apply Corrective Actions. In FY 2024, ASHF led HHS and ESF-8 partners in the planning, preparation, and participation in National Level Exercise 2025 (NLE25). The national level exercises are congressionally mandated events coordinated by the NSC and FEMA, designed as a whole of government response test to a specified emergency(s)..

Key Outputs and Outcomes Table

ASHF: Program Management and Operations (PMO)

Measure	Year and Most Recent Result / Target for Recent Result / (Summary of Result)	FY 2025 Target	FY 2026 Target	FY 2026 Target +/-FY 2025 Target
1.3 Increase training and resources to address the access and functional needs of electricity and healthcare service-dependent at-risk individuals who live independently and are impacted by incidents, emergencies, and disasters (number of people trained)	FY 2024: 744,421 Target: 102,150 trained	200,000 trained	200,000 trained	Maintain
2.4.20 Increase actions that strengthen health security, including recommendations, coordination, guidance, strategies, and stakeholder engagements (Intermediate Outcome)	FY 2024: 16 Target: 16 coordination actions	20 coordination actions	Prior Result +4 coordination actions	Maintain
2.4.21 Increase the number of engagements with relevant non-federal Public Health Emergency Medical Countermeasures Enterprise (PHEMCE) partners in accordance with the current PHEMCE Strategy and Implementation Plan (Outcome)	FY 2024: 15 Target: 15 engagements	15 engagements	15 engagements	Maintain
2.4.22 Increase the number of capability-based requirements with updated HHS Target Capabilities (Output)	FY 2024: 68 Target: 68 requirements	68 requirements	68 requirements	Maintain

Section III: Supplementary Tables

Budget By Object Class

(Dollars in Thousand)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	214,441	190,898	190,898	-
11.3	Other than full-time permanent	23,284	26,229	26,229	-
11.5	Other personnel compensation	7,402	6,994	6,994	-
11.7	Military personnel	19,847	19,500	19,500	-
Subtotal	Personnel Compensation	264,974	243,621	243,621	-
12.1	Civilian personnel benefits	69,040	67,593	67,593	-
12.2	Military benefits	2,741	2,500	2,500	-
13.0	Benefits for former personnel	65	-	-	-
Total	Pay Costs	336,820	313,714	313,714	-
21.0	Travel and transportation of persons	6,519	4,342	2,845	-1,497
22.0	Transportation of things	26,301	25,119	10,075	-15,044
23.1	Rental payments to GSA	12,006	12,008	10,005	-2,003
23.1	Rental payments to Others	1	3	2	-1
23.3	Communications, utilities, and misc. charges	886	1,024	814	-210
24.0	Printing and reproduction	330	253	201	-52
25.1	Advisory and assistance services	1,541,812	1,601,174	1,445,000	-156,174
25.2	Other services from non-Federal sources	232,981	250,700	196,891	-53,809
25.3	Other goods and services from Federal sources	494,367	484,328	379,169	-105,159
25.4	Operation and maintenance of facilities	36,824	35,007	30,004	-5,003
25.5	Research and development contracts	830,108	824,364	403,695	-420,669
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	32,604	32,824	29,149	-3,675
25.8	Subsistence and support of persons	-	-	-	-!
26.0	Supplies and materials	849,226	577,870	487,245	-90,625
31.0	Equipment	3,322	3,357	3,225	-132
32.0	Land and Structures	3,000	3,000	3,000	-
41.0	Grants, subsidies, and contributions	838,009	514,037	334,945	-179,092
42.0	Insurance claims and indemnities	-	-	-	-
44.0	Financial Transfers/Refunds	35,250	35,250	22,208	-13,042
Total	Non-Pay Costs	4,943,565	4,404,684	3,358,488	-1,046,196
Total	Budget Authority by Object Class	5,280,385	4,718,398	3,672,202	-1,046,196

Detail of Full-Time Equivalent Employment (FTE)

Detail	FY 2024 Final Civilian	FY 2024 Final Military	FY 2024 Total	FY 2025 Est. Civilian	FY 2025 Est. Military	FY 2025 Est. Total	FY 2026 Est. Civilian	FY 2026 Est. Military	FY 2026 Est. Total
Program Management and Operations	-	-	-	-	-	-	-	-	-
Direct:	-	-	-	-	-	-	642	43	685
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	642	43	685
Biomedical Advanced Research and Development Authority (BARDA)	-	-	-	-	-	-	-	-	-
Direct:	286	14	300	315	9	324	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	286	14	300	315	9	324	-	-	-
Project BioShield (PBS)	-	-	-	-	-	-	-	-	-
Direct:	-	-	-	-	-	-	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-	-
Pandemic Influenza	-	-	-	-	-	-	-	-	-
Direct:	-	-	-	-	-	-	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-	-
Pandemic Preparedness and Biodefense	-	-	-	-	-	-	-	-	-
Direct:	-	-	-	23	2	25	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	-	-	-	23	2	25	-	-	-
Strategic National Stockpile (SNS)	-	-	-	-	-	-	-	-	-
Direct:	310	19	329	232	16	248	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	310	19	329	232	16	248	-	-	-
Advanced Research Projects Agency for Health (ARPA-H)	-	-	-	-	-	-	-	-	-

Direct:	111		111	137	-	137	137	-	137
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	111	-	111	137	-	137	137	-	137
Operations	-	-	-	-	-	-	-	-	-
Direct:	135	7	142	116	4	120	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	135	7	142	116	4	120	-	-	-
Policy and Planning	-	-	-	-	-	-	-	-	-
Direct:	55	11	66	44	4	48	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	55	11	66	44	4	48	-	-	-
Preparedness and Emergency Operations	-	-	-	-	-	-	-	-	-
Direct:	71	15	86	53	9	62	-	-	-
Reimbursable:	-	-	-	-	-	-	-	-	-
Total:	71	15	86	53	9	62	-	-	-
StaffDiv FTE Total¹	968	66	1034	920	44	964	779	43	822

1/ FY 2026 FTE levels reflect estimates for October 1, 2025, and may not represent expected FTE levels across FY 2026. These estimates are subject to change

Detail of Positions

Details	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget
Executive level I	-	-	-
Executive level II	-	-	-
Executive level III	-	-	-
Executive level IV	3	2	2
Executive level V	-	-	-
Subtotal Executive Level Positions	3	2	2
Total - Exec. Level Salaries	310,590	217,156	217,156
-	-	-	-
ES-6	-	-	-
ES-5	2	-	-
ES-4	1	2	2
ES-3	7	6	6
ES-2	7	11	11
ES-1	-	-	-
Subtotal ES positions	17	19	19
Total - ES Salary	3,533,200	4,118,100	4,118,100
-	-	-	-
GS-15	213	207	164
GS-14	297	280	242
GS-13	259	241	218
GS-12	90	82	77
GS-11	20	15	13
GS-10	1	1	-
GS-9	18	11	5
GS-8	0	0	-
GS-7	6	1	-
GS-6	2	2	-
GS-5	-	-	-
GS-4	-	-	-
GS-3	-	-	-
GS-2	-	-	-
GS-1	-	-	-
Subtotal	906	840	719
Total - GS Salary	66,877,804	64,316,757	53,471,201
Ungraded			
Administratively Determined	52	65	65
T42	1	-	-
Subtotal	53	65	65
Total - Ungraded Salary	10,079,775	17,248,865	17,248,865
Average ES level	3	3	3
Average ES salary	208,420	223,156	223,156
Average GS grade	14	14	13

Average GS salary	139,939	149,179	138,224
Average Special Pay categories			
Administratively Determined	186,434	265,367	265,367
T42	385,194	-	-

Note: FY 2026 positions are subject to change.

Programs Proposed for Consolidation¹

1. Administration for Strategic Preparedness and Response (ASPR)/Preparedness and Emergency Operations
2. Administration for Strategic Preparedness and Response (ASPR)/Operations
3. Administration for Strategic Preparedness and Response (ASPR)/Policy and Planning

1/ The three programs are consolidated into the new Program Management and Operations line.

Assistant Secretary for Consumer Product Safety



United States

Consumer Product Safety Commission



Performance Budget Request to Congress

FISCAL YEAR 2026 | May 30, 2025

About the U.S. Consumer Product Safety Commission (CPSC)

Congress created the U.S. CPSC more than 50 years ago, in 1972, with the Consumer Product Safety Act (CPSA). In addition to the CPSA, as amended by the Consumer Product Safety Improvement Act of 2008 (CPSIA) and Pub. L. No. 112-28, CPSC also administers the Flammable Fabrics Act, the Refrigerator Safety Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, the Labeling of Hazardous Art Materials Act, the Child Safety Protection Act, the Children's Gasoline Burn Prevention Act, the Drywall Safety Act, the Child Nicotine Poisoning Prevention Act, the Portable Fuel Container Safety Act, the Safe Sleep for Babies Act, Reese's Law, the imitation firearms provisions of Pub. L. Nos. 100-615 and 117-167, and the STURDY requirements of Pub. L. No. 117-328 (Division BB, Title II).

Congress has charged CPSC with addressing the safety of thousands of types of consumer products used in and around homes and schools, and in recreation.¹

CPSC uses analysis, standards development, enforcement, and education to identify and address product safety hazards that may cause injury or death. This important work includes:

- Hazard Identification and Assessment—collecting information and developing injury and death statistics relating to the use of products under CPSC's jurisdiction;
- Mandatory and Voluntary Standards—developing mandatory consumer product safety standards and participating in the development and strengthening of voluntary standards;
- Import Surveillance—using the agency's Risk Assessment Methodology (RAM) to analyze import data to identify and interdict violative consumer products before they enter the United States;
- Compliance and Enforcement—enforcing mandatory standards and removing defective products through compliance activities, such as recalls or other corrective actions, and litigating when necessary;
- Public Outreach—educating consumers, families, communities including historically underserved communities, industry, civic leaders, and state, local, and foreign governments about safety programs, alerts and recalls, emerging hazards, mandatory and voluntary standards, and product safety requirements in the United States;
- Intragovernmental and Intergovernmental Coordination—coordinating work on product safety issues with other federal government stakeholders, as well as with state and local authorities.

¹ Other federal agencies regulate specific product categories such as automobiles, planes, and boats; alcohol, tobacco, and firearms; foods, drugs, cosmetics, and medical devices; and pesticides.

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Executive Summary

CPSC Budget Priorities



Acting Chairman Peter A. Feldman

Pursuant to Section 27(k) of the Consumer Product Safety Act, 15 U.S.C. § 2976(k), the U.S. Consumer Product Safety Commission (CPSC) submits the following comments concurrently to the Office of Management and Budget (OMB) and Congress, as well as to the U.S. Department of Health and Human Services (HHS).

The President's FY 2026 Budget proposes to reorganize and transfer the functions of the Consumer Product Safety Commission to the HHS Office of the Secretary as the Assistant Secretary for Consumer Product Safety (ASCPS). Until the enactment of authorizing legislation to reorganize, the CPSC will continue to carry out its mission to protect the public from unreasonable risks of injury from consumer products as a standalone agency.

CPSC recommends that the budget, programs, and strategic goals set forward herein be used as a basis for ASCPS to model its future operations. Implementation plans for the savings and efficiencies arising from the integration of CPSC's function and mission into HHS will be developed contingent on the enactment of authorizing legislation.

The President's Budget requests \$135,000,000 for the Assistant Secretary for Consumer Product Safety, which is \$15,975,000 below the FY 2025 Enacted level for CPSC. This funding level supports 459 FTEs and operational costs. Under this scenario, reorganization within HHS would afford the new ASCPS an opportunity to realize additional savings associated with administrative and support functions and dedicate a higher portion of its FY 2026 request directly to safety operations beyond what CPSC can realize as a standalone entity.

CPSC recognizes the significant opportunities inherent in such reorganization and welcomes the opportunity to work with HHS, OMB, and Congress on that effort.

FY 2026 Budget Overview

The budgetary and programmatic adjustments in this section reconcile CPSC's FY 2025 Enacted level of \$151.00 million and 534 FTEs, with the agency's FY 2026 Budget Request level of \$135.00 million and 459 FTEs.

Pay (-\$16.00 million): CPSC will reduce staffing by -75 FTEs from the FY 2025 Enacted Level, saving \$16.00 million in FY 2026 personnel salaries and benefits costs.

Table 1: FY 2026 Budget Summary of Changes

Summary of Changes	FTE	Dollars (in millions)
FY 2025 Enacted	534	\$150.975
➤ FTE Reduction	(75)	(\$15.975)
FY 2026 Request	459	\$135.0

Proposed Appropriations Language

The FY 2026 President's Budget proposes to reorganize the functions of the Consumer Product Safety Commission and embed it in the HHS Office of the Secretary as the Assistant Secretary for Consumer Product Safety (ASCPS). Contingent upon enactment of authorizing legislation, CPSC accounts will be transferred to the U.S. Department of Health and Human Services.

Salaries and Expenses

Contingent upon enactment of authorizing legislation transferring the functions of the Consumer Product Safety Commission to the Department of Health and Human Services, for necessary expenses of the Assistant Secretary for Consumer Product Safety, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, and purchase of nominal awards to recognize non-Federal officials' contributions to consumer product safety, \$135,000,000.

Budget Discussion by Strategic Goal

CPSC's Strategic Plan

CPSC's statutory mission is protecting the public from hazardous consumer products, and the agency's overarching vision is a nation free from unreasonable risks of injury and death from consumer products. CPSC has four Strategic Goals designed to realize the agency's vision and achieve its mission. CPSC's programs align with these Strategic Goals, and the agency implements them to achieve the goals outlined in CPSC's *2023–2026 Strategic Plan*. The Strategic Goals are:

- **Prevent**—Prevent hazardous products from reaching consumers;
- **Address**—Address hazardous consumer products in the marketplace and with consumers in a fast and effective manner;
- **Communicate**—Communicate actionable information about consumer product safety quickly and effectively; and
- **Support**—Efficiently and effectively support the CPSC's mission.

CPSC requests **\$135.0** million for FY 2026 to meet its Strategic Goals

Strategic Goal 1: Prevent

The FY 2026 Request supports Strategic Goal 1— **Prevent**, which focuses on stopping hazardous products from reaching consumers. CPSC works closely with standards development organizations (SDOs) to develop and strengthen voluntary standards for consumer products. This involves building consensus through engagement among relevant stakeholders outside the agency. Standards are also critical for preventing hazardous products from reaching consumers. CPSC develops new standards, when necessary and consistent with statutory authority, in response to identified product hazards.

A major component of CPSC's prevention approach is identifying and intercepting violative and hazardous consumer products through import surveillance and inspection programs. The agency conducts establishment inspections of manufacturers, importers, and retailers; monitors internet and resale markets; responds to reports about potentially hazardous products; and tests products for compliance with specific voluntary and mandatory standards.

Import Surveillance

Two key elements of CPSC's Import Surveillance program are:

- **CPSC port investigators** who are co-located with CBP at U.S. ports of entry. Port investigators identify and interdict consumer products that violate safety standards from entering the United States.
 - **CPSC's Risk Assessment Methodology (RAM)**, required by Section 222 of the Consumer Product Safety Improvement Act (CPSIA), enables CPSC to identify products imported into the United States that are most likely to violate consumer product mandatory standards.
-

Safety Standards: Mandatory & Voluntary

CPSC develops mandatory standards when necessary and consistent with statutory authority. CPSC's statutory authority, however, generally requires the agency to rely on voluntary standards, if compliance with a voluntary standard is likely to eliminate or adequately reduce the risk of injury or death identified, and it is likely that there will be substantial compliance with the voluntary standard.

CPSC devotes significant resources under the *Prevent* Strategic Goal to work on voluntary standards and support mandatory standards. These efforts help to minimize consumer product hazards by integrating safety into the product design and manufacturing stages.

The agency encourages and engages with SDOs to develop strong voluntary consensus standards designed to protect consumers.

FY 2026 Budget Initiatives and Activities

The budget initiatives and activities, which contribute to the Strategic Goal *Prevent* and are funded by the FY 2026 Request, include:

Data Collection and Analysis

CPSC is a data-driven agency. CPSC collects and analyzes a wide range of data from numerous sources and uses that information to identify emerging hazards, characterizing the number and types of hazards presented by consumer products or product classes, developing mandatory and voluntary standards, and testing products to evaluate safety and compliance with established standards. To meet current and future needs, CPSC will focus on developing and deploying capabilities to address mission success, including expanded data sources, automated data intake and coding, enhanced anomaly and trend detection, and improved data analytics. In FY 2026, the agency will continue to seek improvement opportunities of its analysis of data for evidence of areas where safety issues can be addressed, including using Artificial Intelligence/Machine Learning (AI/ML) to improve contextual analysis of text data to accelerate identification of emerging hazard patterns and trends. These efforts continue to support the agency's data collection and analysis capabilities. Further details on this are provided under Strategic Goal 4.

Enterprise Data Analytics

CPSC will continue to support CPSC's existing data collection and analytics capabilities while transitioning to a future state that leverages open-source tools, Cloud-hosted data, and AI-assisted enterprise analytics. This approach aims to preserve the quality of existing incident data collection and enhancement processes while simultaneously seeking efficiencies through technological advancements.

Additionally, the agency will maintain the current data intake and collection systems that feed the CPSRMS. At the same time, it will continue to modernize the platform and migrate this important data collection and exchange service to the Cloud. Finally, CPSC plans to create an Analytic Center of Excellence to harness advanced data analytics,

consistent with President Trump's Executive Order 14179 (January 23, 2025), *Removing Barriers to American Leadership in Artificial Intelligence*, and the OMB implementing instructions M-25-21 (April 3, 2025). This center will improve CPSC's ability to identify unsafe products and target illegal shipments, helping to level the playing field for American manufacturers.

National Electronic Injury Surveillance System (NEISS)

CPSC collects information on product-related injuries treated in hospital emergency departments (EDs) through the NEISS. The system uses a stratified sample of hospitals nationwide that are under contract with CPSC, and it enables probabilistic national estimates of product-related injuries to identify safety issues that may require additional analysis or corrective action. Other government agencies, consumer advocate organizations, and medical journals also use NEISS data.

In FY 2026, CPSC will continue to collect data from the hospitals being added to the NEISS as well as obtaining information from legacy hospitals, to enable calibration of trends while maintaining continuity with historical information.

Port Presence

CPSC co-locates investigators at select U.S. ports of entry to work side-by-side with CBP to identify and interdict shipments that are at high risk of not complying with CPSC requirements, including low-value eCommerce shipments. In FY 2026, CPSC will continue critical work to stop violative products at ports of entry and expedite clearance of compliant consumer product cargo, benefiting compliant importers.

CPSC will continue to immediately address evolving needs at the most critical port environments, including those that receive low-value eCommerce shipments of consumer products imported into the United States. This project continues CPSC's multi-phased strategy to identify and interdict high-risk imported consumer products. CPSC will utilize specialized equipment to identify and measure violative levels of chemicals to include lead and phthalates in children's products collected at ports of entry, as

each sample requires technical staff to analyze and/or test the sample for compliance.

Risk Assessment Methodology/Import Surveillance

The agency will continue to emphasize import surveillance by operating the RAM targeting system, in collaboration with CBP, to identify and stop violative imported products from entering the U.S. marketplace. For FY 2026, CPSC will continue to support the operation and implementation of the eFiling program. CPSC will expand data collection efforts undertaken for the Import Surveillance program by migrating the current on-premises system to the Cloud and enabling the utilization of its scaling capabilities.

Informed Compliance Inspection (ICI) Education and Outreach

Providing outreach and education to the trade community is an important part of CPSC's strategy to prevent hazardous products from reaching consumers. As part of this work, CPSC conducts Informed Compliance Inspections (ICIs) with first-time violators to provide information and resources so that future importations comply with U.S. consumer product laws and standards.

Hazards Research Collaborations and Testing

CPSC's National Product Testing and Evaluation Center provides the agency with technical capability to test and analyze consumer product samples the agency collects to determine whether risks exist from defects or the presence of standards violations. To ensure responsible use of its limited capital investment funds, CPSC follows a multi-year capital equipment life cycle replacement process. In FY 2026, CPSC will utilize upgraded equipment as part of the life cycle replacement plan, which includes repair and/or replacement of environmental conditioning chambers; upgrade and repair to the laboratory HVAC humidification controls to ensure necessary testing conditions for temperature and humidity are controlled better in the labs; clean out and refurbishment of the Pool and Spa drain cover test tank, storage tank and pump systems; and replacement of several types of test equipment that have degraded over time. These specific upgrades are vital to analyze incident samples for failure modes, for conditioning of samples prior to

testing for compliance and imported products, and to support standards development.

In FY 2026, CPSC will continue work to close identified shortfalls in applied research in hazard identification.

Voluntary Standards

CPSC participates in the voluntary standards process to reduce the risks associated with hazardous consumer products. In many cases, CPSC's statutory authority requires the agency to rely on voluntary standards if compliance with a voluntary standard is likely to eliminate or adequately reduce the risk of injury, and it is likely that there will be substantial compliance with the voluntary standard. In FY 2024, CPSC participated in 88 voluntary standards activities, collaborating with test labs, consumer advocates, and other stakeholders to improve consensus of voluntary standards across a wide range of consumer products. The 88 activities resulted in finalizing 26 standards that improve safety. Details of CPSC's voluntary standards activities are available at <https://www.cpsc.gov/Regulations-Laws--Standards/Voluntary-Standards/Voluntary-Standards-Activities-Reports>.

Mandatory Standards

CPSC continually evaluates its rulemaking agenda and focuses the agency's resources for promulgating mandatory standards on the products presenting the highest consumer product safety risks, taking account of voluntary standards. In FY 2026, the agency's mandatory rulemaking is expected to focus on statutorily-mandated rulemaking, and other activity consistent with Presidential Executive Orders and/or direction from OMB.

Strategic Goal 2: Address

The FY 2026 Request supports Strategic Goal 2— **Address**, which focuses on quickly and effectively addressing hazardous consumer products in the marketplace and with consumers.

CPSC's Office of Compliance and Field Operations ("Compliance & Field") is the Goal Leader for Strategic Goal 2—**Address**.

Essential elements under Address that are led by Compliance and Field are: (1) rapidly identify and prioritize hazardous consumer products for enforcement action; (2) minimize further exposure to hazardous consumer products through effective and timely enforcement that also deters future unlawful actions; (3) advance timely, comprehensive, effective, and efficient consumer product recalls for hazardous consumer products; and (4) monitor post-recall firm actions to identify need for additional compliance, enforcement, or communication activities.

Identifying and Investigating Hazardous Products

Field staff focuses on identifying and investigating hazardous consumer products throughout the United States and online. CPSC Field Investigators and eSAFE staff identify and investigate hazardous

consumer products through investigating reported incidents and injuries, conducting online surveillance, and performing establishment inspections.

Enforcement

Thorough investigations serve as the foundation for CPSC's efforts to address products that may present a substantial product hazard or violate a standard. When the agency determines that a product is hazardous, CPSC initially seeks to protect consumers by working with the responsible firm(s) to devise a corrective action plan (CAP) to address the product hazard via a recall, to notify the public about the available remedies, and to track recall responsiveness and subsequent deaths or injuries. When firms are unwilling to take voluntary corrective action to address a hazardous product, CPSC may notify the public or seek a mandatory recall. Additionally, where firms fail to comply with their reporting obligations or engage in other prohibited acts, CPSC analyzes facts and law to achieve appropriate civil penalty assessments and demands with the goal of holding firms accountable through settlement agreements.

CPSC's Fast-Track Program: Allows eligible firms to implement consumer-level voluntary recalls on an expedited basis after immediately stopping sale and distribution of the potentially hazardous product without CPSC determination of whether the product creates a substantial product hazard.

Recall Communications: CPSC works with firms to use multiple communication methods and technologies to communicate recall information to consumers.

FY 2026 Budget Initiatives and Activities

The budget initiatives and activities that contribute to the Strategic Goal *Address*, and are funded by the FY 2026 Request, include:

Investigations

Compliance and Field staff investigate product hazards to determine compliance with mandatory safety standards and identify substantial product hazards. CPSC's investigations include nationwide marketplace and port surveillance; inspections and analysis of information provided by manufacturers, importers, wholesalers, and retailers; Internet surveillance; and detailed technical analysis of potential hazards. A critical function of CPSC's field operations team involves performing comprehensive reviews of fatal and non-fatal consumer product safety incidents, including evaluating human and environmental incident factors and reporting on specific details required for evaluating product risks.

The growing eCommerce marketplace requires a corresponding increase in internet surveillance to identify and remove banned or recalled products offered for sale online. In FY 2026, the eSAFE team will continue to provide investigations of regulated and product defect cases concerning online products through online surveillance, improved technology, and on-the-ground investigations of incidents involving online products as well as seek opportunities to strengthen its eCommerce enforcement program.

Enforcement

CPSC seeks corrective action for products that violate mandatory safety standards or create a substantial product hazard. The assessment of whether a product creates a substantial product hazard requires a well-developed investigation with analysis that is supported by facts and law. When an appropriate corrective action cannot be achieved as part of a voluntary CAP, CPSC,

through litigation, pursues a mandatory corrective action. For FY 2026, CPSC will continue to conduct on-site firm inspections, recall checks, and oversight of recall activities to ensure hazardous products are removed from consumers' homes and from the stream of commerce generally. CPSC will also continue to conduct complex product investigations to include serious chronic and chemical hazards.

Firms that conduct recalls submit Monthly Progress Reports to CPSC with updates on recall participation and additional incidents or injuries identified after the firm issued the recall. The agency monitors recalling firms' reports. Where firms fail to comply with their reporting obligations or engage in other prohibited acts, CPSC investigates and seeks appropriate civil penalties.

Compliance Technology Systems

CPSC will continue operation and maintenance of case management systems for the agency and implementation of a newer case management system for enforcement work.

In addition, CPSC will continue to utilize systems that enable searches of eCommerce platforms and other Internet sites to identify the sale of prohibited and recalled consumer products.

State and Local Program

Communicating safety responsibilities and educating industry on its safety obligations, are cost-effective methods of achieving compliance and reducing injuries and deaths. The State and Local Program, managed by CPSC's Division of Field Operations, works with state and local governments nationwide to conduct outreach and education activities to increase dissemination of consumer product safety information and improve consumer response to product recalls. This program helps state governments build capacity, adopting safety initiatives, and monitor recall notifications.

Strategic Goal 3: Communicate

The FY 2026 Request supports Strategic Goal 3—**Communicate**, which focuses on communicating actionable information about consumer product safety quickly and effectively. CPSC uses a wide array of communication channels and strategies to provide timely, targeted information about consumer product safety to the public, industry, and other stakeholders.

Serving as the go-to source of life-saving consumer product safety information for the public and businesses

CPSC strives to be the primary source of consumer product safety information for consumers, businesses, and other government agencies. The agency strives to improve accessibility and usefulness of consumer product safety information for all consumers. The agency is continuously evaluating and identifying areas for improvement and optimization of its digital content to reach a broader audience with accurate and actionable consumer product safety information.

CPSC measures the usefulness of its messaging through evaluative tools. Examples include tracking visits to CPSC websites, downloads of CPSC safety information, and tracking the reach of CPSC messages through media monitoring services and open rates for CPSC recall emails.

Disseminating information through targeted approaches

CPSC works to increase dissemination of consumer product safety information through targeted approaches, including:

- **Leveraging technology to enhance and expedite the agency's communication of safety information.** Keeping CPSC's website infrastructure updated to reflect best practices. Additionally, CPSC strives to expand dissemination of its safety information through increased use of modern communication technologies, including emerging social media platforms, such as Truth Social, and streaming content platforms.
- **Strategically expanding communications.** The agency uses a variety of media platforms to disseminate safety information to the general public and to particular audiences.
Examples include:
 - Recall notices, product hazards warnings and other safety information distributed in English and Spanish via electronic newsletters.
 - Regular posts of social media content in English and Spanish, as well as feeds of CPSC's safety information on other social media platforms.
 - PSAs and videos on safety tips on YouTube.
 - Webinar videos for small businesses.
- **Conducting outreach campaigns on priority hazards.** Conducting the *Pool Safely* campaign to reduce childhood drownings, collaborating with federal agencies to share safe sleep tips, and socializing information on Carbon Monoxide (CO) poisoning and the safe use of portable generators before and after hurricanes.

FY 2026 Budget Initiatives and Activities

The budget initiatives and activities that contribute to the Strategic Goal *Communicate* and are funded by the FY 2026 Request, include:

Public Information and Education Campaigns

Consumers, safety advocates, industry, and state and local government agencies need high-quality information about consumer product safety. Consumers need safety information to make informed decisions for themselves and their families. Safety advocates rely on accurate data to shape their policy recommendations. Industry needs information to stay in compliance with safety requirements. State and local government agencies need high-quality information to establish new safety requirements that advance consumer safety. CPSC will continue to conduct information and education (I&E) campaigns with the aim of preventing injuries and deaths from consumer products. The campaigns will address various hazards, including child drownings (*Pool Safety* campaign), baby safety, and CO poisoning associated with power outages from weather events. CPSC will also continue to execute seasonal campaigns focused on product-related hazards, such as fireworks and holiday safety.

Moreover, the agency is committed to maintaining a dynamic and up-to-date website along with a strong digital presence across all platforms, ensuring that information is consistently reliable, accessible, and timely. Additionally, the agency will leverage various external touchpoints to enhance community-focused educational efforts and engage meaningfully with consumers.

CPSC will maintain translation of recall notices and product safety warnings into Spanish. CPSC will maintain and optimize its listserv to effectively communicate with consumers who have subscribed to receive recall notices and other important safety information via email. CPSC will continue to reach more than 400,000 email subscribers with CPSC public announcements, including recalls, safety updates, business education, and event information.

Internet and Social Media

CPSC uses a variety of online platforms to reach the public, including websites (e.g. [cpsc.gov](https://www.cpsc.gov), [SaferProducts.gov](https://www.SaferProducts.gov), [PoolSafely.gov](https://www.PoolSafely.gov), and [AnchorIt.gov](https://www.AnchorIt.gov)), social media, email alerts, and videos. CPSC posts recalls to its website and recalls app. Safety education and other news releases are provided in Really Simple Syndication (RSS) news feed format. This enables users to access updates to online content in a standardized, computer-readable format. This also allows the media and others to obtain information from CPSC websites, and, in seconds, have the information posted on their websites from the RSS feed. In FY 2026, CPSC will continue to have a strong social media and Web presence as key components of achieving its safety mission.

CPSC is dedicated to the daily management and upkeep of the agency's website, which serves as a crucial resource for consumers seeking information on product recalls and safety. The website will consistently feature timely updates on recalls, safety warnings, scientific reports, and other relevant content. CPSC will also continue to manage its extensive database of over 400,000 consumers and utilize an engagement tool to inform a growing number of digital subscribers about recalls. This tool has become an essential component of our email messaging strategy, allowing us to effectively target specific users with pertinent recall information.

Media

In FY 2026, CPSC will engage national and local media to generate coverage for major recalls and safety campaigns, including drowning prevention, fireworks injury prevention, holiday toy and decoration safety, CO poisoning, chronic hazards, and other emerging hazards.

Consumer Hotline

The CPSC Hotline offers information and assistance on product safety issues, as well as files incident reports for consumers or other stakeholders. CPSC will continue to operate the Hotline and General Information number (1-800-638-2772) in FY 2026.

Strategic Goal 4: Support

The FY 2026 Request supports Strategic Goal 4 —**Support**, which focuses on efficient, responsive, and transparent services that support CPSC's mission. CPSC's approach to this goal involves excellence in information technology, financial management, human capital, legal & legislative affairs, facilities support services, equal employment opportunity support, and resources for the Office of Inspector General (OIG) to provide oversight of programs that most directly impact the CPSC public safety mission.

FY 2026 Budget Initiatives and Activities

The budget initiatives and activities that contribute to the Strategic Goal *Support* and are funded by the FY 2026 Budget Request include:

Human Resources Management

Having a highly trained and engaged workforce is critical to the dynamic challenges of the consumer product safety landscape and achieving CPSC's life-saving mission. To accomplish this mission, CPSC will utilize and develop staff with a wide range of specialized and support skills, and the education, expertise, and potential to fulfill the full depth and breadth of agency responsibilities. All supervisors will be trained on how to manage probationary and trial periods effectively as a critical tool for ensuring a high-quality workforce.

In FY 2026, CPSC will oversee employee performance, ensuring that performance expectations are aligned with the agency's mission, appropriately challenging, and clearly communicated. Human Resources staff will support managers by offering training and providing the necessary tools and resources to drive staff productivity.

Financial Management

CPSC is committed to the effective and efficient management of the agency's financial resources. To uphold this commitment, financial management processes and internal controls will be strengthened to ensure accurate and reliable financial reporting. Financial Management staff will also focus on

improvements to acquisition planning, budget formulation, execution, and accounting. For FY 2026, the agency will continue to address audit recommendations related to internal controls and enterprise risk management.

CPSC will continue to adhere to procurement Executive Orders (E.O.), including E.O. 14275, *Restoring Common Sense to Federal Procurement*, to streamline agency FAR supplements and related guidance and align to FAR Council's deviation guidance. In FY 2025, CPSC analyzed procurement actions in response to E.O. 14240, *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement*, and identified common goods and services contracts for award by the General Services Administration (GSA), including information technology, cybersecurity, financial, and audit services. CPSC will also continue to assess the procurement of commercial and non-commercial products and services to provide cost-effective solutions for the agency's safety operations.

In FY 2025, CPSC identified contracts and procurement activities required to implement the agency's goals and objectives, and prioritized expenditures related to port, field, and laboratory investments, investigatory work; the collection, processing, and shipping of samples; the collection of epidemiological data, including procurement of NEISS data and death certificates; and laboratory operations that support the Offices of Compliance (EXC) and Import Surveillance (EXIS). Additional covered contracts and purchases include those necessary to support ongoing agency litigation obligations, including

depositions, transcripts, and other legal documents; mission critical information technology purchases that assist EXC, EXIS, EXRR program operations; and mission critical purchases related to information technology network operations and security. In FY 2026, CPSC will continue to promote cost and operational efficiencies and the financial integrity of its public safety mission.

Information Technology (IT)

Managing and leveraging technology and data is crucial to the operations of CPSC's achievement of its mission and agency strategic goals and objectives.

CPSC will create an Analytic Center of Excellence (CoE) to harness advanced data analytics, consistent with President Trump's Executive Order 14179 (January 23, 2025), *Removing Barriers to American Leadership in Artificial Intelligence*, and the OMB implementing instructions M-25-21 (April 3, 2025). This center will improve CPSC's ability to identify unsafe products and target illegal shipments, helping to level the playing field for American manufacturers.

In alignment with M-25-21, the CoE will aggressively pursue the adoption of effective, mission-enabling AI to benefit the American people, and will seek to avoid unnecessary and bureaucratic requirements that inhibit innovation and reasonable adoption. The CoE will seek to leverage these technologies to advance the efficiency and effectiveness of mission execution, while maintaining safeguards to retain public trust.

In FY 2026, CPSC will continue to develop, implement, operate, maintain, and protect IT networks and systems. Additionally, CPSC will continue managing policy, planning, and compliance activities related to the effective management of IT resources, as required by law and policy, including, but not limited to, OMB Circulars No. A-11 and No. A-130, Clinger Cohen Act of 1996 (CCA), Federal Information Technology Acquisition Reform Act (FITARA), Federal Information Security Management Act (FISMA), Government Paperwork Elimination Act (GPEA), Section 508 of the Rehabilitation Act, the E-

Government Act of 2002, Government-wide Federal Cloud Computing Strategy—Cloud Smart—policy, Zero Trust Architecture, Federal IT Modernization Report, Foundations for Evidence-Based Policymaking Act of 2018 (Pub. L. No. 115-435), and all applicable executive orders and government-wide direction.

Facilities Support Services

In FY 2026, CPSC will continue right sizing its GSA-leased real estate footprint to align with occupancy rates and ensure the safe and efficient management of office and public space. Personal property accountability and accurate depreciation calculations remains a continued focus for the agency, in addition to consumer product sample system management, and hazardous material destruction. In FY 2026, CPSC will conduct a Continuity of Operations exercise and revise occupancy emergency procedures in reconfigured spaces.

Legal Affairs

For the agency to be effective, the public must be confident that CPSC employees are upholding the highest ethical standards in conducting their work. In FY 2026, CPSC will continue ensuring employee compliance with the Ethics in Government Act of 1978 and the Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR Part 2635). The ethics program, which applies to every agency employee, is designed to prevent financial and other conflicts of interest and thereby ensure that government decisions are made free from any personal bias.

CPSC will also continue to update and maintain the agency's policies and procedures providing guidance and instruction to employees. In addition, transparency of agency activity is an important priority for CPSC. The agency responds to information requests from the public within the constraints of the Freedom of Information Act (FOIA) and other disclosure laws.

CPSC will continue providing timely responses to information requests and proactive disclosure of information of interest to the public.

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Strategic Plan Summary

CPSC's FY 2026 Request and the included FY 2026 Annual Performance Plan (APP) align with the Commission's previously approved *2023–2026 Strategic Plan*. The Request sets the framework for subsequent agency planning, communication, management, and reporting. The *Strategic Plan* provides a general direction for resource allocation, program design, and management decisions. The Strategic Plan defines the evidence and performance data that will be used to monitor and assess program effectiveness.

CPSC has formulated strategic objectives within each strategic goal, and these objectives reflect the key component outcomes necessary to achieve each of the strategic goals. The strategic objectives are underpinned by strategies and initiatives, which define additional outcomes, outputs, and activities that CPSC will implement and pursue within each strategic objective. CPSC has identified the FY 2026 key performance measures for monitoring and reporting on progress toward achieving the strategic objectives.

MISSION

Protecting the public from hazardous consumer products

VISION

A nation free from unreasonable risks of injury and death from consumer products

STRATEGIC GOAL 1: PREVENT

Prevent hazardous products from reaching consumers

- **Strategic Objective 1.1**
Improve identification and timely assessment of hazards to consumers
- **Strategic Objective 1.2**
Lead efforts to improve the safety of consumer products before they reach the marketplace through robust and effective safety standards
- **Strategic Objective 1.3**
Increase capability to identify and stop imported hazardous consumer products

STRATEGIC GOAL 2: ADDRESS

Address hazardous consumer products in the marketplace and with consumers in a fast and effective manner

- **Strategic Objective 2.1**
Rapidly identify and prioritize hazardous consumer products for enforcement action
- **Strategic Objective 2.2**
Minimize further exposure to hazardous consumer products through effective and timely enforcement that also deters future unlawful actions
- **Strategic Objective 2.3**
Advance timely, comprehensive, effective, and efficient consumer product recalls for hazardous consumer products
- **Strategic Objective 2.4**
Monitor post-recall firm actions to identify need for additional compliance, enforcement, or communication activities

STRATEGIC GOAL 3: COMMUNICATE

Communicate actionable information about consumer product safety quickly and effectively

- **Strategic Objective 3.1**
Improve accessibility, usefulness, and actionability of consumer product safety information
- **Strategic Objective 3.2**
Increase dissemination of actionable consumer product safety information
- **Strategic Objective 3.3**
Increase and enhance CPSC collaborations to reach consumers, including vulnerable and underserved communities

STRATEGIC GOAL 4: SUPPORT

Efficiently and effectively support the CPSC's mission

- **Strategic Objective 4.1**
Attract, recruit, cultivate, and retain a high-performing and engaged workforce
- **Strategic Objective 4.2**
Ensure strong stewardship and effective use of agency resources
- **Strategic Objective 4.3**
Foster public trust in the Commission by holding employees and officials to a high standard of ethics; updating and maintaining agency's internal governance system; and promoting transparency in agency operations
- **Strategic Objective 4.4**
Deliver high-quality effective mission-oriented information and technology solutions

Annual Performance Plan (APP) and Details

The CPSC's safety mission is protecting the public from hazardous consumer products, and the agency's overarching vision is a nation free from unreasonable risks of injury and death from consumer products.

The following FY 2026 APP was developed using the framework established in the 2023–2026 Strategic Plan. The Strategic Plan defines evidence and performance data that will be used to monitor and assess program effectiveness. This APP is subject to revision based on the finalization of the 2026–2030 Strategic Plan.

CPSC's Approach to Goal 1: **Prevent**

CPSC uses several means to try to prevent injury or harm from consumer products. The overall approach is to: (1) work at the national and international level to help ensure that hazards are appropriately addressed by voluntary standards or mandatory standards; (2) provide technical information and other support for voluntary standards development; (3) allocate inspection, surveillance, and enforcement resources effectively to identify and remove hazardous products from the marketplace; and (4) educate manufacturers on safety requirements and collaborate with government regulatory counterparts to help build safety into consumer products.

Another major component of CPSC's prevention approach is identification and interception of hazardous consumer products through import surveillance and inspection programs. The agency conducts establishment inspections of manufacturers, importers, and retailers; monitors Internet and resale markets; responds to industry-generated reports about potentially hazardous products; and tests products for compliance with specific mandatory and voluntary standards.

CPSC's Approach to Goal 2: **Address**

To better identify potentially hazardous products, CPSC will monitor internal and external information sources, leverage online surveillance activities, and improve methods for integrating information from multiple sources. To advance the agency's ability to act upon the information and quickly remove the most hazardous products from the marketplace, CPSC will review incident profiles and other information to improve its prioritization of products for investigation. The agency will also seek to enhance resources to promptly investigate hazardous products, seek timely voluntary corrective actions from firms, seek corrective action and notices to the public for non-cooperating firms, and pursue civil penalties to provide effective deterrence of law violations. CPSC will also work with firms to maximize communications about recalls through multiples communication channels and the use of technology. CPSC will prioritize resources to improve its recall monitoring process and conduct follow-up activities with firms, as appropriate. The agency will also work with a variety of stakeholders to better understand consumer behavior in the recall context and to increase recall response rates.

CPSC's Approach to Goal 3: **Communicate**

CPSC uses a wide array of communication channels and strategies to provide timely, targeted information about consumer product safety to the public, industry, and other stakeholders. The agency disseminates safety messages through workshops and training sessions; listserv messages; press releases; newspaper, radio, and TV interviews; PSAs and paid advertising; and, increasingly, through social media, including blogs and Twitter. CPSC will improve the accessibility, usefulness, and utility of its safety messages by collecting and analyzing data; and designing and applying new and innovative communication tools. An additional element of CPSC's strategy involves strengthening collaborations with stakeholders, including other government agencies, nonprofit organizations, and those with an interest in amplifying our safety messaging. This may include collaboration on information and education campaigns on product safety.

CPSC's Approach to Goal 4: **Support**

CPSC's approach to this goal involves attracting, recruiting, cultivating, and retaining a high-performing workforce; ensuring strong stewardship and effective use of agency resources; fostering public trust in the agency by holding employees and officials to a high standard of ethics; updating and maintaining agency's internal governance system; promoting transparency in agency operations; and delivering high-quality, effective mission-oriented information and technology solutions.

Key Performance Measure Summary

Strategic Objective (SO)		Key Performance Measure (KM)	Lead Office	FY 2025 Target	FY 2026 Target
Goal 1: Prevent Prevent hazardous products from reaching consumers					
SO 1.1 Improve identification and timely assessment of hazards to consumers	KM1.1.1 Number of hazard characterization annual reports completed on consumer product-related fatalities, injuries, and/or losses for specific hazards	Hazard Identification	13	8	
	KM1.1.2 Percentage of consumer product-related injury cases correctly captured at NEISS hospitals		90%	90%	
SO 1.2 Lead efforts to improve the safety of consumer products before they reach the marketplace through robust and effective safety standards	KM1.2.1 Number of voluntary standards activities in which CPSC staff participated that result in a revised standard that reduces the risk of injury associated with products covered by the standard	Hazard Identification	20	16	
	KM1.2.2 Number of rulemaking briefing packages prepared		15	6	
	KM1.2.3 Percentage of firms that are engaged with a timely establishment inspection after being identified as a repeat offender	Import	83%	83%	
SO 1.3 Increase capability to identify and stop imported hazardous consumer products	KM1.3.1 Percentage of consumer product imports, identified as high-risk, examined at import	Import	85%	87%	
	KM1.3.2 Percentage of import shipments processed through the Risk Assessment Methodology (RAM) system that are cleared within 1 business day		99%	99%	
	KM1.3.3 Number of import examinations completed		38,500	51,000	
	KM1.3.4 Number of low value eCommerce shipment examinations completed		10,500	14,500	
Goal 2: Address Address hazardous consumer products in the marketplace and with consumers in a fast and effective manner					
SO 2.1 Rapidly identify and prioritize hazardous consumer products for enforcement action	KM2.1.1 Percentage of cases for which a Preliminary Determination is made within 85 business days of case opening (Hazard Priorities A, B, and C)	Compliance	75%	70%	
	KM2.1.2 Percentage of cases for which a compliance determination is made within 5 business days of completed sample evaluation		85%	85%	
SO 2.2 Minimize further exposure to hazardous consumer products through effective and timely enforcement that also deters future unlawful actions	KM2.2.1 Percentage of cases for which a CAP is accepted, or public notice process initiated within 90 business days of a Preliminary Determination (Hazard Priorities A, B, and C)	Compliance	75%	75%	
	KM2.2.2 Percentage of cases for which a firm is notified of a violation within 10 business days of compliance violation determination		80%	80%	
	KM2.2.3 Percentage of Fast-Track cases with corrective actions initiated within 20 business days of case opening		96%	90%	
	KM2.2.4 Percentage of initial assessments to determine whether to open a civil penalty investigation that are conducted within 90 days of the recall announcement		95%	95%	

Strategic Objective (SO)	Key Performance Measure (KM)	Lead Office	FY 2025 Target	FY 2026 Target
	KM2.2.5 Percentage of cases open 90 business days for which a product safety assessment planning discussion is held with technical staff		95%	95%
SO 2.3 Advance timely, comprehensive, effective, and efficient consumer product recalls for hazardous consumer products	KM2.3.1 Recall response rate for all consumer product recalls	Compliance	43%	43%
SO 2.4 Monitor post-recall firm actions to identify need for additional compliance, enforcement, or communication activities	KM2.4.1 Percentage of overdue notification notices sent to firms within 21 calendar days of determining a firm's monthly progress report is overdue	Compliance	95%	95%
Goal 3: Communicate Communicate actionable information about consumer product safety quickly and effectively				
SO 3.1 Improve accessibility, usefulness, and actionability of consumer product safety information	KM3.1.1 Number of engagements with CPSC safety messaging on social media channels by stakeholders ² (in millions)	Communications	20	22
SO 3.2 Increase dissemination of actionable consumer product safety information	KM3.2.1 Number of national media placements of CPSC stories	Communications	30	30
	KM3.2.2 Percentage of recall press releases cycled through the Office of Communications (OCM) in 2 business days or less once received from the Office of Compliance & Field Operations ³		90%	90%
	KM3.2.3 Unique open rate for email subscribers to CPSC's recall announcement ⁴		35%	24%
SO 3.3 Increase and enhance CPSC collaborations to reach consumers, including vulnerable and underserved communities	KM3.3.1 Number of collaborations with external groups to amplify OCM's safety campaign messages, especially with historically excluded communities	Communications	25	27
Goal 4: Support Efficiently and effectively support the CPSC's mission				
SO 4.1 Attract, recruit, and cultivate a high-performing and engaged workforce	KM4.1.1 Percentage of employees satisfied with opportunities to improve their skills	Human Resources	74%	76%
	KM4.1.2 Percentage of hiring managers (authorized to hire) trained on recruitment		93%	93%
	KM4.1.3 High-performing Federal Workforce – Employee Engagement Index Score		71%	72%
SO 4.2 Ensure strong stewardship and effective use of agency resources	KM4.2.1 Achieve unqualified opinion on independent financial audit	Financial Management	UQ/M ⁵	UQ/M

² "Engagements" refers to the number of interactions (likes, shares, comments) with CPSC social media content.

³ Prior to FY 2025, the key measure statement for KM3.2.2 was "Percentage of recall press releases cycled through the Office of Communications (OCM) in 2 business days or less once received from the Office of Compliance & Field Operations"

⁴ Per the 2023 Public Sector Benchmark Report issued by Granicus, the contractor that executes our email communications, shows that the median open rate for email communications from all federal agencies is 24%.

⁵ When this key measure was initially established in CPSC's FY 2023 Operating Plan, the target was initially set to "1." In CPSC's FY 2024 Annual Performance Report (APR), the target was updated to UQ/M (Unqualified or Unmodified) to best reflect the target level for this key measure going forward.

Strategic Objective (SO)	Key Performance Measure (KM)	Lead Office	FY 2025 Target	FY 2026 Target
SO 4.3 Foster public trust in the Commission by holding employees and officials to a high standard of ethics; updating and maintaining agency's internal governance system; and promoting transparency in agency operations	KM4.3.1 Percentage of financial disclosure forms reviewed and certified timely by OGC	General Counsel	100%	100%
	KM4.3.2 Percentage of FOIA responses to the public that meet timeliness benchmarks		75%	75%
SO 4.4 Deliver high-quality effective mission-oriented information and technology solutions	KM4.4.1 Percentage of operating uptime for IT systems	Information Technology	98%	98%
	KM4.4.2 Percentage of operating uptime for IT networks		99%	99%
	KM4.4.3 Percentage of critical vulnerabilities addressed from U.S. CERT (United States Computer Emergency Readiness Team) within 3 business days		100%	100%
	KM4.4.4 Percentage of prioritized IT projects delivered on time, on budget, and with intended performance		85%	85%
	KM4.4.5 Percentage of prioritized high-risk IT security audit findings addressed		95%	95%

Appendix A: Good Accounting Obligation in Government Act Report

Summary

The Good Accounting Obligation in Government Act (GAO-IG Act) requires each federal agency, in its annual budget request, to include a report on:

- (1) each public recommendation of the Government Accountability Office (GAO) that is designated as "open" or "closed, unimplemented" for a period of at least 1 year preceding the date on which such justification is submitted;
- (2) each public recommendation for corrective action from the agency's Office of the Inspector General (OIG) that was published at least 1 year before the justification is submitted for which no final action was taken; and
- (3) the implementation status of each such recommendation.

[This CPSC report](#) includes GAO and OIG reports issued before January 2024 for which CPSC has open or closed, unimplemented recommendations.

The report has four (4) parts:

Part 1: GAO recommendations and their implementation status

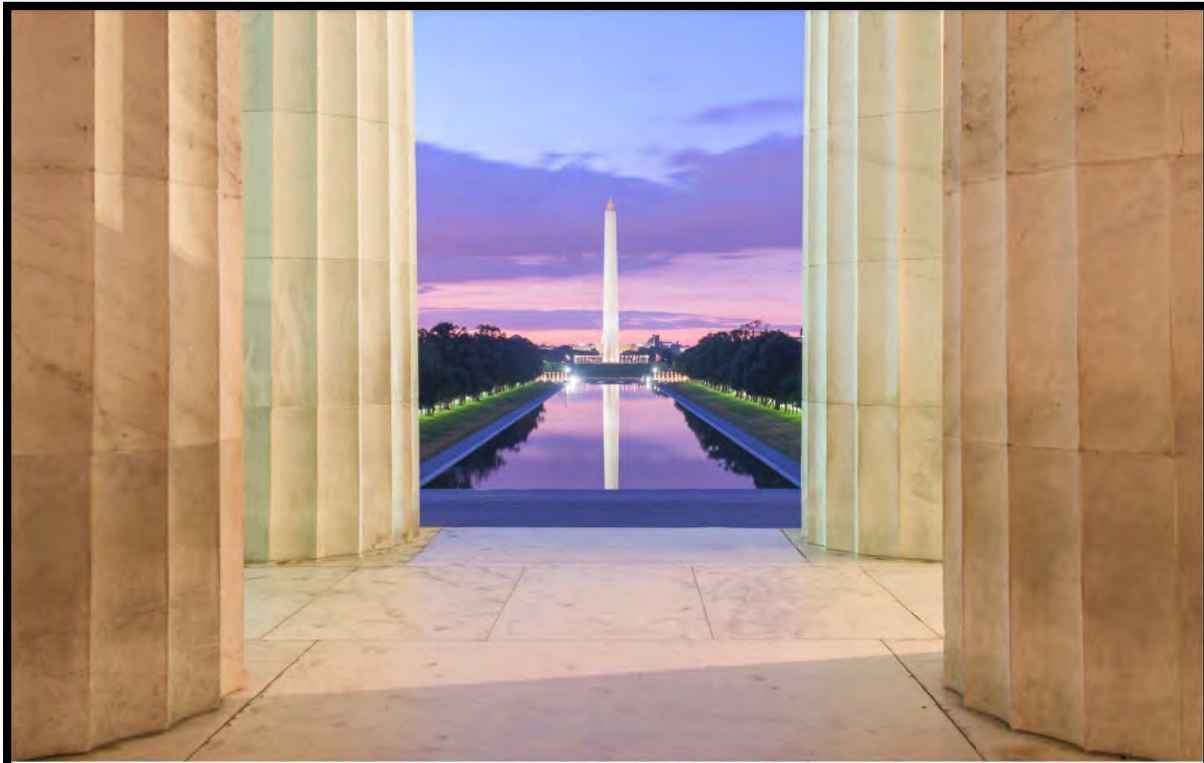
Part 2: OIG recommendations and their implementation status

Part 3: Reconciliation of CPSC's records to the OIG's Semi-Annual Report to Congress (SAR)

Part 4: Acronyms

Appendix B: Budget Request from the Agency's Office of Inspector General





VISION STATEMENT

We are agents of positive change striving for continuous improvements in our agency's management and program operations, as well as within the Office of Inspector General.

STATEMENT OF PRINCIPLES

We will:

Work with the Commission and the Congress to improve program management.

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews.

Use our investigations and other reviews to increase government integrity and recommend improved systems to prevent fraud, waste, and abuse.

Be innovative, question existing procedures, and suggest improvements.

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness.

Strive to continually improve the quality and usefulness of our products.

Work together to address government-wide issues.

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BUDGET REQUEST

The U.S. Consumer Product Safety Commission (CPSC) Office of Inspector General (OIG) is pleased to offer its independent budget request in accordance with sections 406(g)(1-3) of the Inspector General Act of 1978, as amended (IG Act). With this request for an earmark within the CPSC budget, CPSC OIG seeks to join other OIGs in exercising independent control of its budget and staffing level. This level of independence is critical to protect our office's independence and ability to control how it manages its workload without restriction.

This proposed budget offers many benefits to the CPSC and to American consumers. It will allow us to increase oversight over agency programs that most directly impact the CPSC's mission of "Protecting the public from hazardous products." By transmitting an independent budget request and supporting information, we hope to enhance both the independence and effectiveness of our office.

The CPSC has, in the past, offered to provide additional contracting funds to offset shortfalls in OIG staff. While this offer has been appreciated, the determination of whether to contract out OIG engagements in specific, and how to best utilize OIG resources in general, is the purview of the Inspector General and not the agency. The OIG is required to perform both statutory engagements, which apply to all Federal agencies, and agency-specific engagements, which target specific agency programs. We have historically contracted out statutorily required engagements, such as the financial statement audit. There are a wide variety of contractors with experience performing these types of engagements. This promotes competition and allows us to receive a good return on investment. The calculus is different in regard to engagements involving programs unique to the CPSC. Our experience is that it is difficult to obtain bids from qualified contractors for CPSC-specific engagements. We have experience offering contract opportunities which receive no interest or just one bid.

Additionally, contracting out engagements, when done properly, involves work by existing staff to acquire and monitor the contractor's services according to professional standards. Depending on the complexity of the engagement, contract oversight can take hundreds of hours. Our auditors, who are already fully tasked, are the best qualified to monitor the work of the contractors in question, and without additional staff we do not have the capability to monitor additional contracts.



In many ways, more important than the economic factors at play are the pragmatic ones. We have determined that, concerning programs unique to the CPSC and its mission, it is advantageous to develop and retain organizational knowledge and oversight capacity by hiring staff rather than contracting out efforts piecemeal. Engagements build on one another and the only way the OIG can build capacity and retain knowledge is by completing the engagements in-house.

So, what will the American people gain from our increased staff resources?

- Increased oversight and transparency by an average of one additional audit per auditor per year.
- Increased efficiency of agency operations due to a greater focus of OIG efforts on mission-related engagements, improving the agency's ability to protect the public from dangerous consumer products.
- Increased return on investment of taxpayer dollars as a result of retaining greater organizational knowledge in-house.
- Increased safety for CPSC employees as our investigator joins many other OIGs throughout the government investigating identify theft against employees related to pandemic relief funds.

We have historically had a good working relationship with agency management. In the past, we have been able to provide preliminary findings to agency management, while audits were still ongoing, that provided management with suggestions for improvement which management then implemented prior to the conclusion of the audit. An increase in staff will allow us to increase the number of mission-related audits conducted each year. This will result in our issuing more recommendations that are tailored to the CPSC's mission. When implemented, these recommendations will increase the efficiency of agency operations and improve the effectiveness of the agency in protecting the public from hazardous consumer products.

Every year during our risk assessment process we identify more high-risk areas in need of auditing than we can complete. Additional staff will give us the ability to address this backlog. As a result, we will be able to audit more high-risk programs and reduce the risks of fraud, waste, abuse, and mismanagement.



**U.S. Consumer Product Safety Commission
Office of Inspector General
Budget for FY 2026**
(in thousands)

Resources	FY 2024 Actuals*	FY 2025 Estimate	FY 2026 Request
FTEs	7	6	6
Salaries and Personnel Benefits	\$ 1,139	\$ 1,217	\$ 1,278
Contracts and Operating Expenses			
Statutory Audits	\$ 374	\$ 336	\$ 343
Statutory CIGIE payment	\$ 7	\$ 7	\$ 8
Statutory Training	\$ 15	\$ 18	\$ 18
Agency-Specific Audits and Other Operating Expenses	\$ 25	\$ 84	\$ 111
TOTAL	\$ 1,560	\$ 1,662	\$ 1,758

*Two of seven positions were filled for less than a full year.

The information presented above comes from two different sources. The FY 2024 actuals come from CPSC information; the FY 2025 Estimate is based on the most recent year-to-date spending information available. The FY 2026 Request is based on OIG estimates made within the confines of the budget parameters assigned by CPSC management. The assumptions used to develop the estimate and request are discussed on Pages 5-6.

FY 2026 BUDGET ASSUMPTIONS

Personnel Costs

- We will retain our current staff in FY 2026.
- FY 2026 salaries are adjusted to account for any step increases and agency-wide guidance for general wage adjustments.
- Benefit costs are calculated based on statutory rates, e.g., the government will contribute 1.45 percent of each employee's salary up to the first \$200,000 for Medicare, present employees will maintain current health insurance elections.

The proposed amount is expected to be adequate to meet these requirements.

Statutory Costs

We are currently mandated to complete three audits every year: financial statement audit (FSA), Payment Information Integrity Act (PIIA), and Federal Information Security Modernization Act (FISMA). For FY 2026:

- FSA will be in year four of the current contract, so the contract actuals are used.
- PIIA will be in year three of the current contract, so the contract actuals are used.
- FISMA will be in year two of the current contract, so the contract actuals are used.

The Council of Inspectors General for Integrity and Efficiency annual assessment is a set percent of the enacted budget and is required from all offices of inspectors general.

The IG Act requires OIGs perform their work in accordance with U.S. Government Accountability Office's, *Government Auditing Standards* which requires all audit staff to complete 80 hours of continuing professional education every two years.

The proposed amount is expected to be adequate to meet these requirements.

Agency-Specific Audits and Other Operating Expenses

The OIG plans to continue its current practice of leveraging its FISMA contractors to provide a series of additional Information Technology (IT) agency-specific audits. We closely coordinate the scheduling of these audits with CPSC's Information Technology department to ensure maximum value to the agency at a reasonable cost.

We have identified some audits that may be suited for contracting out. As soon as we have additional staff available to supervise a contract (in addition to completing their own audit) we will draft a performance work statement and attempt to contract out the additional work.

We have set aside limited funds to cover office supplies and minimal travel.

The proposed amount is expected to be adequate to meet these requirements.

Summary

The U.S. Consumer Product Safety Commission's Inspector General certifies that the amount proposed for training satisfies all known OIG training requirements for our staff in FY 2026. I further certify that, if the above budget request is enacted, in accordance with procedures developed by the Council of Inspectors General on Integrity and Efficiency (CIGIE) a sum has been set aside to provide the resources necessary to support CIGIE through the annual dues paying process.

CHRISTOPHER DENTEL Digitally signed by CHRISTOPHER DENTEL
Date: 2023.05.19 15:25:14 -04'00'
Christopher W. Dentel, Inspector General





For more information on this report please contact us at CPSC-OIG@cpsc.gov

To report fraud, waste, or abuse, mismanagement, or wrongdoing at the CPSC go to
[OIG.CPSC.GOV](https://oig.cpsc.gov) or call (301) 504-7906

Office of Inspector General, CPSC, 4330 East-West Hwy., Suite 702, Bethesda, MD 20814

Appendix C: Acronyms

AI	Artificial Intelligence
APP	Annual Performance Plan
ASCPS	Assistant Secretary of Consumer Product Safety
CBP	U.S. Customs and Border Protection
CO	Carbon Monoxide
CoE	Center of Excellence
CPSC	U.S. Consumer Product Safety Commission
CPSIA	Consumer Product Safety Improvement Act
EO	Executive Order
FOIA	Freedom of Information Act
FTE	Full-time Equivalent
FY	Fiscal Year
HHS	U.S. Department of Health and Human Services
KM	Key Performance Measure
ML	Machine Learning
NEISS	National Electronic Injury Surveillance System
OIG	Office of the Inspector General
RAM	Risk Assessment Methodology
SDO	Standards Development Organization
SO	Strategic Objective



U.S. CONSUMER PRODUCT SAFETY COMMISSION

4330 East West Highway | Bethesda, MD 20814

Consumer Hotline and General Information:

(800) 638-2772 | TTY (800) 638-8270

CPSC.gov

Nonrecurring Expenses Fund

Nonrecurring Expenses Fund

Budget Summary

(Dollars in Thousands)

	FY 2024 ²	FY 2025	FY 2026
Notification ¹	\$750,000	*	*
Rescission ³	\$1,387,900	\$1,471,000	\$750,000

Authorizing Legislation:

Authorization.....Section 223 of Division G of the Consolidated Appropriations Act, 2008

Allocation Method.....Direct Federal, Competitive Contract

Program Description and Accomplishments

The Nonrecurring Expenses Fund (NEF) permits HHS to transfer unobligated balances of expired discretionary funds from FY 2008 and subsequent years into the NEF account. Congress authorized use of the funds for capital acquisitions necessary for the operation of the Department, specifically information technology (IT) and facilities infrastructure acquisitions.

HHS was first able to collect expired funds in FY 2013. Since then, HHS has allocated approximately \$6.6 billion for capital projects, including approximately \$3.2 billion for physical infrastructure projects and approximately \$3.4 billion for IT infrastructure projects. HHS has a wide range of aging IT systems and facilities; the NEF is an asset to help address these needs across the landholding agencies and to develop, enhance, and maintain IT systems across the Department.

1. Budget Allocation FY 2026

Plans are still under development as of this time, and Congress will be notified once a plan is finalized.

2. Budget Allocation FY 2025

Plans are still under development as of this time, and Congress will be notified once a plan is finalized.

3. Budget Allocation FY 2024

For FY 2024 HHS notified for a total of \$750 million in new NEF investments to support critical IT and facility infrastructure project across the Department to modernize HHS operations and provide a safe, secure, and productive work environments for our OpDivs and StaffDivs as they carry out the HHS mission. HHS funded \$340 million in IT infrastructure and \$410 million in facility infrastructure. This included five projects at NIH's Bethesda Campus, such as the replacement of critical infrastructure for the Central Utility Plant. HHS also invested \$63 million for FDA projects that included four Cybersecurity Improvements, three facility upgrades to the Jefferson Laboratory Complex, and one project at the Wiley laboratory.

NEF Notifications and Reductions from 2013-2026
(dollars in millions)

Fiscal Year	Notifications	Rescissions and Cancellations³
2013	\$600	-
2014	\$600	-
2015	\$650	-
2016	\$800	-
2017⁴	\$430	(\$400)
2018⁴	-	(\$240)
2019	\$600	(\$400)
2020⁵	\$743	(\$350)
2021⁵	\$525	(\$375)
2022	\$390	(\$650)
2023	\$525	(\$650)
2024	\$750	(\$1,388)
2025	*	(\$1,471)
2026	*	(\$750)
TOTAL	\$6,613	(\$6,674)

¹ Pursuant to Section 223 of Division G of the Consolidated Appropriation Act, 2008, notification is required of planned use.

² Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on October 19, 2023.

³ The rescission amounts for FY 2024 and FY 2025 are enacted rescissions. The FY 2026 amount is a proposed cancellation.

⁴ The rescission total includes Congressionally directed transfer amounts of \$300 million in FY 2017 and \$240 million in FY 2018.

⁵ This Notification amount includes both the notification as well as Congressionally directed spending.

*Plans for projects for FY 2025 and FY 2026 are still under review. Congress will be notified once a final decision is made.

Service and Supply Fund

SERVICE AND SUPPLY FUND

(Dollars in Thousands)

SSF	FY 2024 Actuals	FY 2025 SSF Board Approved	FY 2026 SSF Board Approved
BA	\$1,284,925	\$1,426,579	\$1,495,484
FTE	1,276	1,531	1,561

FY 2025 budget authority reflects estimates approved by the SSF Board, and is subject to change as needed, through the Board approval process. FY 2026 budget authority and FTE levels reflect estimates for anticipated revenue and FTEs for October 1, 2025 and may not represent total FY 2026 revenue or expected FTE levels across FY 2026. These estimates are subject to change.

Allocation MethodContract, Other

Statement of the Budget

The overall FY 2026 current request for the Service and Supply Fund (SSF) is \$1,495,484,000.

Service and Supply Fund Overview and Activity Narratives

This section describes the types of activities that may be funded through the HHS' Service and Supply Fund (SSF), a revolving fund authorized under 42 USC §231. The SSF provides consolidated financing and accounting for business-type operations which involve the provision of common, or shared services, to customers. The SSF is governed by a Board of Directors, consisting of representatives from each of the Department's Operating Divisions (OPDIV) and the Office of the Secretary (OS). A representative from the Office of Inspector General (OIG) serves as a non-voting member of the SSF Board.

The SSF does not have its own annual appropriation but is funded entirely through charges to its customers (OPDIVs and Staff Divisions (STAFFDIVs) in addition to other federal departments and agencies) for their usage of goods and services. The SSF is comprised of two categories of activities: activities performed by the Program Support Center (PSC) and activities performed by other HHS components (Non-Program Support Center or Non-PSC). Each shared service activity financed through the SSF is billed to the Fund's customers by either fee-for-service billing, based upon actual service usage, or by an allocated methodology. Examples of the types of SSF activities that may be provided in FY 2026 are described below. The SSF's budget authority will expand or contract in a given fiscal year, based upon customer demand and new shared services may be provided through the SSF based upon SSF Board approval.

Program Support Center

The Program Support Center (PSC) organizationally resides under the Assistant Secretary for Administration, Office of the Secretary, and operates its SSF activities under authorizing legislation 42 USC §231 as amended. Activities in FY 2026 would be provided under four main areas, and could consist of the following types of services:

- **Financial Management Portfolio (FMP)** serves as a foundation of the Department's finance and accounting through 1) the administration of grant payment management services, including rate

review/negotiation/approval services; and 2) accounting and fiscal services. FMP provides these services on behalf of the Department and other Federal agencies.

- **Federal Occupational Health (FOH)** provides comprehensive, high-quality, customer-focused occupational health services in strategic partnership with Federal agencies nation-wide to improve the health, safety, and productivity of the Federal workforce. Approximately 93 percent of FOH's services are provided to Federal agencies outside of HHS. FOH is organized in four service areas: clinical health services, wellness and health promotion services; behavioral health services; and environmental and health safety services.
- **Office of the Director** provides other administrative support activities, including the Board for Corrections of the USPHS Commissioned Corps.
- **Real Estate, Logistics and Operations Portfolio (RLO)** provides real estate, logistics and a wide range of administrative and technical support services to customers within HHS and other federal agencies, such as real property management and supply chain management services; building operations services; intake, suitability, and badging services; physical security and emergency management services; mail and publishing services; Fed Response; and Transportation services.

Non-Program Support Center (Non-PSC)

Non-PSC activities differ from those provided by the PSC in their predominate focus, which is helping HHS components comply with law, regulations, or other federal management guidelines, as well as targeted workforce management. The non-PSC activities support all components of HHS, and in FY 2026 may provide support in areas such as acquisitions management, audit resolution, responding to and processing Federal tort claims, collecting and managing grants data to ensure HHS' ability to respond to regulatory requirements, providing human resources and equal employment opportunity services, providing IT support and devices, and Commissioned Corps Force Management. Activities in FY 2026 could be provided by diverse HHS components within OS, including but not limited to: the Assistant Secretary for Administration, Assistant Secretary for Financial Resources, Office of the Chief Technology Officer, Office of the General Counsel, Office of National Security, Office of Strategy and Assistant Secretary for External Affairs, or by OPDIVs such as the Administration for a Healthy America (AHA). examples of activities described below.

Office of the Secretary

- **Office of the Assistant Secretary for Administration** provides a diverse shared service infrastructure to support and enable OPDIVs to perform the Department's mission critical activities. Services provided include EEO processes and complaints; Department-wide strategic leadership, policy implementation and governance and operational services for a variety of Human Capital Management functions; and procurement and acquisitions services.
- **Office of the Chief Technology Officer** advises the Secretary on matters pertaining to the use of information and related technologies to accomplish Departmental goals and program objectives, establishing and providing assistance and guidance on the use of technology-supported business process reengineering; investment analysis; performance measurement; strategic development and application of information systems and infrastructure; policies to improve management of information resources and technology; and better, more efficiently service HHS customers and employees. OCIO supports the HHS mission by leading the

development and implementation of an enterprise information technology (IT) infrastructure across HHS.

- **Office of the Assistant Secretary for Financial Resources** provides advice and guidance to the Secretary on all aspects of budget, financial management, grants and acquisition management, and provides for the direction and implementation of these activities across the Department. SSF activities support the Department through the Offices of the Deputy Assistant Secretaries of Acquisitions, Finance and Grants. SSF activities support the provision of leadership guidance and oversight to coordinate planning for HHS' acquisitions, practices, systems and workforce; financial accountability and program integrity through consolidated audit coordination, consolidated financial reporting, financial business intelligence systems and secure, stable platforms for effectively processing and tracking HHS' financial and accounting transactions; and the provision end-to-end grants announcement and management across the federal landscape and a coordination of long and short-range planning for HHS' grants management policies, practices and systems and workforce.
- **Office of the Assistant Secretary of External Affairs** provides centralized leadership and guidance for public affairs activities within HHS' Staff and Operating Divisions. SSF activities support the Departments' digital communications, Freedom of Information Act activities, provide agency leadership and staff with the latest analysis of what media is reporting about Department priorities, initiatives and programs, and supports the HHS Broadcast Studio.
- **Office of Strategy** supports The Strategic Planning System (SPS) through the SSF. An internal web-based and PIV-card protected application that builds the strategic planning capacity of HHS leaders and staff and supports the development and implementation of strategic plans led by HHS operating and staff divisions.
- **The Office of the General Counsel** is the legal team for the Department of Health and Human Services (HHS), providing quality representation and legal advice on a wide range of highly visible national issues. SSF activities support the administration of the HHS ethics program, and the processing of all tort claims filed against the Department pursuant to the Federal Tort Claims Act (FTCA).
- **Office of National Security (ONS)** manages and operates the Department's National Security Classification Program, as well as provides policy and procedural guidance to HHS employees and contractors who have access to classified national security information. SSF activities support Departmental programs including the implementation of the Drug-Free Workplace Program across the Department, suitability, and national security adjudications, and ensuring that HHS meets timeliness goals for the initiation and adjudication phases of the personnel security clearance process.

Administration for a Healthy America

- **Commissioned Corps Headquarters (CCHQ)**, housed within the Office of the Surgeon General (OSG) in the Administration for a Healthy America, responsible for all functions management of the U.S. Public Health Service Commissioned Corps (CC) is a mobile, duty bound, all-officer group of health professionals willing to serve anywhere, anytime to meet the nation's most urgent public health needs including public health emergencies, natural disasters, and national security risks. CCHQ's services include recruitment, commissioning, transfers, re-assignment, deployment support, medical fitness, credentialing, promotion, policy, career management,

adverse actions, separations and retirements. The CCHQ analyzes and reports CC personnel strength and readiness status, supports CC (active duty and retiree) payroll, and develops policy to support all CC officers serving throughout Department of Health and Human Services (HHS) and numerous non-HHS agencies.

All Purpose Table
(Dollars in Thousands)

Service and Supply Fund Activities	FY 2024 Actuals	FY 2025 SSF Board Approved	FY 2026 SSF Board Approved
PSC	386,336	494,045	491,395
Non-PSC	898,589	932,534	1,004,088
Total SSF Revenue	1,284,925	1,426,579	1,495,484

Object Classification Table – Reimbursable Obligations

(Dollars in Thousands)

Object Class	FY 2024 Actuals	FY 2025 SSF Board Approved	FY 2026 SSF Board Approved
<u>Reimbursable Obligations</u>			
Personnel Compensation:			
Full – Time Permanent (11.1)	154,847	207,251	218,649
Other Than Full – Time Permanent (11.3)	3,491	0	0
Other Personnel Compensation (11.5)	7,401	6,158	7,201
Military Personnel (11.7)	10,952	6,484	9,963
Special Personnel Services Payments (11.8)	16,071	958	1,119
Subtotal, Personnel Compensation	192,762	220,852	236,932
Civilian Personnel Benefits (12.1)	57,315	78,000	82,032
Military Personnel Benefits (12.2)	1,110	2,611	2,572
Benefits to Former Personnel (13.0)	228	0	0
Subtotal, Pay Costs	251,416	301,462	321,536
Travel (21.0)	1,546	80,483	53,041
Transportation of Things (22.0)	1,423	1,378	1,399
Rental Payments to GSA (23.1)	17,570	17,745	16,540
Rental Payments to Others (23.2)	3	19,669	22,851
Communications, Utilities and Miscellaneous Charge (23.3)	9,861	7,036	8,633
Printing and Reproduction (24.0)	3,483	1,865	5,542
<u>Other Contractual Services:</u>			
Advisory and Assistance Services (25.1)	22,315	52,849	58,435
Other Services (25.2)	360,655	477,410	514,752
Purchases from Govt. Accounts (25.3)	310,545	328,697	346,166
Operation & Maintenance of Facilities (25.4)	16,289	16,492	16,749
Medical Services (25.6)	7	0	0
Operation & Maintenance of Equipment (25.7)	211,622	20,670	25,321
Subtotal, Other Contractual Services	955,320	1,024,293	1,069,429
Supplies and Materials (26.0)	15,952	24,351	20,568
Equipment (31.0)	60,288	76,225	83,727
Other (32), (42)	1,949	249	225
Subtotal, Non – Pay Costs	1,033,509	1,125,117	1,173,948
Total, Reimbursable Obligations	\$1,284,925	\$1,426,579	\$1,495,484

Debt Collection Fund

ASSISTANT SECRETARY FOR ADMINISTRATION

DEBT COLLECTION FUND

(Dollars in Thousands)

Details	FY 2024 Final	FY 2025 Enacted/1	FY 2026 President's Budget ¹
Budget Authority	11,926	10,000	10,000
FTE	25	25	25

Allocation MethodContract, Other

Program Description

The Department of the Treasury designated the Program Support Center (PSC) as a federal debt collection center. The Debt Collection Center (DCC) has provided debt collection services to customer agencies since it was established in 1995; and has maintained designation status since May 2002. Treasury reviews DCC's operations and renews its designation as a debt collection center on a recurring basis. Currently, the DCC has a three-year designation from Treasury as a designated debt collection center through January 29, 2026.

Debt Collection offers fee for services to all federal agencies, including work on:

- Manage debts using PSC's Debt Management Collection System
- Repayment Agreements and monthly billing statements
- Referrals of debts to:
 - U.S. Department of Justice for enforced collection
 - U.S. Department of the Treasury's Cross-Servicing Program and Treasury Offset Program
 - HHS' Office of Inspector General for Medicare and Medicaid participation exclusion
 - Private debt collection agencies
 - Administrative wage garnishment
 - Credit bureau reporting
 - Internal Revenue Service (IRS) 1099C and 1098E reporting

Budget Request

The FY 2026 President's Budget requests \$10,000,000. The decrease is a result of cost savings in application hosting, labor, subscription, and licensing from replacing legacy DMCS. The debt collection center is directly supported by 25 FTE and 15 contractors.

Five Year Funding Table

Fiscal Year	Amount
FY 2022	11,949,156
FY 2023	10,034,416
FY 2024	11,926,000
FY 2025 CR	10,000,000
FY 2026 President's Budget	10,000,000

Program Accomplishments

- Debt Collection is in the process of replacing its legacy Debt Management Collection System (DMCS) with a modern platform schedule DMCS2.0 planned to go live in late FY 2025. The new system will improve efficiency, continue to reduce costs, and enhance debt collection system related data security, in compliance with Executive Order 14028 on Improving the Nation's Cybersecurity.
- The Debt Collection Center recovered \$357 million of debt, with a workload exceeding 24,600 receivables, totaling over \$1.37 billion in FY 2024.

¹ FY 2025 and FY 2026 levels are estimated amounts, actuals will be provided at the end of the fiscal year.

Organizational Reform and Support

HHS ORGANIZATIONAL REFORM AND SUPPORT

Budget Summary
(Dollars in Thousands)

	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget
Program Level	-	-	200,000
FTE	-	-	-

Allocation Method.....Direct Federal

Budget Request

The FY 2026 President’s Budget request includes \$200 million to carry out HHS’s organizational reform and support programs and activities within the Department and its agencies, which is a new request for FY 2026. The Department will use this funding for winding down functions that are not mission-critical, such as reducing the overall footprint of the agency through space reduction and lease consolidations, consolidating agencies to meet the needs of the American people.