



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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M-05-11

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: Richard P. Emery, Jr. 
Assistant Director for Budget

SUBJECT: FY 2007 Budget: Information on Full-time Equivalent (FTE) Reporting

This memorandum provides agencies having 1,000 or greater full-time equivalent (FTE) employment with information on how they will be expected to report FTEs in their FY 2007 budget submissions to OMB. This guidance will be incorporated into the revisions to OMB Circular A-11 planned for release this summer.

Implementation of the President's Management Agenda (PMA) is helping agencies improve effectiveness and efficiency. For instance, competitive sourcing studies completed in FYs 2003 and 2004 are expected to save more than \$2.5 billion over the next five years. All programs are developing measures of performance and efficiency and working to achieve them as a part of the Budget and Performance Integration Initiative. Many departments are streamlining their operations as part of the Strategic Management of Human Capital Initiative.

In many cases, becoming more effective and efficient will allow the government to operate with fewer personnel. At the same time, the Federal Government is expanding its activities and staffing in other areas. Better accounting for FTEs will allow agencies to reflect accurately the personnel resources they currently use and will need in the future to carry out their missions. This exercise will also generate FTE figures that better reflect actual FTE strength instead of budgeted FTE levels which oftentimes do not tie to available funding. While FTE ceilings will not be imposed at this time, agencies should be aware that FTE usage will be monitored more closely.

The Attachment A is a worksheet entitled "Changes in Full-time Equivalents" that provides a framework for calculating the FTE numbers that will be included in the FY 2007 President's Budget. Agencies having 1,000 or more FTEs will submit a completed worksheet with their FY 2007 budget submissions to OMB in September. The worksheet will then be revised to reflect FY 2006 appropriations and final decisions on the FY 2007 President's Budget, and resubmitted by mid-December. The final worksheet will be used to generate the FTE levels reported in MAX A-11 for the President's Budget. Attachment B provides instructions for completing the worksheet. Attachment C provides an example of a completed worksheet. Attachment D provides a list of those agencies having 1,000 or greater FTEs in FY 2004, as reported to the Office of Personnel Management (OPM).

If you have any questions about this worksheet, please consult with your OMB contact.

Attachments

CHANGES IN FULL-TIME EQUIVALENTS*

	FY 2005	FY 2006	FY 2007
BASE: Year-end Actual from Prior Year		0	0
INCREASES			
Increase #1:			
Description: <i>Provide a brief description of Increase #1. For FY 2005, note if actual or projected.</i>			
Increase #2:			
Description: <i>Provide a brief description of Increase #2. For FY 2005, note if actual or projected.</i>			
{Add lines to display as many increases as necessary.}			
Subtotal, Increases	0	0	0
Decreases			
Decrease #1:			
Description: <i>Provide a brief description of Decrease #1. For FY 2005, note if actual or projected.</i>			
Decrease #2:			
Description: <i>Provide a brief description of Decrease #2. For FY 2005, note if actual or projected.</i>			
{Add lines to display as many decreases as necessary.}			
Subtotal, Decreases	0	0	0
Year-end Actual / Estimated FTEs	0	0	0
Net Change from prior year SOY base to budget year EOY estimate:			0

* Changes shown by year (increases and decreases) are the incremental changes for that year.

Changes may be shown to the nearest +/- ten.

Agencies with less than 1,000 FTE as of end-of-year FY 2004 are exempt from reporting this spreadsheet to OMB.

Consult with OMB contact to determine the appropriate level of detail for reporting.

INSTRUCTIONS FOR COMPLETING THE CHANGES IN FULL-TIME EQUIVALENT (FTE) WORKSHEET

Reporting Exemption – Agencies with fewer than 1,000 FTEs as of the end of FY 2004 are exempt from completing this worksheet.

General

Management Improvement Efforts – Through their implementation of the President's Management Agenda (PMA), agencies have several management improvement efforts underway that will likely result in reductions in FTEs. The actual and anticipated results of those efforts should be reflected on the worksheet. For example, the data reported in the worksheet should be consistent with performance and efficiency targets reported in Program Assessment Rating Tools and green or yellow competitive sourcing plans.

Reporting Unit – This worksheet may be completed at the Department or bureau level as agreed upon by the agency and OMB Resource Management Office (RMO). Agencies and OMB RMOs should agree on the appropriate level of reporting detail well before the submission date. If bureau level worksheets are completed, a department-level summary should be prepared that sums all the individual bureaus.

Reporting Detail – Report at the level of detail necessary to understand the reason for the increase or decrease in FTEs. For instance, a department could have one line showing additional personnel required to implement a new law even though those FTEs may be spread throughout the Department. Agencies and OMB RMOs should agree on the appropriate level of reporting detail well before the submission date.

Starting point

The FY 2005 starting point should be the actual FTEs reported to OPM for year end FY 2004. That is, the FY 2005 start-of-year actual should be the FY 2004 year-end actual. For the September budget submission to OMB, agencies should estimate year-end actual FY 2005 FTE since the final numbers will not be available until October.

For FYs 2006 and 2007, the start-of-year actual will be the calculated automatically from the year-end actual of the prior year. For instance, the FY 2006 start-of-year actual will be the result of FY 2005 calculations.

Increase and Decreases

1. Itemize increases and decreases to provide sufficient detail to understand the reason for the change.
2. All increases and decrease should be annual, incremental figures.
3. Any changes to FTEs should be entered as an increase or a decrease. Adjustments should not be made directly to the start-of-year actual or end-of-year actual.
4. Enter increases as positive number and decreases as negative numbers.
5. FTE changes may be shown to the nearest +/- 10 FTEs.

6. Provide a brief description of each increase or decrease.
7. For increases/decreases that will be phased over time,
 - a. enter the appropriate number in the column corresponding to the year
 - b. include information in the description indicating which FTE increases/decreases are actual and which are projected.
8. If there are major shifts of FTEs from one part of the Department to another to conduct substantially different work, reflect that change as a decrease entry and an increase entry, even if the net effect is zero.

Year-end Actual FTEs

The year-end figure will result from a calculation of base plus net increases and decreases. The year-end figure will serve as the starting point for the following year.

CHANGES IN FULL-TIME EQUIVALENTS*

Date: 9/5/2005

Agency name: Department of Governmental Affairs

Agency contact: Mr. Bob Smith

Contact phone number: 202-123-4567

Contact e-mail: robert.smith@dga.gov

	FY 2005	FY 2006	FY 2007
BASE: Start-of-Year Actual or Estimated FTEs (Note: SOY 2005 will be equal to EOY 2004)	218,708	218,628	218,598
INCREASES			
Increase #1: Security Upgrades Description: Increased security personnel for DGA facilities.	100	40	10
Subtotal, Increases	100	40	10
Decreases			
Decrease #1: IT Re-engineering Description: Re-engineered information technology functions at 40 DGA federal facilities.	-180	-70	-40
Subtotal, Decreases	-180	-70	-40
End-of-Year Actual / Estimated FTEs	218,628	218,598	218,568
Net Change from prior year SOY base to budget year EOY estimate:			-140

* Changes shown by year (increases and decreases) are the incremental changes for that year.

Changes may be shown to the nearest +/- ten.

Agencies with less than 1,000 FTE as of end-of-year FY 2004 are exempt from reporting this spreadsheet to OMB.

Consult with OMB contact to determine the appropriate level of detail for reporting.

Example Only

Agencies With 1,000 Or Greater FY 2004 FTE

Agency Title

Department of Agriculture
Department of Commerce
Department of Defense--Military
Department of Education
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
Corps of Engineers-Civil Works
Other Defense Civil Programs
Environmental Protection Agency
Executive Office of the President
General Services Administration
International Assistance Programs
National Aeronautics and Space Administration
National Science Foundation
Office of Personnel Management
Small Business Administration
Social Security Administration
Broadcasting Board of Governors
Court Services and Offender Supervision Agency for the District
Equal Employment Opportunity Commission
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Trade Commission
National Archives and Records Administration
National Labor Relations Board
Nuclear Regulatory Commission
Railroad Retirement Board
Securities and Exchange Commission
Smithsonian Institution
Tennessee Valley Authority