



U.S. Merit Systems Protection Board

**Congressional
Budget
Justification
FY 2027**

**Prepared for the
Committee on Appropriations**

April 2026

Table of Contents

Executive Summary.....	1
Appropriation Language.....	3
Strategic Goals and Objectives	3
FY 2027 Request by Object Class.....	5
Budget Schedule O - Object Classification.....	9
Budget Schedule Q - Employment Summary	10
Conclusion	10

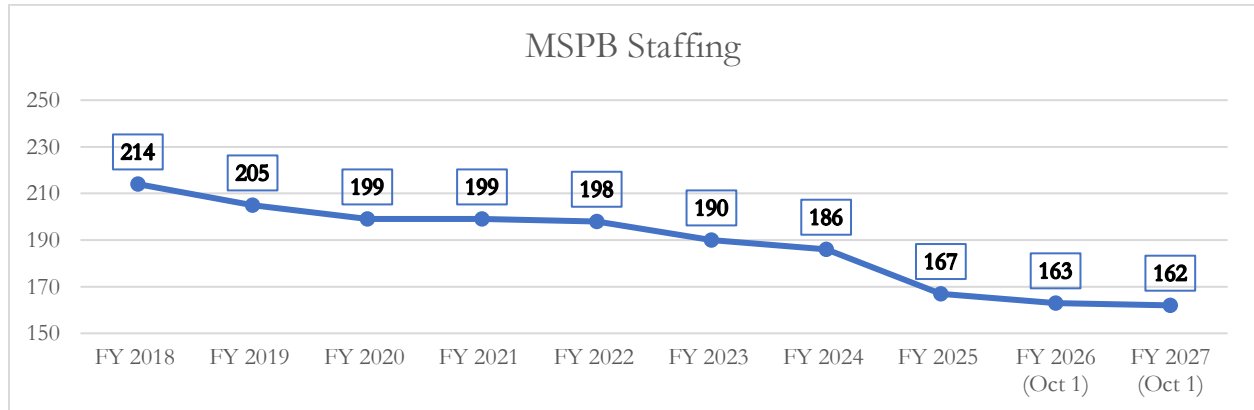
**The U.S. Merit Systems Protection Board
Congressional Budget Justification
Fiscal Year 2027**

Executive Summary

The fiscal year (FY) 2027 President’s Budget Request for the U.S. Merit Systems Protection Board (MSPB or Board) is \$46,508,000, which includes \$44,163,000, plus \$2,345,000 from the Civil Service Retirement and Disability Fund (CSRDF). This is \$4,972,000 below the FY 2026 enacted budget of \$51,480,000 (including CSRDF). MSPB is exercising its statutory budget authority to submit a bypass request for FY 2027 of \$49,135,000 plus \$3,075,000 to be transferred from the CSRDF, for a total FY 2027 budget request of \$52,210,000. This budget level keeps MSPB’s appropriation flatlined at the FY 2024 level with a CSRDF inflationary increase of \$730,000.

MSPB is currently facing unprecedented challenges. We must maintain adequate funding to meet our statutory mission. Beginning February 9, 2025, MSPB experienced a significant surge in probationary termination appeals, with [20,335 initial appeals](#) received as of September 30, 2025. That is more than four times our annual workload in less than one fiscal year. This surge also includes a wave of appeals resulting from governmentwide reorganization and reduction in force (RIF) actions. MSPB is continuing to receive a high volume of appeals in FY 2026, which will further stress our already limited capacity. As of March 28, 2026, over [3,800 initial appeals](#) were received in the regional and field offices, which is more than one half of our typical annual intake. By supporting the integrity of the federal merit system, MSPB also advances the President’s Management Agenda by strengthening accountability and preventing prohibited personnel practices across the civil service. Through our adjudication of employee appeals and governmentwide merit systems studies, MSPB reduces waste, promotes lawful and merit-based workforce management, and supports the efficient execution of agency missions. These efforts reinforce accountability throughout the Federal workforce by ensuring that merit principles remain the foundation of personnel decision-making.

The consequences of adjudication delays hurt federal agencies and employees. In FY2018, MSPB had 214 full-time equivalents (FTEs). Since then, the agency’s workforce has steadily declined and currently stands at only 159 FTEs. The President’s Budget supports 162 FTEs in FY 2027.



Beginning in FY 2024, the ongoing reduction in staffing has resulted in increased initial appeal processing time, as well as research and publishing delays for merit systems studies. It should be noted that MSPB has been unable to backfill critical staffing vacancies due to budget and hiring constraints, which further strain our operational capabilities. Nevertheless, MSPB plans to initiate some hiring within budget limitations as soon as possible. Additionally, MSPB has been proactive in reducing the agency's real estate footprint by closing the New York Field Office in 2024, and we have relocated the Washington Regional Office to headquarters in 2025, thereby eliminating expenses related to two of our leases.

Additional Background

MSPB is tasked with safeguarding the integrity of the federal merit systems. Our primary responsibility is to ensure that personnel decisions across the federal workforce are fair, lawful, and based on merit. MSPB adjudicates a broad range of cases, including those involving employee discipline or performance under Chapters 75 and 43 of Title 5 of the U.S. Code, as well as matters arising under the Whistleblower Protection Act, the Whistleblower Protection Enhancement Act, the Veterans Employment Opportunities Act, and the Uniformed Services Employment and Reemployment Rights Act.

Under its statutory authority (5 U.S.C. § 1204(a)(1)), MSPB hears and decides cases within its statutory and regulatory jurisdiction, which currently includes removals, suspensions of more than 14 days, and Individual Right of Action appeals of whistleblower retaliation after investigation by the Office of Special Counsel. The Board also addresses allegations of prohibited discrimination related to these actions, claims of whistleblower retaliation, denials of veterans' preference, and mistreatment based on military service. Additionally, MSPB reviews appeals involving retirement and benefits determinations made by the Office of Personnel Management (OPM). MSPB plays a vital role in upholding the integrity of the federal workforce by resolving appeals efficiently and accurately, ensuring agencies follow proper procedures when taking action against employees, and holding employees accountable for misconduct or poor performance. Timely adjudication not only provides clarity and closure for both employees and agencies but also reduces government expenditures by minimizing back pay, legal fees, and administrative costs.

In addition to its adjudicatory responsibilities, the Board is statutorily required to conduct special studies on the civil service and other merit systems within the Executive Branch (see 5 U.S.C. § 1204(a)(3)). These studies may lead to legislative and regulatory changes, provide empirical evidence for key debates on the merit system, and offer guidance on federal personnel policy to the President, Congress, OPM, the Office of Management and Budget, and other agencies. While federal employee perceptions of Merit System Principles (MSPs) and Prohibited Personnel Practices (PPPs) are central topics, the Board also fulfills its statutory mandate to evaluate significant OPM actions and their impact on merit principles. Through adjudication, research, and outreach, MSPB plays a vital role in safeguarding the integrity and effectiveness of the federal workforce.

FY 2027 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, 2028, and, in addition, \$3,075,000 to remain available until September 30, 2028, 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 CSRDF 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 performance goals cover the critical components of three 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: Strengthen adjudicatory excellence by providing understandable, high-quality resolution of appeals through fair, efficient, and transparent adjudication and alternative dispute resolution (ADR).

- 1A:** By the end of FY 2030, further enhance the capabilities and processes associated with adjudication to ensure fair, accurate, and timely decisions in all appeals.
- 1B:** By the end of FY 2030, leverage ADR to further improve adjudicatory efficiency.

Strategic Goal 2: Enhance the adherence to merit system principles and the prevention of prohibited personnel practices through research and outreach.

- 2A:** By the end of FY 2030, improve the federal workforce's understanding of the merit system principles.
- 2B:** By the end of FY 2030, increase awareness of MSPB's mission through strategic communication.

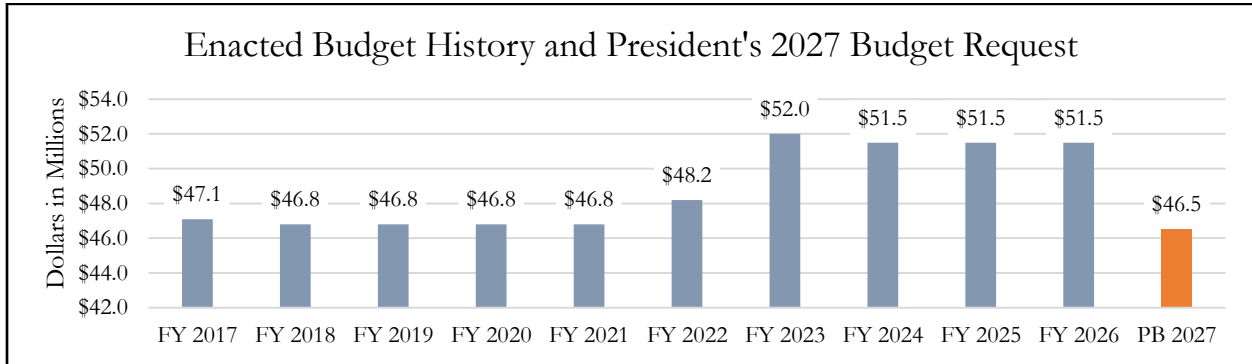
Strategic Goal 3: Build organizational capacity and resilience by leveraging technology, advancing data maturity, and improving processes.

- 3A:** By the end of FY 2030, improve information technology (IT) capabilities through enhanced utilization of artificial intelligence (AI) and other relevant IT systems.

- 3B:** By the end of FY 2030, advance enterprise data maturity in accordance with government-wide requirements.
- 3C:** By the end of FY 2030, leverage available resources to improve services and maximize organizational performance.

FY 2027 Request by Object Class

The President’s Budget request is \$44,163,000 in appropriated funds, along with \$2,345,000 in transfer authority from OPM’s CSRDF. This represents a 10% reduction—\$4,972,000 less than MSPB’s FY2024, FY 2025, and FY 2026 enacted budgets.



This reduction is significant given the 13.5% cumulative increase in federal salaries and benefits between FY 2021 and FY 2025 (1% in FY 2021, 2.7% in FY 2022, 4.6% in FY 2023, and 5.2% in FY 2024). For a small agency like MSPB, a \$5 million cut has substantial operational implications. Because both rent and support costs are fixed, the only viable area for budget adjustments is staffing. Given the surge in cases, FTEs are indispensable. Any further reduction at this time would severely compromise MSPB’s operational capacity and delay critical adjudication processes.

Overall, approximately 80% of MSPB’s budget is allocated to personnel compensation and benefits, and 20% is dedicated to rent and operational support. Specifically, 7% of the agency’s budget authority is used to pay rent to the General Services Administration (GSA) for office space. The remaining 13% supports all other operational needs, including services provided by other federal agencies—such as human resources, payroll, accounting, and administrative law judge (ALJ) services—as well as IT maintenance and renewals.

Personnel Compensation & Benefits

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
11	Personnel Compensation	\$29,110	\$25,252	\$29,110	\$0
12	Benefits	\$10,004	\$8,932	\$10,004	\$0

Personnel salaries and benefits represent the largest share of MSPB’s budget request. Unlike larger agencies with a broad mix of career fields and grade levels, MSPB’s workforce is composed primarily of highly experienced attorneys and subject matter experts in specialized roles. The agency’s statutory missions require staff with deep expertise and significant professional experience to carry

out complex adjudicatory and studies functions. Given MSPB’s small size and the critical nature of its work, it is essential to maintain a workforce of seasoned professionals, which results in a higher average salary per employee compared to larger, more diversified agencies.

Travel & Transportation of Persons

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
21	Travel & Transportation of Persons	\$100	\$30	\$72	(\$28)

If MSPB is held to the President’s Budget request level in FY 2027, then MSPB will be unable to fully support mission-critical activities, including in-person hearings, training, outreach to promote stronger merit systems, leadership travel to regional and field offices (RO/FOs), as well as mediation efforts.

Transportation of Things

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
22	Transportation of Things	\$6	\$6	\$6	\$0

MSPB ships documents and IT equipment to RO/FOs as needed.

Rent, Communications, & Utilities

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
23	Rent, Communications & Utilities	\$4,071	\$4,218	\$4,218	\$147

The primary expense in this category is rent for MSPB’s headquarters and RO/FOs across the continental United States. The second largest cost is associated with the agency’s network infrastructure, which is currently managed through GSA’s Enterprise Infrastructure Solutions (or EIS) contract. This category also includes essential day-to-day operational expenses such as postage, utilities, and wireless communications. These costs are fundamental to sustaining MSPB’s core operations and ensuring continuity of service across all locations. The cost increase in this category is due to the rent increase and inflation.

Printing

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
24	Printing	\$25	\$25	\$25	\$0

MSPB uses the Government Publishing Office (GPO) for publishing statutorily required notices in the *Federal Register*, photocopying services, and printing services.

Other Contractual Services

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
25	Other Contractual Services	\$4,725	\$4,606	\$4,606	(\$119)

To maintain a lean organizational structure, MSPB strategically relies on interagency agreements with federal service providers for essential administrative and operational functions. MSPB reduces the need to hire and manage additional internal staff with specialized expertise by outsourcing accounting, purchasing, and travel services to the Treasury Department’s Bureau of the Fiscal Service (or BFS), and payroll to the Department of Agriculture’s National Finance Center (or NFC). This approach significantly reduces personnel and systems costs while ensuring high-quality service delivery. Moreover, MSPB also partners with the Federal Protective Service for guard services and the U.S. Coast Guard and the Federal Trade Commission for ALJ services required by statute. Utilizing shared ALJ services alone results in an estimated annual cost savings of 243%—approximately \$400,000—compared to maintaining in-house capacity.

The Budget includes \$28,000 to support the transition to the U.S. Office of Personnel Management’s consolidated Core Human Capital Management (Core HCM) system, which will consolidate outdated and inefficient human resources systems into a single, modern Core HCM platform. This single, modern platform will encompass personnel action processing, employee

system of record, position management, and workforce analytics, among other human resource functions. This amount includes estimated licensing fees for the new system, data migration, and warehousing of legacy data. Additionally, this category funds critical IT needs, including e-Appeal software licensing, cloud services, system renewals, and professional IT support. It also covers court reporting services with costs that vary based on the complexity and duration of hearings, which are necessary for adjudicating appeals.

Supplies & Materials

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
26	Supplies & Materials	\$369	\$369	\$369	\$0

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

Equipment

MOC	Description	FY 2026 Enacted (000)	PB 2027 Request (000)	FY 2027 Request (000)	Change over FY 2026 (000)
31	Equipment & Software	\$725	\$725	\$725	\$0

The primary costs are IT software for normal operations and cybersecurity. Additionally, a small portion of funding has been set aside to support AI enhancements in FY 2027.

Budget Schedule O - Object Classification (thousands of dollars)

	FY 2025 Actuals	FY 2026 Enacted	PB 2027 Request	FY 2027 Request	Change FY27 over FY26
Direct Obligations:					
Personnel Compensation	\$29,105	\$29,110	\$25,252	\$29,110	\$0
Civilian Personnel Benefits	9,788	10,004	8,932	10,004	\$0
Travel of Persons	36	100	30	72	(\$28)
Transportation of Things	24	6	6	6	\$0
Rental payments to GSA	3,750	3,405	3,552	3,552	\$147
Rental Payments to Others	45	46	46	46	\$0
Communications, Utilities, and Miscellaneous Charges	944	620	620	620	\$0
Printing and Reproduction	90	25	25	25	\$0
Other Services	1,282	1,763	1,598	1,598	(\$165)
Other Purchases of Goods and Services from Government Accounts	2,128	2,082	2,158	2,158	\$76
Maintenance of Facilities	16	45	15	15	(\$30)
Maintenance of Equipment and Software	685	835	835	835	\$0
Supplies & Materials	66	369	369	369	\$0
Equipment/Lease Improvement	569	725	725	725	\$0
Direct Obligations...	48,528	49,135	44,163	49,135	0
Reimbursable Obligations...	2,345	2,345	2,345	3,075	730
Total New Obligations...	50,873	51,480	46,508	52,210	730

Budget Schedule Q - Employment Summary

	FY 2025 Actuals	FY 2026 Enacted	FY 2027 PB Request	FY 2027 MSPB Request	Change FY27 over FY26
Direct					
Civilian Full-Time Equivalent Employment	155	169	151	169	0
Reimbursable					
Civilian Full-Time Equivalent Employment	12	11	11	14	3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTALS	167	180	162	183	3

To maintain basic functionality, MSPB must increase staffing from the projected 162 FTEs to a minimum of 180. Addressing this gap is critical, and the agency plans to prioritize hiring for essential positions across all offices, while also leveraging temporary support where appropriate.

With respect to the reimbursable authority FTE increase, MSPB has maintained \$2,345,000 in transfer authority to support retirement appeals since FY 2013. This authority previously supported up to 18 FTEs. Since FY 2013, there have been subsequent pay raises, which over time reduced the number of reimbursable FTEs. For these reasons, MSPB’s request seeks an inflationary adjustment of \$730,000.

MSPB’s current and projected workload, combined with insufficient staffing, is contributing to employee stress and further attrition. In a small agency like MSPB, the loss of even a single employee can have a significant ripple effect, impacting productivity and institutional knowledge. Our workforce is our most valuable asset, and adequate staffing is essential to fulfilling our statutory mission, supporting the Administration’s priorities, and supporting employee well-being.

Conclusion

MSPB employees remain steadfast in their commitment to the agency’s statutory mission, consistently applying their expertise, time, and energy to serve federal employees and agencies, other stakeholders, and taxpayers. Despite ongoing constraints that have not aligned with our staffing needs and priorities, the agency continues to deliver with dedication and professionalism. We have taken proactive measures to manage costs responsibly. However, with approximately 80% of our budget dedicated to salaries and benefits, opportunities are limited for further reductions without compromising 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.