



U.S. Merit Systems Protection Board

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# **Congressional Budget Justification FY 2026**

**Prepared for the  
Committee on Appropriations**

**May 2025**

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**The U.S. Merit Systems Protection Board**  
**Congressional Budget Justification**  
**Fiscal Year 2026**

**Executive Summary**

The FY 2026 President's Budget Request for the U.S. Merit Systems Protection Board (MSPB or Board) is \$46,480,000, which includes \$44,135,000 plus \$2,345,000 from the Civil Service Retirement and Disability Fund (CSRDF). MSPB is exercising its statutory budget authority to submit a bypass request for fiscal year (FY) 2026 of \$49,135,000 plus \$3,075,000 to be transferred from the CSRDF, for a total FY 2026 budget request of \$52,210,000. This budget level keeps MSPB's appropriation flatlined at the FY 2024 level and provides an inflationary adjustment to the CSRDF in the amount of \$730,000.

We value the President's commitment to fiscal discipline; however, after careful analysis and deliberation, we believe that the amount requested via bypass is critical to our ability to efficiently execute our statutorily required adjudication responsibilities. Without such funding, MSPB may be unable to fully perform our statutory mission, imperiling our ability to help ensure a merit-based, accountable, and high-performing federal civil service.

MSPB is an independent, quasi-judicial agency in the Executive Branch that serves as the guardian of federal merit systems. By statute, the Board hears, adjudicates, or provides for the hearing or adjudication of all matters within the Board's jurisdiction, including under chapters 75 and 43 of Title 5 of the U.S. Code, the Whistleblower Protection Act, Whistleblower Protection Enhancement Act, the Veterans Employment Opportunities Act of 1998, the Uniformed Services Employment and Reemployment Rights Act, and myriad other laws, rules, and regulations. 5 U.S.C. § 1204(a)(1). MSPB serves the American people by swiftly and accurately adjudicating these appeals, which simultaneously, ensures that agencies take covered actions in accordance with prescribed statutory and regulatory standards, and that employees who commit misconduct or perform poorly are held accountable.

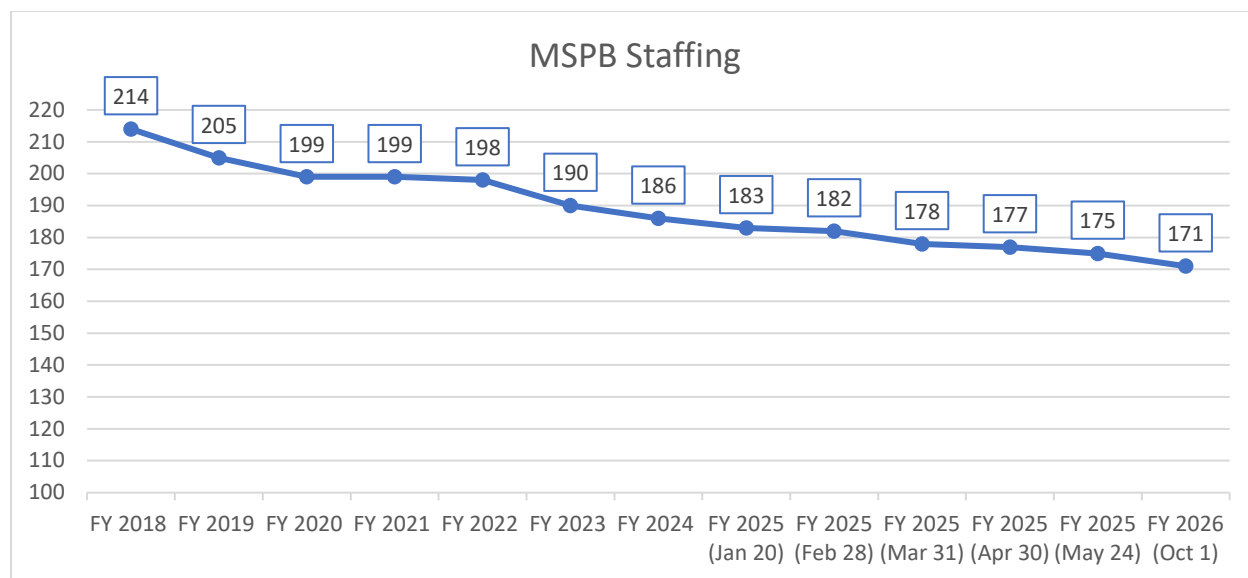
MSPB's offices serve federal employees and agencies around the country, providing in-person and virtual hearings to adjudicate appeals. As of May 24, 2025, MSPB has received 11,166 appeals, twice our typical workload in an entire fiscal year. For context, in FY 2024, MSPB's regional and field offices (RO/FOs) received 5,677 appeals. Each administrative judge (AJ), on average, issues about 100 decisions each fiscal year. Under 5 U.S.C. § 7701 and § 7702(a)(1)(B), the Board is required to issue a detailed decision in initial appeals involving claims of discrimination within 120 days. Similarly, 38 U.S.C. § 714(d) imposes a 180-day deadline for certain appeals filed by Department of Veterans Affairs employees.

Moreover, promptly adjudicating MSPB appeals is in the best interest of the American people because delaying adjudication in cases in which appellants prevail will result in significant costs to the federal government in the form of increased employee backpay (as it accrues from the date of termination), increased attorneys' fees in some cases, and additional administrative process. It is in the taxpayer's best interest for MSPB to quickly and efficiently adjudicate these cases so that the agencies and employees are confident of finality and closure. This process also avoids overburdening the federal court system with thousands of employee appeals. It is also a disservice to both sides of

an appeal to have a long period of uncertainty with cases sitting in a backlog. A timely, lawful resolution is beneficial for both parties.

In addition, the Board conducts special studies relating to the civil service and to other merit systems in the Executive Branch. *Id.* at § 1204(a)(3). Our studies prompt legislative and regulatory changes, contribute empirical evidence to critical debates about the merits systems, provide guidance on federal personnel policy to the President, Congress, the Office of Personnel Management (OPM), the Office of Management and Budget (OMB), and other agencies, and track Federal employee perceptions of merit system principles (MSPs) and prohibited personnel practices (PPPs).

MSPB's staffing has declined steadily from 214 FTE in 2018 to a projected 171 FTE at the end of FY 2025. In FYs 2023, 2024, and 2025, MSPB has been faced with not being able to backfill critical vacancies and only hiring on a prorated basis where the need is greatest at any given time.



## FY 2026 Budget Request

### Appropriation Language

*For necessary expenses to carry out functions of the U.S. Merit Systems Protection Board pursuant to Reorganization Plan Number 2 of 1978, the Civil Service Reform Act of 1978, and the Whistleblower Protection Act of 1989 (5 U.S.C. § 5509 note), as amended, including services as authorized by 5 U.S.C. § 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, direct procurement of survey printing, and not to exceed \$2,000 for official reception and representation expenses, \$49,135,000 to remain available until September 30, 2027, and, in addition, \$3,075,000 to remain available until September 30, 2027, for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts to be determined by the U.S. Merit Systems Protection Board.*

The Board has authority to adjudicate appeals from a final administrative action or order affecting the rights or interests of an individual under 5 U.S.C. § 8347(d) (the Civil Service Retirement System) and 5 U.S.C. § 8461(e) (the Federal Employees' Retirement System). Pursuant to 5 U.S.C.

§ 8348(a)(3), the Fund is made available, subject to such annual limitation as Congress may prescribe, for any expenses incurred by the Board in the administration of such appeals.

### **Strategic Goals and Objectives**

MSPB's FY 2026 Congressional Budget Justification is based on its [Strategic Plan](#). The agency's performance goals cover the critical components of two strategic goals, and the performance measures support MSPB's ability to manage and report performance over time.

The strategic goals and objectives are:

#### **Strategic Goal 1: Serve the public interest by protecting merit system principles and safeguarding the civil service from prohibited personnel practices.**

##### **Strategic Objectives:**

- 1A: Provide understandable, high-quality resolution of appeals, supported by fair and efficient adjudication and alternative dispute resolution (ADR) processes.
  - 1A-RO: Provide understandable, high-quality resolution of initial appeals in the regional and field offices, supported by fair and efficient adjudication and ADR processes.
  - 1A-HQ: Provide understandable, high-quality resolution of appeals at headquarters (HQ), supported by fair and efficient adjudication and ADR processes.
- 1B: Enforce timely compliance with MSPB decisions.
- 1C: Conduct objective, timely studies of the Federal merit systems and Federal Human Capital management issues.
- 1D: Review and act upon the rules, regulations, and significant actions of OPM, as appropriate.

#### **Strategic Goal 2: Advance the public interest through education and promotion of stronger merit systems, adherence to merit system principles, and prevention of prohibited personnel practices.**

##### **Strategic Objectives:**

- 2A: Support and improve the practice of merit, adherence to MSPs, and prevention of PPPs in the workplace through successful, targeted outreach and engagement.
- 2B: Advance the understanding of merit, MSPs, and PPPs for stakeholders and the public by developing and sharing informational and educational materials and guidance.

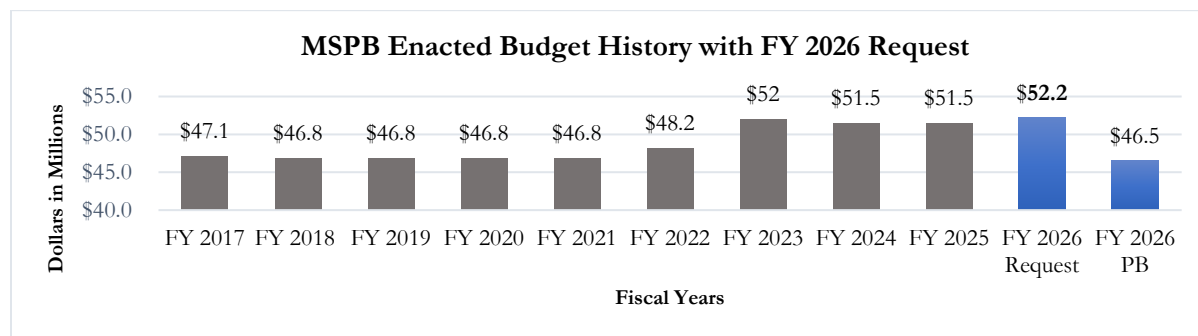
## Management Objectives

- M1: Lead, manage, and develop employees to ensure a highly qualified and engaged workforce with the competencies to perform MSPB's mission and support functions successfully.
- M2: Modernize information technology (IT) to support agency mission and administrative functions.

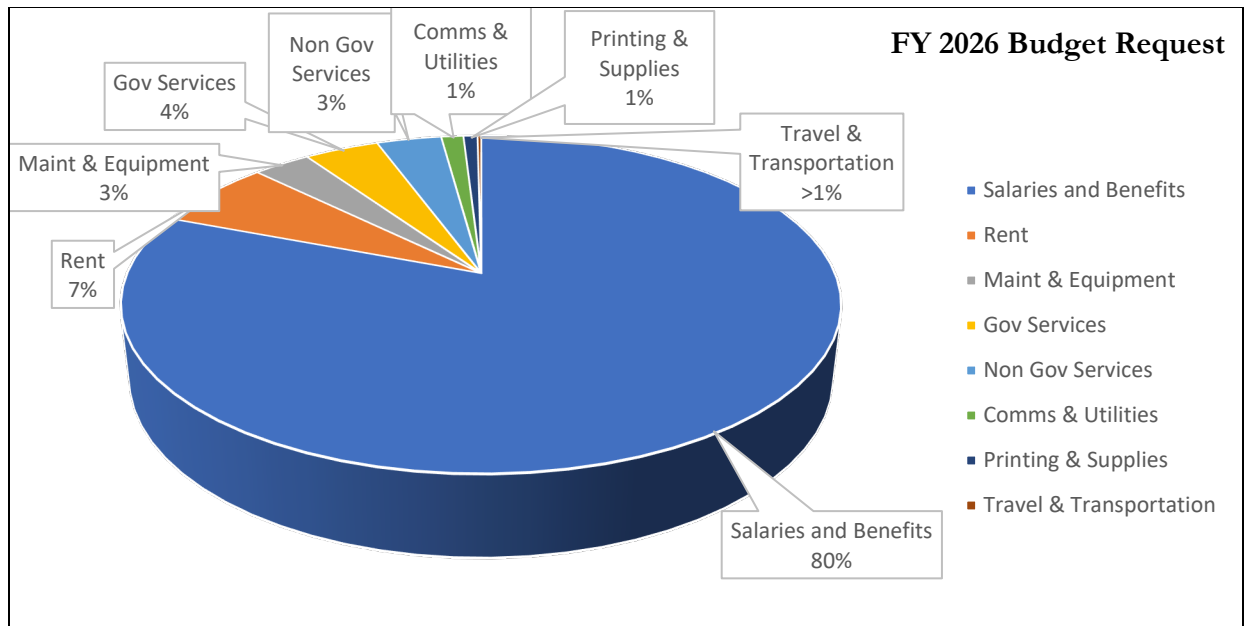
## FY 2026 Request by Object Class

The President's Budget Request provides \$46,480,000, which consists of \$44,135,000 in FY 2026 appropriated funds plus \$2,345,000 in transfer authority from OPM's CSRDF. Under bypass authority, MSPB is requesting a total of \$52,210,00, which consists of \$49,135,000 in FY 2026 appropriated funds plus \$3,075,000 in transfer authority from OPM's CSRDF. The bypass request keeps MSPB's appropriation in alignment with previous fiscal years and accounts for a \$730,000 inflationary adjustment for salaries for the adjudication staff that work on CSRDF cases. The increase is justified as MSPB has not received an inflationary adjustment in this authority in the past ten budget cycles. This is an overall 1% increase from the FY 2024 and FY 2025 enacted budgets.

The President's Budget Request is a \$5,000,000 reduction or 10% budget cut that reduces MSPB's budget to a level less than the FY 2018 enacted budget, eight cycles ago. The bypass request ensures that MSPB can maintain the staff that we currently have on board – already historically low at 175 FTEs and potentially hire a limited number of key positions, which we believe is consistent with the President's agenda and goals regarding merit, accountability, high performance, and efficiency.



Personnel compensation and benefits account for 80% of MSPB's budgetary expenses. Thereafter, 7% of MSPB's budget authority is for rent to the General Services Administration (GSA) for MSPB office spaces, leaving approximately 13% for all remaining operational expenses, including services from other government agencies (human resources, payroll, accounting, and administrative law judges (ALJs)), IT maintenance and sustainment, and all other requirements, such as travel, printing, facilities maintenance, and general supplies.



The charts below break down the FY 2026 budget request into categories by object classification codes and discuss the changes of the FY 2026 Request minus the FY 2025 Enacted budget. In many cases, there is no change; however, we are considering collocating the Washington Regional Office and HQ to save approximately \$272,000 in FY 2026. We plan to redistribute the savings across our budget to pay for inflationary adjustments and any unanticipated costs in FY 2026.

### ***Personnel Compensation & Benefits***

MOC	Description	FY 2025 Enacted (000)	FY 2026 PB Request (000)	FY 2026 MSPB Request (000)	Change over FY 2025 (000)
11	Personnel Compensation	\$29,042	\$25,252	\$29,042	\$0
12	Benefits	\$10,072	\$8,932	\$10,072	\$0

Personnel compensation and benefits constitute 80% of MSPB's budget request. Due to the detailed and technical nature of MSPB's mission and work, it is important to hire and retain seasoned employees. It is similarly important to recruit new employees and facilitate their growth into subject matter experts to ensure that the federal government and the American people continue to receive timely and accurate adjudication. This discussion continues in further detail in the Schedule Q - Employment Summary section on page 10.

### *Travel & Transportation of Persons*

<b>MOC</b>	<b>Description</b>	<b>FY 2025 Enacted (000)</b>	<b>PB 2026 Request (000)</b>	<b>FY 2026 Request (000)</b>	<b>Change over FY 2025 (000)</b>
21	<b>Travel &amp; Transportation of Persons</b>	\$50	\$30	\$100	\$50

Travel is required to support in-person hearings, training, outreach for education and the promotion of stronger merit systems, site visits, oral arguments in federal courts, etc. In FY 2025, MSPB minimally participated in in-person training, outreach events, and site visits, limiting our travel to mission critical situations. In FY 2026, MSPB plans to maintain the current travel controls, such as setting government travel card limits to \$1 when not on approved travel and requiring review and approval of travel requests by MSPB's Executive Director. However, the increase in FY 2026 funding will enable the staff to support outreach events and attend training opportunities pertinent to their positions. Additionally, MSPB's Mediation Appeals Program (MAP) requires travel funding to support in-person mediation in cases that may settle (which is often faster and less expensive than adjudication of the issues on the merits). Lastly, the IT staff will travel to the various RO/FOs regularly to provide in-person support and hardware maintenance.

### *Transportation of Things*

<b>MOC</b>	<b>Description</b>	<b>FY 2025 Enacted (000)</b>	<b>PB 2026 Request (000)</b>	<b>FY 2026 Request (000)</b>	<b>Change over FY 2025 (000)</b>
22	<b>Transportation of Things</b>	\$6	\$6	\$6	\$0

MSPB primarily ships documents and IT equipment to RO/FOs.



### *Rent, Communications, & Utilities*

MOC	Description	FY 2025 Enacted (000)	PB 2026 Request (000)	FY 2026 Request (000)	Change over FY 2025 (000)
23	Rent, Communications & Utilities	\$4,343	\$4,071	\$4,071	(\$272)

The primary cost in this category is rent for MSPB's HQ and RO/FOs located throughout the continental United States. In FY 2026, MSPB is considering relocating the Washington Regional Office into the HQ office space in Washington, DC. Doing so would generate fiscal year savings of approximately \$272,000. MSPB would utilize these savings to offset inflationary and unanticipated costs in FY 2026. This will ensure that MSPB can afford our current staff with a flat line appropriation in FY 2026.

The second largest cost in this category is for MSPB's network, which is currently managed under GSA's Enterprise Infrastructure Solutions contract. Costs in this category also include regular operational expenses, such as postage, utilities, and wireless communication.

### *Printing*

MOC	Description	FY 2025 Enacted (000)	PB 2026 Request (000)	FY 2026 Request (000)	Change over FY 2025 (000)
24	Printing	\$25	\$25	\$25	\$0

MSPB uses the Government Publishing Office (GPO) for publishing statutorily required notices in the *Federal Register*, photocopy services, and the GPO Express program. MSPB has been using electronic distribution methods, which has reduced our printing costs.

### *Other Contractual Services*

MOC	Description	FY 2025 Enacted (000)	PB 2026 Request (000)	FY 2026 Request (000)	Change over FY 2025 (000)
25	Other Contractual Services	\$4,641	\$4,725	\$4,725	\$84

This category funds critical operations via interagency agreements with other government agencies for accounting, purchasing, and travel services (from the Bureau of the Fiscal Service (BFS)), payroll services (from USDA's National Finance Center (NFC)), and personnel services (from the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS)). However, APHIS will no longer support MSPB in FY 2026 due to their current staffing constraints; therefore, MSPB is actively seeking a personnel services provider and has added \$84,000 for unanticipated expenses. Additionally, MSPB relies on the Federal Protective Service for guard services and the U.S. Coast Guard for ALJ services (adjudication of certain cases required by statute to be heard by an ALJ). Utilizing shared ALJ services results in 243% (approximately \$400,000) cost savings annually.

In addition to services from government agencies, this category includes IT requirements, such as software licensing, cloud usage expenses, IT renewals, and professional support. Court reporting services, required for adjudicating appeals, are also included in this category. The cost of court reporting fluctuates depending on the complexity and length of hearings.

### ***Supplies & Materials***

<b>MOC</b>	<b>Description</b>	<b>FY 2025 Enacted (000)</b>	<b>PB 2026 Request (000)</b>	<b>FY 2026 Request (000)</b>	<b>Change over FY 2025 (000)</b>
26	<b>Supplies &amp; Materials</b>	\$369	\$369	\$369	\$0

This category funds professional subscriptions (e.g., Westlaw, legal research materials, and studies research materials), which are critical to MSPB's adjudication, litigation, and study functions. This category also includes general office supplies and IT peripheral devices, such as mice and keyboards, as well as approved reasonable accommodation requests.

### ***Equipment***

<b>MOC</b>	<b>Description</b>	<b>FY 2025 Enacted (000)</b>	<b>PB 2026 Request (000)</b>	<b>FY 2026 Request (000)</b>	<b>Change over FY 2025 (000)</b>
31	<b>Equipment &amp; Software</b>	\$587	\$725	\$725	\$138

The primary costs are IT software for normal operations and cybersecurity. The enacted budgets have not provided sufficient funding to make major cybersecurity changes; nevertheless, we continue to make progress within current resources. The additional \$138,000 in FY 2026 will

support cybersecurity efforts regarding governance, risk, and compliance software, as well as authorization and accreditation support.

**Budget Schedule O - Object Classification (thousands of dollars)**

	<b>FY 2024 Actuals</b>	<b>FY 2025 Enacted</b>	<b>PB 2026 Request</b>	<b>FY 2026 Request</b>	<b>Change FY26 over FY25</b>
Direct Obligations:					
Personnel Compensation	\$28,507	\$29,042	\$25,252	\$29,042	\$0
Civilian Personnel Benefits	9,927	10,072	8,932	10,072	\$0
Travel of Persons	188	50	30	100	\$50
Transportation of Things	6	6	6	6	\$0
Rental payments to GSA	3,807	3,677	3,405	3,405	(\$272)
Rental Payments to Others	46	46	46	46	\$0
Communications, Utilities, and Miscellaneous Charges	705	620	620	620	\$0
Printing and Reproduction	30	25	25	25	\$0
Other Services	2,337	1,763	1,763	1,763	\$0
Other Purchases of Goods and Services from Government Accounts	2,137	1,982	2,082	2,082	\$100
Maintenance of Facilities	24	61	45	45	(\$16)
Maintenance of Equipment and Software	834	835	835	835	\$0
Supplies & Materials	517	369	369	369	\$0
Equipment/Lease Improvement	762	587	725	725	138
<b>Direct Obligations...</b>	<b>49,827</b>	<b>49,135</b>	<b>44,135</b>	<b>49,135</b>	<b>0</b>
Reimbursable Obligations...	2,345	3,075	2,345	3,075	0
<b>Total New Obligations...</b>	<b>52,172</b>	<b>52,210</b>	<b>46,480</b>	<b>52,210</b>	<b>0</b>

### **Budget Schedule Q - Employment Summary**

	<b>FY 2024 Actuals</b>	<b>FY 2025 Enacted</b>	<b>PB 2026 Request</b>	<b>FY 2026 Request</b>	<b>Change over FY 2025</b>
Direct					
Civilian Full-Time Equivalent Employment	174	176	151	176	0
Reimbursable					
Civilian Full-Time Equivalent Employment	12	12	12	14	2
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<b>TOTALS</b>	<b>186</b>	<b>188</b>	<b>163</b>	<b>190</b>	<b>2</b>

In accordance with OMB guidance, MSPB reassessed our staffing plan, focusing on the minimum amount of personnel necessary for the agency to remain functional while recognizing that such less-than-optimal staffing inevitably leads to adjudication delays and other inefficiencies. With that perspective in mind, the minimum level of FTEs to remain functional is 190. The President's Budget Request provides 163 FTEs. The high volume of work is contributing to stress and workforce attrition. Our workforce is our most valuable resource, and when one employee leaves, it has a ripple effect across our small agency.

### **Conclusion**

MSPB employees remain deeply committed to our statutory mission, dedicating their time, expertise, and energy to its fulfillment. Despite budget constraints that have not fully supported our staffing needs and priorities, our agency continues to serve federal employees, agencies, stakeholders, and the public with unwavering dedication. We have taken proactive steps to reduce spending; however, with salaries comprising 80% of our budget request, there are inherent limitations on further cost-cutting while maintaining operational effectiveness. We urge Congress to continue supporting a budget that allows us to take a balanced approach to staffing, ensuring MSPB can fulfill its mission.