



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

April 25, 2006

M-06-14

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III  
Acting Director 

SUBJECT: Planning for the President's Fiscal Year 2008 Budget Request

This memorandum provides general funding and management guidance for preparation of the President's FY 2008 Budget.

The FY 2008 Budget will reflect the President's policy agenda to promote economic growth and create jobs. We must also focus resources on our highest national priorities: winning the global war on terror and protecting our citizens and homeland. To be successful in these endeavors, the Administration needs sound and innovative policy proposals that achieve these objectives while constraining overall discretionary and mandatory spending growth.

In developing the FY 2008 Budget, agencies should use the principles and tools put in place by the President's Management Agenda, including the Budget and Performance Initiative and the Program Assessment Rating Tool, to identify ways your agency can meet its goals in the most efficient manner. Your proposals should be justified by performance evaluation and cost analysis. They should also reflect your agency's intent to participate in and implement the government-wide lines of business. Please ensure that your departmental Chief Information Officer has reviewed your budget proposal in areas of E-Government and information technology before you transmit it to OMB.

Agencies should work with your OMB contact to determine the funding target(s) for your FY 2008 budget proposal to OMB. Once targets have been established, agencies are required to submit budget proposals that meet these targets. Submissions are due to OMB by September 11, 2006. Like last year, your prior-year budget information will be due in early December, followed by baseline budget information in mid-December. In addition, early collaboration between your agency and OMB on major legislative or other initiatives -- well before submission of your budget proposal -- would help to advance the President's priorities.

The 2006 and 2007 Budgets each included a savings and reforms volume that proposed the termination or reduction of low-priority and ineffective programs and advanced reforms to improve program efficiency and effectiveness. Agencies are encouraged to take a close look at their programs and identify additional opportunities to reduce spending and improve program results.

For additional guidance on the budget submission process, please refer to Circular A-11. The latest update to the Circular will be released this summer.

We look forward to working with your agency to develop the President's FY 2008 Budget.